San Jose Water Proof-of-Concept Demonstration Facility to Turn Recycled Water into Drinking Water

Purification plan to expand supply, protect affordability for the company's customers

San Jose, Calif. — April 22, 2026 — San Jose Water (SJW) today announced a new project to purify recycled water into high-quality drinking water, strengthening Silicon Valley's long-term access to reliable water supplies and assuring affordability for customers.

The proof-of-concept demonstration will test direct potable reuse, or DPR, an advanced treatment process that purifies recycled wastewater in alignment with California's DPR regulations. Western U.S. communities increasingly are turning to DPR as a resilient, local water source in the face of drought and climate change challenges.

"Our goal is to test this new technology to see if it can become a reliable and affordable long-term water source for our customers," said Tanya Moniz-Witten, President of San Jose Water. "Our mission is simple: to deliver affordable, reliable water that puts customers first."

SJW's DPR demonstration facility, or pilot project, includes design and implementation of a mobile water purification unit that will cost around $3 million. Having a mobile unit allows for deployment throughout SJW's service area to demonstrate performance and support community education.

The company anticipates the demonstration system will be available within two years, including time for testing and evaluation in accordance with state regulations. SJW has engaged a design consultant to guide the initial phases of engineering and regulatory compliance. The company is also engaging with other water agencies, such as the San Francisco Public Utilities Commission and South Bay Water Recycling, in sharing technical insights and best practices to help advance innovative treatment solutions and improve regional resilience.

Learnings from community feedback and results of the unit's demonstration project will inform the design and construction of a full-scale recycled water purification plant.

SJW emphasized that its DPR project is designed to advance the technology in a step-by-step approach focused on efficiency, flexibility and fiscal stewardship, while allowing the region to explore new water supplies that support long-term growth and drought resilience.

“Every infrastructure decision ultimately affects the bills customers pay,” Moniz-Witten said. “That’s why it’s critical that new water projects are designed efficiently and managed responsibly from the start.”

The company also said regional collaboration will be important in evaluating future water supply options.

“Developing new water supplies will require partnership and innovation across the region,” Moniz-Witten said. “We are engaging with local agencies, as well as community stakeholders, to share knowledge and explore how recycled water purification can strengthen water reliability while protecting affordability.”

As demands for drought-resilient, inexpensive and reliable sources grow, states have adapted DPR regulations that support water utilities’ pursuit of these projects. Colorado approved the nation’s first statewide DPR regulations in November 2023, followed by California in October 2024 and Arizona in March 2025.

About San Jose Water

Founded in 1866, San Jose Water is a regulated private utility and one of the largest and most technically sophisticated urban water systems in the United States. The company serves more than one million people in the greater San Jose metropolitan area. San Jose Water is owned by H2O America, a publicly traded company listed on the NASDAQ Stock Market under the symbol HTO. H20 America also owns: Connecticut Water Company in Connecticut; Maine Water Company in Maine; and Texas Water Company in Texas. To learn more about San Jose Water, visit www.sjwater.com.