

**MINUTES OF THE STUDY SESSION OF THE  
SAN JOSÉ CITY COUNCIL AND THE BOARD OF DIRECTORS OF THE  
SANTA CLARA VALLEY WATER DISTRICT JOINT MEETING**

**SAN JOSÉ, CALIFORNIA**

**WEDNESDAY, SEPTEMBER 27, 2006**

The Council of the City of San José convened at 9:00 a.m. in joint session with the Santa Clara Valley Water District Board of Directors at District Headquarters Boardroom, 5700 Almaden Expressway, San José, California.

Present: Council Members - Campos, Chavez, Chirco, Cortese, LeZotte, Nguyen, Pyle, Reed, Williams, Yeager; Gonzales.  
Absent: Council Members - None.

Present: SCVWD Members - Chair Wilson, Estremera, Sanchez, Santos, Kamei, Zlotnick.  
Absent: SCVWD Members - Judge.

Documents Filed: (1) Agendas of the Joint City/Santa Clara Valley Water District (SCVWD) Study Session. (2) Memorandum co-authored by City Manager Les White and SCVWD Chief Executive Officer Stanley M. Williams, dated September 18, 2006, providing the purpose and format of the Joint Study Session on Water Issues, with copies of the Power Point presentation and fact sheets on the principle discussion areas. (3) Supplemental memorandum from Director of Environmental Services Stufflebean, dated September 25, 2006, providing replacement fact sheets to the Power Point presentation on the principle discussion areas.

San José Mayor Ron Gonzales and SCVWD Chair Larry Wilson welcomed meeting participants and moved the agenda to Item 3.

- 3. Joint City Council and District Board Study Session on Water Uses**  
**Presentation and discussion of Water issues Related to:**
- (a) Water Supply**
  - (b) Recycled Water Expansion**
  - (c) Infrastructure Financing**

**3. Joint City Council and District Board Study Session on Water Uses (Cont'd.)**

**Presentation and discussion of Water issues Related to:**

- (a) Water Supply**
- (b) Recycled Water Expansion**
- (c) Infrastructure Financing**

Recommendation: The Council and Board participate in a joint study session focusing on key water supply issues raised during the April 4, 2006 joint City and District meeting listed above, and provide direction to their respective staff to notice and agendaize for subsequent meetings, any actions deemed necessary as a result of today's discussion.

San José Mayor Ron Gonzales presented opening comments pertaining to ongoing efforts of the City to address water management issues.

Santa Clara Valley Water District CEO Stan Williams presented opening comments regarding water issues and water management. He presented an overview of the cooperative efforts between the City of San José and the Santa Clara Valley Water District (SCVWD).

Mr. Williams explained the purpose of the meeting was to provide opportunities for the Board and Council to discuss issues and concerns.

Director of Environmental Services John Stubblebean conveyed City Manager White's regrets for his inability to attend; provided an overview of the City's water policy framework; and discussed the City policy updates outlined on Pages 2 and 3 of the attached presentation.

**3(a) Water Supply**

The Council and Board considered the water supply information contained on Pages 5 through 27 of the presentation, and on Fact Sheet Nos. 2 through 11.

District Staff Ann Draper outlined the District's Comprehensive Plan.

The following is a summary of key presentation points: (1) The District is creating a Water Resource Comprehensive Plan that will be in the form of a municipal General Plan; (2) The Association of Bay Area Governments (ABAG) project county population to increase by 520,000 new residents and 440,000 new jobs by the year 2030, (3) Without improved water use efficiently, including conservation and recycling investments, the county's water demand will exceed supply before 2010; and (4) Including conservation, recycled water, and increased Hetch Hetchy use, 31,000 acre feet of the water needed to meet year 2030 demands remains unidentified.

Acting Director of Planning, Building and Code Enforcement Joe Horwedal presented an outline of water supply including growth projections.

**3(a) (Cont'd.)**

SCVWD Assistant Operating Officer Melanie Richardson presented an overview of the water demand and water supply trends and options, including, growth projections, water demand and supply, how to meet the demand, conservation, Hetch Hetchy, climate change and supply options. She reported that the City of Morgan Hill plans to adopt a water conservation ordinance, and requested the Board and Council hold conceptual discussion on conservations ordinances; and solicited feed back on the alternatives listed on Pages 21 and 28 of the presentation.

Council and Board member comments ensued.

**3(b) Recycled Water Expansion**

The Council and Board considered the recycled water expansion information contained on pages 28 through 42 of the presentation, and on Fact Sheet No. 12.

The following is a summary of key presentation points: (1) The District's Integrated Water Resources Plan calls for triple recycled water use by the year 2010, (2) Significant investments will need to be made to expand recycled water treatment for groundwater recharge use, and (3) Central Valley recycled water is delivered to the county through the District's Delta water rights, and (4) According to a 2004 survey, 42 percent of county residents consume bottled water, 36 consume filtered tap water, and 12 percent consume tap water.

Mr. Eric Rosenblum, Division Manager, South Bay Water Recycling, requested the Board and Council hold conceptual discussion and provide prioritization feedback on the recycled water expansion options outlined on Page 33 of the presentation.

Council and Board member questions and comments followed.

**3(c) Infrastructure Financing**

The Council and Board considered the infrastructure financing information contained on Pages 43 through 51 of the presentation, and on Fact Sheet Nos. 13 through 15.

The following is a summary of key presentation points. (1) The District's current water rate is 35 dollars per acre foot lower than projected in 2001, (2) As part of its rate setting process, the District works collaboratively with retailers to understand service to cost ratios and solicit feedback on service priorities, and has initiated measure to assure efficiency, (3) Global development is driving up construction costs at a rate of 15-20 percent per year.

Mr. Walter Wadlow, Chief Operating Officer, Water Utilities, requested the Council and Board discuss and provide feedback on the infrastructure funding issues outlined on Page 52 of the presentation.

**3(c) (Cont'd.)**

Brief Council and District comments followed. Mr. Wadlow summarized key discussion points from today's meeting.

**2 Time Open for Public Comment on Any Subject Not on the Agenda.**

Chairperson Wilson and Mayor Gonzales returned the agenda to Item 2.

Ms. Trish Mulvey, Clean South Bay, expressed appreciation for the joint discussions and said that Clean South Bay and the Santa Clara Basin Watershed Management Initiative supported increased recycled water use.

**4 Adjourn to District's Annual Hispanic Celebration at 12:00 p.m. at Administration Building Patio.**

Chairperson Wilson and Mayor Gonzales adjourned the meeting at 11:51 a.m. to the District's Annual Hispanic Celebration at 12:00 p.m. at the District Administration Building Patio, 5750 Almaden Expressway, San José; and to the next regularly scheduled Board meeting at 9:30 a.m. on October 10, 2006, in the District Headquarters Building Boardroom, 5700 Almaden Expressway, San José, and the Council Study Session at 9:00 a.m. on September 29, 2006, in the Council Chambers, 200 East Santa Clara Street, San José.

Minutes Recorded, Prepared and Respectfully Submitted by,

Lee Price, MMC  
City Clerk

smd/9/27-07jt/cc/scvwdMIN

Access the video, the agenda and related reports for this meeting by visiting the City's website at [www.sanjoseca.gov/clerk/MeetingArchive.asp](http://www.sanjoseca.gov/clerk/MeetingArchive.asp)