



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: LES WHITE
City Manager

HONORABLE BOARD
OF DIRECTORS

STANLEY M. WILLIAMS
Chief Executive Officer

SUBJECT: SEE BELOW

DATE: 09-18-06

SUBJECT: JOINT CITY COUNCIL AND DISTRICT BOARD STUDY SESSION ON WATER ISSUES

PURPOSE OF STUDY SESSION

Presentation and discussion of water issues related to:

- a. Water Supply
- b. Recycled Water Expansion
- c. Infrastructure Financing

EXECUTIVE SUMMARY

This memo provides information on the purpose and format of the upcoming Joint Study Session on Water Issues scheduled for September 27 by the San José City Council and the Santa Clara Valley Water District Board of Directors. Attached are copies of the PowerPoint presentation and fact sheets on the principle discussion areas.

OUTCOME

Citizen services are more effectively provided when the staffs of the two agencies coordinate on areas of mutual concern and are provided direction by the two governing bodies.

BACKGROUND

The City of San Jose (City) and the Santa Clara Valley Water District (District) have interrelated responsibilities within San José and the Treatment Plant tributary area. The City provides a broad range environmental services and regulates land use within the City, while the District is the primary wholesale water supplier for the County and is responsible for flood management, stream and watershed stewardship and comprehensive management of the groundwater basins. Staff to the two agencies work cooperatively as a means of most effectively providing these services.

Five annual joint meetings have been held by the City Council and District Board since 2002 to review joint efforts by their respective staffs and to provide coordinated direction. The most recent joint meeting was held April 4, 2006. In addition, the Board and Council have received semi-annual joint memos detailing results, issues, and status to date.

ANALYSIS

The format for the joint meetings and memos has been a status report on the variety of issues, many of which are projects that have been jointly worked on over extended periods. Because of the number of activities presented, the joint meetings have focused on review rather than in-depth discussion on specific items.

At the April 4, 2006, joint meeting, the Council and Board directed staff to come back with responses to several questions regarding coordination of water supply issues. In order to fully respond to the questions raised at the April 4th meeting, and allow the in-depth discussions appropriate for these issues, the requested information is being brought back to the Council and Board in a study session format.

The joint study session will focus on the three key issues related to water supply that were raised at the April joint meeting, namely 1) overview of water supply, 2) expansion of recycled water, and 3) infrastructure financing. The meeting format will include:

- A broad overview of these three issues
- A focused presentation by staff on each one
- Council and Board discussion

Any action that the Board and/or Council may want to take on any of the issues that are discussed today must be noticed and agendaized for subsequent meetings. If this format proves to be valuable to the Board and Council, consideration may be given to holding focused study sessions on other important issues of joint interest.

To facilitate the discussion, the attached packet contains copies of the slides that will be discussed for each topic and related fact sheets that give more in-depth background on specific issues. Staff will also be available to answer questions that come up during the Council and Board discussion.

Next Steps

Staff will report back in the next joint City/District meeting or joint memo with responses to action items that result from this meeting and recommend direction for next steps.

In addition, assuming this forum proves valuable, staff will schedule subsequent joint work study session(s) focusing on other key topics of mutual interest..

PUBLIC OUTREACH/INTEREST

Although this action does not meet any of the criteria below, this memorandum is posted on the City Council Agenda Website.

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

COORDINATION

This memo has been coordinated with the City Departments of Planning, Building and Code Enforcement; Parks, Recreation and Neighborhood Services; Public Works; and Transportation. It also has been coordinated with the City Attorney's Office, Redevelopment Agency, and the related departments at the Santa Clara Valley Water District.

COST SUMMARY/IMPLICATIONS

There are no financial impacts related to this item.

09-18-06

Subject: Joint City Council and District Board Study Session on Water Issues

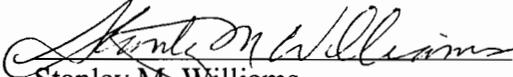
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CEQA

Not a project.



Les White
City Manager
City of San José



Stanley M. Williams
Chief Executive Officer
Santa Clara Valley Water District

For questions, please contact:

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Melanie Richardson, Santa Clara Valley Water District, Water Supply Unit, (408) 265-2600

<p>water use</p> <p>b. Need for public outreach</p> <p>c. Options for expansion</p>	<p>alternatives</p> <p>Board and Council Discussion on where to focus our efforts</p>	<p>30 min</p>	<ul style="list-style-type: none"> ○ It is monitored and tested. City and District staff work closely together to ensure protection of the groundwater. ○ There are near and long term options for expansion ○ The most cost effective option is groundwater recharge reuse ○ Groundwater recharge reuse is being done successfully all around the world. ○ The key challenge is public education and the key to success is Board and Council leadership. ○ Are you comfortable exploring that option? ○ Direction on next steps
<p>6. Water Supply Infrastructure Funding</p> <p>a. How water projects are funded now</p> <p>b. Water rates</p> <p>c. Water costs</p> <p>d. Infrastructure needed</p> <p>e. Revenue sources</p>	<p>Staff presentation: Walt Wadlow on infrastructure and funding</p> <p>Board and Council Discussion on funding needs and options</p>	<p>15 min</p> <p>30 min</p>	<p>Key messages</p> <ul style="list-style-type: none"> ○ The current rates don't cover the investment needs ○ Additional investments are needed now and in the future to meet growth demands for water. ○ How can we work together to fund the necessary infrastructure? ○ There are different funding options available for different types of projects so we can't provide lots of details without having direction on the projects. ○ Direction on next steps
<p>7. Public Comment on the items on the agenda</p>		<p>10 min</p>	
<p>8. Open discussion</p>	<p>Board and Council</p>	<p>10 min</p>	<ul style="list-style-type: none"> ○ Final comments on items on the agenda ○ Summary by Mayor and Board Chair
<p>9. Summary of key discussion from today's meeting</p>	<p>Walt Wadlow John Stufflebean</p>	<p>5 min</p>	<ul style="list-style-type: none"> ○ Review of key direction on items above ○ Next steps – Staff will report back on progress and as additional direction is needed ○ Meeting format – do the Board

			and Council prefer the study session format or the annual comprehensive review of progress in all areas?
10. Open discussion	Board and Council	5 min	Opportunity to discuss topics not on the agenda
Public Comment on items not on the agenda		5 min	
11. Close meeting	Mayor and Board Chair	2 min	