



Sent to Council:

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OCT 12 2010

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# Memorandum

**TO: HONORABLE MAYOR  
AND CITY COUNCIL**

**FROM: Nadine Nader**

**SUBJECT: Early Council Packet**

**DATE: October 12, 2010**

Approved

Date

10/12/10

## EARLY DISTRIBUTION COUNCIL PACKET FOR OCTOBER 26, 2010

Please find attached the Early Distribution Council Packet for the October 26, 2010 Council Meeting.

### **5.x Grant Application for the Hetch-Hetchy Trail Ramp/Staircase Project.**

**Recommendation:** Adopt a resolution that:

- (a) Authorizes the City Manager, or designee, to submit a grant application in the amount of \$1,500,000 to the Metropolitan Transportation Commission (MTC) under the Community Design and Transportation (CDT) Capital Grant program for the Hetch-Hetchy Trail Ramp/Staircase Project (Project);
- (b) Certifies that the City will have available, prior to commencement of any work on the Project included in the application, the required local match of \$645,000 and any additional sufficient funds to complete the Project;
- (c) Certifies that the City has or will have sufficient funds to operate and maintain the Project;
- (d) Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines for the Project; and
- (e) Delegates the authority to the City Manager, or designee, to conduct all negotiations, execute and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the Project.

CEQA: Mitigated Negative Declaration, File No. PP04-323. (Parks, Recreation and Neighborhood Services)

**5.x Joint Use Agreement with Alum Rock Union Elementary School District and Related Funding Actions.**

**Recommendation:** Adopt a resolution:

- (a) Authorizes the City Manager to negotiate and execute a joint use agreement with Alum Rock Union Elementary School District ("District") for a 25 year term from project acceptance for the design, construction, operation, maintenance, joint use and funding of an artificial turf soccer field, a synthetic running track and support amenities ("Project") on William L. Sheppard Middle School property in an amount not to exceed \$1,500,000; and
- (b) Authorizes the City Manager to execute an amendment to the Agreement, subject to the completion of CEQA review by the District, to include lights to illuminate the soccer field as a part of the Project and to increase the City's contribution to the Project by \$500,000 for a total of \$2,000,000; and
- (c) Authorizes the City Manager to terminate the Agreement on behalf of the City for any reason deemed prudent by the City Manager, including without limitation if the Project does not include lights to illuminate the soccer field; and
- (d) Adopt the following Appropriation Ordinance amendments in the Construction Tax and Property Conveyance Tax Fund, Parks Purposes Council District 5 (Fund 382):
  - (1) Increase the Alum Rock School District Sports Field Partnership (Sheppard Middle School) project by \$500,000; and
  - (2) Decrease the Ending Fund Balance by \$500,000.

CEQA: Categorical Exemption: Class 1: Sec. 15301 and Class 2: Sec. 15302. Council District 5. SNI: Alum Rock. (Parks, Recreation and Neighborhood Services/City Manager's Office)

**TO BE DISTRIBUTED SEPARATELY**

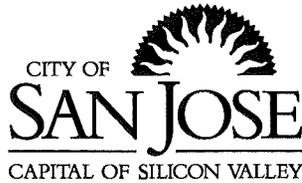
**7.x Municipal Water System's Water Supply Assessment for Envision San José 2040 General Plan Update.**

**Recommendation:** Approve the San Jose Municipal Water System's Water Supply Assessment for Envision San José 2040 General Plan Update. CEQA: Statutorily Exempt, File No. PP10-066 (d), Planning and Feasibility Studies; CEQA Guidelines Section 15262.

These items will also be included in the Council Agenda Packet with item numbers.



NADINE NADER  
Assistant to the City Manager



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Albert Balagso

**SUBJECT:** SEE BELOW

**DATE:** 10-04-10

Approved

Date

10/7/10

**COUNCIL DISTRICT:** 4

**SUBJECT: GRANT APPLICATION TO SUPPORT DESIGN AND CONSTRUCTION OF THE HETCH-HETCHY TRAIL RAMP/STAIRCASE PROJECT**

## RECOMMENDATION

Adopt a resolution that:

1. Authorizes the City Manager, or designee, to submit a grant application in the amount of \$1,500,000 to the Metropolitan Transportation Commission (MTC) under the Community Design and Transportation (CDT) Capital Grant program for the Hetch-Hetchy Trail Ramp/Staircase Project (Project); and
2. Certifies that the City will have available, prior to commencement of any work on the Project included in the application, the required local match of \$645,000 and any additional sufficient funds to complete the Project; and
3. Certifies that the City has or will have sufficient funds to operate and maintain the Project; and
4. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines for the Project; and
5. Delegates the authority to the City Manager, or designee, to conduct all negotiations, execute and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the Project.

## OUTCOME

City Council approval of the recommended actions will authorize the City Manager, or designee, to apply for a grant under the Community Design for Transportation (CDT) program for

\$1,500,000, accept any grant funding award, negotiate and execute grant agreements, or other necessary documents, with the Metropolitan Transportation Commission (MTC) for the Project.

The grant in combination with a local match of \$645,000 will be used to construct a 300' ramp along engineered flood control levee which will connect Lower Guadalupe River Trail to the existing Hetch-Hetchy Spur Trail. When full funding is secured, staff will return to seek City Council authorization for the award of a construction contract and related budget appropriation actions.

### **EXECUTIVE SUMMARY**

Staff is recommending the submission of a grant application for \$1,500,000 to the MTC under the CDT Capital Grant program to support design and construction of the Hetch-Hetchy Ramp/Staircase.

As part of the grant application, the City is certifying that, if grant funds are awarded, it will provide a local match of \$645,000 towards the Project. The Project consists of design and construction of a 300' ramp and staircase structure. The completed Project will connect the Hetch-Hetchy Trail with the Lower Guadalupe Trail system.

### **BACKGROUND**

In April 2000, City Council approved the City's Greenprint. The Greenprint is a 20-year strategic plan for development of parks, community facilities, and programs. The Greenprint generally defines a 100-mile network as a primary Trail Program goal for the City. It identifies the Guadalupe River Trail as one of the systems that comprises the network. On December 9, 2009 (Council Item 5.2), the City Council approved the 2009 Greenprint Update which continues to reference the Guadalupe River Trail.

On June 21, 2005 (Item 2.14), the City Council approved the Lower Guadalupe River Trail Master Plan for trail development between Gold Street and Highway 880. The plan identified an access ramp and staircase improvements, including possible additions to the trail that will link to the Hetch-Hetchy Trail.

In August 2005, President Bush signed the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). This legislation included an earmark to support trail development in San José, including \$5.8 million for the Lower Guadalupe River Trail project. Funding through the SAFETEA-LU has been used to prepare environmental documentation, construction documents and most related permits and easements for development of the entire 6.4 mile Guadalupe River Trail system.

The CDT Grant Program was created by Santa Clara County VTA primarily to support better integration of transportation and existing land uses. It is identified in the 25-year, long-range

countywide transportation plan and the Valley Transportation Plan (VTP) 2035. This program awards grants to member agencies to assist them with planning, design, and construction of projects that embrace the concepts, principles, practices, and actions outlined in VTA's Community Design and Transportation Manual of Best Practices for Integrating Transportation and Land Use. The VTA Board recommends projects for funding to the MTC Board.

## **ANALYSIS**

The CDT grant program favors projects that address transportation connectivity, integrate transportation and land use, and support livable communities. The program promotes a return to pedestrian scale design with consideration of access by foot, bike, transit and automobile. The projects must target areas of growth, infill and redevelopment areas that integrate transit, are construction ready, and need additional money to be completed. As part of obtaining CDT funds, the Project must obtain California Environmental Quality Act (CEQA) and National Environmental Protection Act (NEPA) clearances.

Hetch-Hetchy Ramp structure is a strong candidate for a CDT grant for the above and following reasons:

- It addresses connectivity between two trail systems, the Hetch-Hetchy Trail and the Lower Guadalupe Trail systems.
- It links a bikeway to two light rail stations.
- The Project is being addressed as part of NEPA documentation for the entire Lower Guadalupe River Trail system.

The Hetch-Hetchy Trail runs over the City of San Francisco's Hetch-Hetchy Aqueduct in North San Jose. Once the Project is built, the ramp will connect the Hetch-Hetchy Trail with the Lower Guadalupe Trail system. The developed portion of the Hetch-Hetchy trail currently runs through a business park setting, much of it through parking lots. There are several street crossings along the route. With further development, the Hetch-Hetchy Trail has the potential to connect the Coyote Creek Trail along with the Lower Guadalupe River Trail.

The Project will permit trail users to travel from the Hetch-Hetchy trail to the Lower Guadalupe trail system. It will be designed to meet ADA requirements for accessibility. The staircase will be primarily for pedestrian use.

The Lower Guadalupe River Trail Master Plan identifies the Project as a "linkage via paved ramp to the Hetch-Hetchy urban trail" in Reach C segment: Tasman Drive to Montague Expressway project description. Currently, the City is working with Caltrans and is in the process of obtaining NEPA for the master plan.

The CDT program requires the City to meet the following requirements (See Attachment A for list of grant requirements):

Requirement	Addressed in the following manner:
Requires strict adherence to MTC's regional deadlines and provisions of the regional project funding delivery policy.	If funded, the Project will be managed by a team of Department of Public Works (DPW) professionals that develop trail projects in a timely manner on a regular basis. PRNS will process invoicing on a quarterly basis.
Requires VTA involvement for all design meetings and public ceremonies.	Staff will invite VTA for all design meetings and public ceremonies associated with the Project.
Complete a field review by Caltrans within six month after grant award.	Staff will request a field review within the six months.
Construct the Projects within two years after receipt of E-76 (funding agreement).	DPW Engineer estimates that Project will be completed within two years once E-76 is received.
Comply with CEQA and NEPA and other federal transportation guidelines, state and local laws including California Transportation Commission (CTC) Guidelines.	The Project design is consistent with all known government regulations and will be coordinated with Caltrans' Office of Local Assistance.
The Project must be maintained for the expected life cycle for the type of project. If it is not maintained in such a manner, reimbursement of all or a portion of the enhancement funds may be required.	Funding for the annual operating and maintenance costs necessary to maintain and patrol this trail would be addressed through a future budget process. The operating and maintenance costs were included in the 2011-2015 General Fund Forecast, which was released on February 26, 2010, as the General Fund Forecast includes funding for 3.3 miles of new (unidentified) trails each year.

The Project fits the guidelines of CDT grant program. Construction of the Project is estimated to cost \$2,145,000. Since grant funds will be provided on a reimbursement basis, the City will need to advance funds for the Project. As part of a future council memorandum, staff would likely recommend the use of expected eligible Park Trust Funds from North San Jose Development Projects and/or Council District 4 Construction and Conveyance Tax funds to advance funds for the Project.

As part of the grant application process, the City is required to adopt a resolution (see Attachment B) and to make certain commitments, assurances, and certifications described in this memorandum and the attached resolution.

**EVALUATION AND FOLLOW-UP**

If the City is awarded the grants for the Project, staff will seek the required appropriation actions including appropriation of fronting funds in the amount of \$2,145,000 by the City Council as well as the authorization for the award of a construction contract at a later date. If the grant is

awarded to the City in full, the City will be reimbursed for grant eligible expenditures in the amount of \$1,500,000.

## **POLICY ALTERNATIVES**

### ***Alternative #1: Do Nothing***

**Pros:** Does not require staff time in the preparation of an application package.

**Cons:** Inconsistent with City Council's approach of seeking grant funds to develop projects when feasible.

**Reason for not recommending:** The project is well suited for this funding source and the City would lose an opportunity to seek and receive grant funding that will help build this Project.

## **PUBLIC OUTREACH/INTEREST**

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 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)**
- Criterion 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)**

The proposed Council action meets Criterion 1. The memorandum will be posted on the City Council's Agenda website prior to the October 26, 2010 City Council meeting.

## **COORDINATION**

This memorandum has been coordinated with the City Attorney's Office, the City Manager's Budget Office, the Department of Public Works, and the Planning, Building and Code Enforcement Department.

## **FISCAL/POLICY ALIGNMENT**

This Project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy.

The Project is referenced in the Council-adopted Greenprint Update (December 8, 2009, item 5.2). Delivery of the Project supports Goal 10 of the Council-adopted Green Vision (October 30, 2007, item 9.1) to provide a 100-mile Trail Network by 2022.

### **COST SUMMARY/IMPLICATIONS**

Based on the most recent cost estimates, a total of \$2,145,000 is anticipated to be required to complete the Project. The CDT Grant award currently provides approximately 70% (\$1,500,000) funding for the Project. The CDT grant requires a 20% local match. Staff will likely recommend a local match of 30% or \$645,000 be appropriated from park eligible funds in the Park Trust Fund from future North San José Developments or through Council District 4 Construction and Conveyance Tax funds through the annual budget process or through a future City Council memorandum. Upon award and City's acceptance of the grant, these funds would be recommended to be appropriated as part of the 2011-2012 Budget process or through a future City Council memorandum.

The operation and maintenance of the ramp structure is expected to cost \$7,140 annually. This level of funding is consistent with other ramp structures. The operating and maintenance costs were included in the 2011-2015 General Fund Forecast, which was released on February 26, 2010, as the General Fund Forecast includes funding for 3.3 miles of new (unidentified) trails each year.

### **BUDGET REFERENCE**

Not Applicable

### **CEQA**

Mitigated Negative Declaration, File No. PP04-323

/s/

ALBERT BALAGSO  
Director of Parks, Recreation and  
Neighborhood Services

For questions please contact Matt Cano, Acting Deputy Director, at 408-535-3580.

Attachment A: VTA Requirements

Attachment B: CDT Program Sample Resolution

Attachment A: VTA Requirements

VTA is required to review and approve the final project designs for CDT Capital Grant projects to ensure that projects are consistent with the conceptual designs that were submitted as part of a sponsor's application to VTA.

1. Project Sponsor will provide VTA with an adopted council resolution within 3 months after CDT Program approval. \_\_\_\_\_
2. Project Sponsor will invite VTA to all design development meetings. \_\_\_\_\_
3. Project Sponsor will obtain CEQA and NEPA clearance for the project. \_\_\_\_\_
4. Project Sponsor will complete a field review through Caltrans Local Assistance within 6 months of VTA grant approval. \_\_\_\_\_
5. Project Sponsor will provide VTA with photographs of the existing conditions of the project. \_\_\_\_\_
6. Project Sponsor will meet with VTA to review project design at 35%, 65%, and 100% and allow VTA to comment on the plans. \_\_\_\_\_
7. Project Sponsor will send a final Preliminary Specifications and Engineering (PS & E) package to VTA for design review approval and Caltrans Local Assistance for final approval. \_\_\_\_\_
8. Project Sponsor will obligate all federal funds by February 1, of the year of programming. To obligate funds, Project Sponsor must receive an E-76 for construction. \_\_\_\_\_
9. Project Sponsor will advertise the project and award a construction contract immediately after receipt of E-76 for construction. \_\_\_\_\_
10. Project Sponsor will construct the project within 2 years after receipt of E-76 for construction. \_\_\_\_\_
11. Project Sponsor will invite VTA to participate in any public ceremonies held in connection with the project. \_\_\_\_\_
12. Project Sponsor will acknowledge VTA's funding contribution on all on-site project signage and on all printed materials distributed to the public that are related to the project. \_\_\_\_\_

\_\_\_\_\_  
City Manager Signature

\_\_\_\_\_  
Date

Attachment B: CDT Program Sample Resolution

Resolution of Local Support (STP/CMAQ Funding)

Resolution No. \_\_\_\_\_

**Authorizing the filing of an application for federal Surface Transportation Program (STP) and/or Congestion Mitigation and Air Quality Improvement (CMAQ) funding and committing the necessary non-federal match and stating the assurance to complete the project**

**WHEREAS**, City of San José is submitting an application to the Metropolitan Transportation Commission (MTC) for \$1,500,000 in funding from the federal Surface Transportation Program (STP) and/or Congestion Mitigation and Air Quality Improvement (CMAQ) program for the Hetch-Hetchy Ramp/Staircase (herein referred to as PROJECT) for the MTC Resolution, No. 3925, New Federal Surface Transportation Act (FY 2009-10, FY 2010-11 and FY 2011-12) Cycle 1 STP/CMAQ Program: Project Selection Criteria, Policy, Procedures and Programming (herein referred to as PROGRAM); and

**WHEREAS**, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA) (Public Law 109-59, August 10, 2005) continued the Surface Transportation Program (23 U.S.C. § 133) and the Congestion Mitigation and Air Quality Improvement Program (CMAQ) (23 U.S.C. § 149) through September 30, 2009; and

**WHEREAS**, SAFETEA has been extended pursuant to Public Law 11-118 and may be subsequently extended pending enactment of successor legislation for continued funding; and

**WHEREAS**, pursuant to SAFETEA, and the regulations promulgated there under, eligible project sponsors wishing to receive federal Surface Transportation Program and/or Congestion Mitigation and Air Quality Improvement Program (STP/CMAQ) funds for a project shall submit an application first with the appropriate Metropolitan Planning Organization (MPO), for review and inclusion in the MPO's Transportation Improvement Program (TIP); and

**WHEREAS**, the Metropolitan Transportation Commission (MTC) is the MPO for the nine counties of the San Francisco Bay region; and

**WHEREAS**, MTC has adopted a Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised) that sets out procedures governing the application and use of STP/CMAQ funds; and

**WHEREAS**, City of San José is an eligible project sponsor for STP/CMAQ funds; and

**WHEREAS**, as part of the application for STP/CMAQ funding, MTC requires a resolution adopted by the responsible implementing agency stating the following:

- 1) the commitment of necessary local matching funds of at least 20%; and
- 2) that the sponsor understands that the STP/CMAQ funding is fixed at the programmed amount, and therefore any cost increase cannot be expected to be funded with additional STP/CMAQ funds; and
- 3) that the project will comply with the procedures specified in Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised); and

- 4) the assurance of the sponsor to complete the project as described in the application, and if approved, as included in MTC's TIP; and
- 5) that the Project will comply with all the project-specific requirements as set forth in the PROGRAM.

**NOW, THEREFORE, BE IT RESOLVED** that the City of San José is authorized to execute and file an application for funding for the PROJECT under the Surface Transportation Program (STP) and Congestion Mitigation and Air Quality Improvement Program (CMAQ) of SAFETEA, any extensions of SAFETEA or any successor legislation for continued funding; and be it further

**RESOLVED** that the SAN JOSÉ CITY COUNCIL by adopting this resolution does hereby state that:

1. City of San José will provide (\$645,000) in non-federal matching funds; and
2. City of San José understands that the STP/CMAQ funding for the Project is fixed at the MTC approved programmed amount, and that any cost increases must be funded by the City of San José from other funds, and that City of San José does not expect any cost increases to be funded with additional STP/CMAQ funding; and
3. City of San José understands the funding deadlines associated with these funds and will comply with the provisions and requirements of the Regional Project Funding Delivery Policy (MTC Resolution No. 3606, as revised); and
4. PROJECT will be implemented as described in the complete application and in this resolution and, if approved, for the amount programmed in the MTC federal TIP; and
5. City of San José and the PROJECT will comply with the requirements as set forth in the program; and therefore be it further

**RESOLVED** that City of San José is an eligible sponsor of STP/CMAQ funded projects; and be it further

**RESOLVED** that City of San José is authorized to submit an application for STP/CMAQ funds for the PROJECT; and be it further

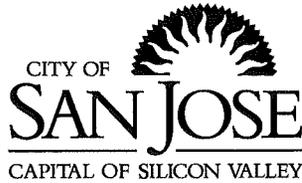
**RESOLVED** that there is no legal impediment to City of San José making applications for the funds; and be it further

**RESOLVED** that there is no pending or threatened litigation that might in any way adversely affect the proposed PROJECT, or the ability of City of San José to deliver such PROJECT; and be it further

**RESOLVED** that SAN JOSÉ CITY COUNCIL authorizes City Manager, or designee, to execute and file an application with MTC for STP/CMAQ funding for the PROJECT as referenced in this resolution; and be it further

**RESOLVED** that a copy of this resolution will be transmitted to the MTC in conjunction with the filing of the application; and be it further

**RESOLVED** that the MTC is requested to support the application for the PROJECT described in the resolution and to include the PROJECT, if approved, in MTC's TIP.



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** John Stufflebean

**SUBJECT:** SEE BELOW

**DATE:** 10-05-10

Approved

Date

10/12/10

**COUNCIL DISTRICT:** 2, 4, 7, 8

**SUBJECT: SAN JOSE MUNICIPAL WATER SYSTEM'S WATER SUPPLY  
ASSESSMENT FOR ENVISION SAN JOSÉ 2040 GENERAL PLAN  
UPDATE**

## **RECOMMENDATION**

Approve the San Jose Municipal Water System's Water Supply Assessment for Envision San José 2040 General Plan Update.

## **OUTCOME**

Council approval of the Municipal Water System's (Muni Water) Water Supply Assessment (WSA) is required for the assessment to be included in the environmental review of the City's General Plan Update process.

## **BACKGROUND**

As the Lead Agency, the City of San José is preparing an Environmental Impact Report (EIR) for the Envision San José 2040 General Plan Update. The EIR will evaluate several Land Use Study Scenarios for potential job and housing growth, including the "Preferred Scenario" selected by Council in April 2010. In June 2009, the Department of Planning, Building and Code Enforcement (PBCE) notified Muni Water, San Jose Water Company and Great Oaks Water Company of their need to prepare a water supply assessment.

As required by California Water Code Section 10910 (Senate Bill 610), Muni Water has prepared a WSA (Attachment 1) to assess whether its existing and future water supplies would be adequate to meet the water demands associated with the various Land Use Scenarios. California Water Code Section 10910, which became effective January 1, 2002, requires that a water supply assessment be provided to cities and counties by any retailer that may serve a project involving 500 or more residential units. The water supply assessment documents sources of water supply, quantifies water demands, evaluates drought impacts, and provides a

comparison of water supply and demand so that a determination of water supply sufficiency can be made for large development projects.

PBCE and their consultants performed an analysis of the anticipated job and population growth associated with the project, and coordinated with the Santa Clara Valley Water District (SCVWD), the wholesale supplier and manager of the groundwater basin, to aid in the estimation of future water supply to the area. This information was provided to each of the potential retailers.

### **ANALYSIS**

Muni Water utilized an existing consultant agreement with Todd Engineers to prepare a draft WSA. The assessment concludes that Muni Water has sufficient water supplies to meet projected water demands during normal and dry years based on information currently available. Future water demands are based on proposed land use, housing, population, and other demographic data from the project obtained from PBCE. Projected maximum water demands in the Muni Water service area attributable to development in line with the preferred scenario are expected to increase to 45,779 acre-feet per year (AFY) by 2035.

#### ***Water Supply***

Muni Water relies on multiple sources for water supply. Current and future water supply sources include imported water from the SCVWD and the San Francisco Public Utility Commission (SFPUC), groundwater from the Santa Clara Valley groundwater basin (which is managed by SCVWD in collaboration with local water agencies), and recycled water. In addition, water conservation is anticipated to reduce water demand from current projected amounts.

#### **SFPUC**

Water is provided to Muni Water's North San José service area from the SFPUC Hetch Hetchy aqueduct. In 2009, Muni Water accepted both a master Water Supply Agreement (the agreement common to all Bay Area Water Supply and Conservation Agency (BAWSCA) agencies), and a Water Sales Contract (specific to Muni Water). The City of San José currently has a contract for up to 5,039 AFY (4.5 million gallons per day, or mgd); this contract is both temporary and interruptible. The Water Supply Agreement with SFPUC is temporary in that it provides an assurance of supply only until December 2018. By December 2018, SFPUC will make further decisions on future water supply beyond 2018, after completing necessary cost analyses and the California Environmental Quality Act (CEQA) evaluation/documentation. The supply is interruptible before December 2018 if the SFPUC determines that aggregate use by all BAWSCA agencies will exceed 184 MGD in 2018. The supply cannot be interrupted until five years after San José has received notice of SFPUC's intention to reduce or interrupt deliveries.

BAWSCA is currently working on a long-term reliable water supply strategy to help ensure future supply to the member agencies. For the purposes of this report, it is assumed that the supply available to San José will remain the same through 2035. This is an extrapolation of current and historical water deliveries. However, these deliveries have been fulfilled for over three decades. Such extrapolation is a reasonable planning assumption based on available data.

As part of the new Water Supply Agreement, Muni Water may purchase water allocated to but not used by the City of Santa Clara, providing the combined purchases between the two retailers do not exceed 9 mgd. Muni Water may also purchase excess water supplies from other BAWSCA agencies. There are no assurances that this excess water will be available and excess supply is not included in water supply analyses. However, Muni Water is committed to purchasing the maximum amount of water available and reducing its reliance on other sources due to the uncertainties regarding the availability and sustainability of the groundwater basin.

### SCVWD

SCVWD has contracts with the State of California Department of Water Resources and the United States Bureau of Reclamation to receive, treat, and distribute surface water in the Santa Clara Valley. In 1972 SCVWD entered into the first contract to supply the City of San José with imported water. Another contract initiated in 1981 remains in effect until 2051. The contract established a schedule of water deliveries where the City submits a projected request for a five-year period to facilitate planning and SCVWD contracts annually for minimum deliveries, with restrictions based on peak demand and annual distribution. The City may have access to surplus water as available.

### Groundwater

Groundwater has long been a source of supply for Muni Water. Groundwater is available from the Santa Clara Valley groundwater basin, which is managed by SCVWD in collaboration with other agencies. Muni Water currently operates groundwater production wells in the Coyote and Santa Clara subbasins, which together comprise the larger Santa Clara Valley Groundwater Basin. The total available groundwater in a normal year, or sustainable yield, of the Santa Clara subbasins is determined by SCVWD. As part of the SCVWD's 2010 Urban Water Management Plan (UWMP) process, SCVWD will determine the sustainable level of groundwater extraction based on ABAG population projections for the County, water demands of retailers who use groundwater, hydrological conditions, groundwater levels, and the recharge needed to prevent subsidence and saltwater intrusion. Staff anticipates that the City's and SCVWD's UWMPs, scheduled to be completed in mid-2011, will support the analysis contained in the WSA.

### Recycled Water

Recycled water is an important component to overall water supply, and currently supplies approximately 11% of total water demands within Muni Water service areas. Recycled water provides for landscape irrigation, ornamental features (fountains), toilet flushing, and specific

industrial uses including cooling towers. It is assumed that these uses will continue in the future. Recycled water also can be extended to supply additional existing landscape irrigation demand (on separate landscape meters and around multi-family complexes) and to supply the irrigation demand of proposed multi-family, commercial, industrial, and park land uses.

### ***Water Demand***

The no-project scenario represents the greatest overall water demand. The preferred scenario has the largest water demand of the General Plan Update scenarios. At build out in 2035, the preferred alternative needs a total potable water supply of 38,428 AFY and recycled water supply of 7,351 AFY. However, all scenarios are within 5% of one another in terms of water demand. All scenarios represent an increase in water demand of approximately seventy to eighty percent of current levels.

### ***Overall Sufficiency***

For planning purposes, Muni Water prepares estimates of projected water supply 25 years into the future. In Muni Water's 2005 UWMP, potable water demand in 2030 was estimated to be 46,500 AFY, supplemented with 13,200 AFY recycled water for non-potable uses. However, the 2005 UWMP projected a larger supply from SFPUC; specifically the 2005 UWMP assumed a supply of 7,000 AFY when 5,000 AFY is now more likely, with additional water to be supplied by the SCVWD. Muni Water's 2010-UWMP will be prepared and forwarded to Council for approval in Spring 2011.

With less water available from SFPUC, Muni Water would need to rely more on additional supply available from the SCVWD. Assuming that additional SCVWD supplies can be used in lieu of SFPUC water, the overall amount of water supply is sufficient to meet the overall projected demand of the General Plan Update scenarios.

## **EVALUATION AND FOLLOW-UP**

This assessment will be included in the environmental review of the General Plan Update process. No additional follow-up actions with the Council are expected at this time.

## **POLICY ALTERNATIVES**

***Alternative #1:*** Provide direction for revision of the WSA.

**Pros:** Unknown.

**Cons:** All options for which adequate information was available were analyzed; revision of the WSA would delay the circulation of the General Plan Update's Draft EIR.

**Reason for not recommending:** Lack of information to support; project delay.

**PUBLIC OUTREACH/INTEREST**

- 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)**

This item does not meet any of the above criteria.

**COORDINATION**

The WSA was coordinated with the Department of Planning, Building, and Code Enforcement, the City Attorney's Office.

**COST SUMMARY/IMPLICATIONS**

There is no cost associated with approval of the recommendation.

**CEQA**

Statutorily Exempt, File No. PP10-066 (d), Planning and Feasibility Studies; CEQA Guidelines Section 15262.

/s/  
JOHN STUFFLEBEAN  
Director, Environmental Services

For questions please contact Mansour Nasser, Deputy Director, at (408) 277-3671.

Attachment 1- Water Supply Assessment  
Attachment 2- Appendix A