



## *Memorandum*

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**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** DEBRA FIGONE  
City Manager

HONORABLE BOARD  
OF DIRECTORS

BEAU GOLDIE  
Chief Executive Officer

**SUBJECT:** SEE BELOW

**DATE:** April 4, 2011

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**SUBJECT: STATUS REPORT ON COOPERATIVE EFFORTS BETWEEN THE CITY OF SAN JOSE AND THE SANTA CLARA VALLEY WATER DISTRICT**

### **RECOMMENDATION**

Accept the Annual Status Report on cooperative efforts in 2010 between the City of San José and the Santa Clara Valley Water District relating to flood protection, water supply, watershed protection, and policy/planning initiatives.

### **EXECUTIVE SUMMARY**

Over the past eight years, the City of San José (City) and the Santa Clara Valley Water District (District) have expanded the level and frequency of interagency coordination to the benefit of such projects as expansion of the trail network, facilitated construction and maintenance of capital projects, and an increased level of creek clean-ups. Ongoing projects are described in the following sections:

- A. Flood Protection
  - 1. Flood Preparedness
  - 2. Floodwater Management Projects
  - 3. Dam Safety
- B. Water Supply
  - 1. Water Supply Outlook
  - 2. Water Conservation
  - 3. Water Recycling
- C. Watershed Protection
  - 1. Trash Removal from Creeks

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2. Countywide Efforts Focused on Reducing Trash
  3. Santa Clara Valley Habitat Plan – A Conservation Legacy
  4. Parks, Trails, and Open Space Partnership
- D. Policy/Planning Initiatives
1. Adopting Joint Priorities in 2010-2011
  2. San Jose/Santa Clara Water Pollution Control Plant Master Plan
  3. Protection and Augmentation of the Water Supply
  4. Water Supply and Infrastructure Master Plan
  5. Flood Protection and Stream Stewardship Master Plan
  6. District Capital Improvement Program

## **BACKGROUND**

In January 2002, the San José City Council (Council) and the Santa Clara Valley Water District Board of Directors (Board) first met in joint session. The goal was to identify the many areas where the two agencies have overlapping responsibilities and to find ways to enhance coordination. Since then, the Board and Council have met at least annually to review progress, discuss issues of joint concern, and provide additional direction to staff. This memorandum is a review of progress and suggested next steps on a broad variety of City/District cooperative projects.

In addition to an annual review of cooperative efforts, the Council and Board began holding Joint Study Sessions to focus on specific issues. The most recent session was held on November 8, 2010 and focused on long-term planning efforts including the City's Envision 2040 General Plan and the District's Governance Policies, and planning issues related water supply, flood protection, stream stewardship and trails. Both the Council and Board have requested that staff bring forward for consideration the kinds of opportunities for joint lobbying that might improve the likelihood of securing state and federal funding.

## **ANALYSIS**

### **A. Flood Protection**

The City and the District are working on a number of significant floodplain management issues. Many of these were discussed at the Joint Study Session on flood management, held in late 2007. Project updates are detailed below:

#### **1. Flood Preparedness**

##### **a) U.S. Army Corps of Engineers Flood Protection Project Inspection Program**

The U.S. Army Corps of Engineers (Corps) implemented a more rigorous annual inspection program, following Hurricane Katrina, for completed federally-funded flood control works

which include the Guadalupe and Coyote levees in the City boundary. The rating system for the inspection program has numerous components with three overall possible project ratings: Acceptable, Minimally Acceptable, and Unacceptable. In 2010, the Guadalupe River and Coyote Creek levees were both rated Minimally Acceptable.

The ratings were minimally acceptable because of the presence of vegetation in areas designated as vegetation-free zones by the new levee vegetation management guidelines. Adhering to the new vegetation management guidelines could cause significant environmental impacts, and cause many federal, state and local agencies to voice their concerns. The Corps subsequently issued a vegetation variance process to review applications of deviation from the guidelines. The District is participating in efforts led by the National Association of Flood and Stormwater Management Agencies (NAFSMA), California Department of Water Resources (DWR) and County Engineers Association of California (CEAC) to develop variance plans that meet local and regional needs without incurring significant environmental impact or affecting levee integrity. The deadline for variance application is April 2011; however, it may be delayed due to considerable comments submitted to the Corps on the process. Information will be reported to the Council and Board in future status reports.

## **2. Floodwater Management Projects**

### **a) Shoreline Area Projects**

Two projects, the South San Francisco Bay Shoreline Study and the South Bay Salt Pond Restoration Project, are designed to restore bayside wetlands, provide tidal flood protection to low-lying bayside communities (some of which are below sea level due to subsidence), and enhance public access and recreation opportunities. Sponsoring agencies for both efforts are working with local municipalities regarding specific areas of interest. For San José, the central focus is the Treatment Plant lands.

- **South San Francisco Bay Shoreline Study:** The Shoreline Study (Study) began in 2005 to address “tidal and fluvial flood damage reduction, environmental restoration and related purposes”. The Study is to establish whether federal funds can be used for further planning, design and construction. In late 2010, the Corps of Engineers advised the local partners, SCVWD and CA State Coastal Conservancy, that an additional \$5,000,000 in local funding and up to six years would be needed to complete the Study. The SCVWD Board of Directors directed staff and Corps to consider ways of reducing Study cost and schedule. The Corps responded with a proposal to reduce Study scope, bring in a new project team, include local partners in a more active Study management role, and streamline normally required internal Corps reviews. City staff working on the San Jose/Santa Clara Water Pollution Control Plant (Plant) Master Plan have been involved in this project to ensure flood protection for this critical facility is included in the reduced study area. On March 8, 2011 the Corps presented specific alternative plans, costs and schedules to the SCVWD Board of Directors. The Board directed staff and the Corps to focus initially on the area bounded by the Guadalupe River and Coyote Creek, which is subject to significant economic damages from rising sea levels

and contains lower salt ponds floor that require flood protection prior to being restored to tidal action. The study will be completed in 2013.

- **South Bay Salt Pond Restoration Project:** The goal of the South Bay Salt Pond Restoration Project is to restore the 15,100 acres of former salt evaporator ponds acquired by the State and Federal governments in 2003. The project will restore tidal marshes and related habitats, and address flood management, public access and recreation. The California Coastal Conservancy and landowners California Department of Fish and Game and U.S. Fish and Wildlife Service led a broad coalition of agency staff, scientists and the public through the five-year development of a restoration plan for this property. January 2009 marked the completion of the project's planning phase when the project received permits and US Fish and Wildlife Service signed the Record of Decision.

Now, the largest wetland restoration project on the West Coast has started the implementation phase. The restoration of Pond SF2 at the western end of the Dumbarton Bridge, a very high visibility site, was completed in September 2010. A muted tidal connection at Pond A8 has been completed and will open in June 2011. Other Phase I projects proceed through 2013.

Adaptive management based on sound scientific study will be used to determine future phases of the project. This project is being closely coordinated with the South San Francisco Bay Shoreline Study to restore the South Bay. The project management team includes the Conservancy, the landowners, a lead scientist, representatives from the private foundations that helped fund the acquisition, the District, and Alameda County Flood Control and Water Conservation District. City staff have been active participants in the salt pond restoration process, including providing data and expertise. The cost to prepare the programmatic plan was approximately \$20 million. Of that, \$15 million was contributed by private foundations (Hewlett, Packard, Moore, and Goldman), \$500,000 by the District, and the balance from the State, through bond funding. Implementation is anticipated to cost approximately \$1 billion.

- **Pond A8 Applied Study:** One of the Phase I projects of the South Bay Salt Pond Restoration Project is the establishment of a muted tidal connection between Pond A8 and Alviso Slough. The District, working in partnership with property owner U.S. Fish and Wildlife Service and the California Coastal Conservancy, has recently completed the construction of an armored notch in the eastern levee of Pond A8. Uncertainties about legacy mercury concentrations in the Guadalupe River watershed and potential flood protection impacts require more knowledge before this area could be restored to full tidal action. The armored notch has been fitted with flashboards to allow phased opening and/or closure of the notch, based on monitoring of key mercury and flood protection indicators. Adaptive management will drive operations of the notch until such time as full tidal restoration can be approved or ruled out, depending on the monitoring results. Total project costs are estimated to be \$5 million. Both state (Prop 84) and federal stimulus funding have been secured and applied to the project's construction cost.

**b) Guadalupe Watershed Flood Protection Projects**

- **Guadalupe River Railroad and Vehicle Bridge Crossings:** The U.S. Army Corps of Engineers (Corps) received \$12.5 million in federal stimulus funding in 2009 to complete the construction of the new railroad and a vehicular bridge just south of Coleman Avenue. The Corps awarded the construction contract on July 24, 2009. The Corps anticipates completion of the railroad bridge by October 2011. At this time the construction of the vehicular bridge is being negotiated by the Corps and Union Pacific Railroad.

Other than the outstanding bridges, the work remaining involves finalizing real estate transactions between the City and the District and final project accounting among the Corps, the District and the City/Redevelopment Agency. The Corps is also completing the new Autumn Street rail crossing at San Jose Market Center as part of this project, which is of major importance to future downtown access.

- **Upper Guadalupe River Reach 6:** The District began construction of Reach 6 in May 2010. Reach 6 extends from Highway 280 upstream to the Union Pacific Railroad (UPRR) Bridge downstream of Willow Street. Construction is scheduled for completion in March 2012. District staff is coordinating with City staff to incorporate passive open space onto three upland mitigation planting areas along Palm Street, Harliss Avenue, and Edwards Avenue.
- **Upper Guadalupe River Reaches 7-12:** The federally funded portion of the Upper Guadalupe River Flood Protection Project continues upstream from Reach 6, extending from the UPRR Bridge to Blossom Hill Road. The Corps has completed stream improvements and riparian revegetation in Reach 10B (from the confluence of Canoas Creek to Koch Lane) in January 2010. However, heavy storms in October 2009 and January 2010 caused erosion along the new river alignment. The Corps is planning for additional construction in summer 2011 to address the erosion from the October 2009 and January 2010 storms. Design plans for channel improvements in Reach 12 (from Branham Lane to Blossom Hill Road) are also nearly complete. However, lack of federal funds has prevented the Corps from completing the design and begin construction this year. Pending available federal funds, Reach 12 construction is scheduled to begin in June 2012, and the entire Upper Guadalupe River Reaches 7 to 12 Project is scheduled for completion in 2019.

**c) Coyote Watershed Flood Protection Projects**

- **Mid-Coyote Project:** The Mid-Coyote Project extends 6.1 miles from Montague Expressway to Interstate 280. The project's primary objective is to enhance the creek's conveyance to protect homes, schools, businesses, and highways from a 100-year flood event. Additionally, the project will improve fisheries and habitat values and provide public access opportunities in cooperation with the City. District staff has held a series of community meetings over the past 6 to 8 months to present potential flood protection alternatives and obtain input and feedback from the community.

Staff has evaluated additional alternatives that would modify upstream reservoirs to provide greater storage during flood events, and thus reduce flood flows in Coyote Creek. Staff has also evaluated off-stream storage alternatives in the upper portions of the Coyote Watershed that would detain flood waters during high flow events, and thus minimize the volume of creek flows through the downstream urban areas. Staff is currently evaluating potential feasible alternatives in the reach between Montague Expressway and I-880 so construction can start in the reach in FY2014. The results of these alternative evaluations will be presented at upcoming community meetings in summer 2011.

District staff continues to participate on the City's Technical Advisory Committee for the Coyote Creek Trail Master Plan (Highway 237 to Story Road) to ensure that flood control and trail improvements can function within the constrained riparian corridor.

- **Upper Berryessa Creek Project:** This flood protection project originally extended approximately 4.3 miles from Calaveras Boulevard in Milpitas upstream to near Old Piedmont Road in San José. It is being developed in partnership with the Corps. The Corps is the project lead and the project is currently in the planning phase. Due to benefit/cost constraints, the Corps can now only fund flood protection improvements from Calaveras Boulevard up to Interstate 680 (2.4 miles). The Corps plans to prepare their General Re-evaluation Report (GRR) and environmental documents by 2012. According to the current schedule, construction may be completed by 2016 if federal funding is not interrupted. Completion of the Upper Berryessa Creek project is utterly important to reduce flooding risks of the BART Extension project which will begin startup testing in 2016.
- **Upper Penitencia Creek Project:** This project extends approximately 4.2 miles from the confluence with Coyote Creek (near Berryessa Road) upstream to Dorel Drive, all within the City of San José. It is currently in the planning stage and the Corps is the project lead. The Corps is currently developing a number of feasible alternatives to address flooding while improving riparian and fish habitat, reducing sedimentation and maintenance requirements, and providing for future trails improvements by the City. Alternatives being considered include excavated benches, levees and floodwalls, or combinations of these measures to minimize bypass culverts. The next step is for the Corps to select a federally recommended plan and prepare the appropriate engineering and environmental documents for public review and comment. These documents are anticipated to be completed by the end of 2012. District staff has been coordinating with VTA on the BART station project at Berryessa Road.

The City continues to strongly support this project to 1) remove up to 5,000 properties from a flood hazard zone, and 2) to allow for the reconstruction of the King Road Bridge, which is currently a traffic, pedestrian and bicycle bottleneck on this important major thoroughfare. The City has offered to support or partner with any efforts to prioritize federal funding for this construction.

- **Lower Silver Creek Project:** This project extends approximately 4.6 miles from the confluence with Coyote Creek (at Watson Park) to Lake Cunningham, all within the City of San José. The project was developed by NRCS in 1983, and reformulated in 1998, to

provide 1% flood protection. It is segmented into 6 reaches. Construction for Reaches 1 to 3, from the confluence to Highway 680, was completed in 2007. Completion of flood protection improvements for Reaches 4 to 6 was put on hold due to lack of available funding.

Federal ARRA stimulus funding of \$18 million was allocated to this project in spring 2009 through a cost-sharing contract with NRCS. Construction work in the reach between I680 to Story Road began in 2010 and is expected to complete by the end of 2013. The District appreciates the City's support on the project, especially on issues with traffic control and impacts to City's facilities.

District staff is coordinating with City staff to seek means to preserve and/or enhance the master planned trail alignment along Lower Silver Creek, particularly between Jackson Avenue and Capitol Expressway.

### **3. Dam Safety**

As part of the District's comprehensive dam safety program, District staff routinely monitors and studies the condition of each of its 10 dams to ensure public safety. Although all of the dams have withstood earthquakes in the past, analyzing their seismic safety is ongoing as new technology and geologic information becomes available. The status report on the seismic stability evaluation of District dams pertinent to San José is as follows:

#### **a) Anderson Dam Seismic Stability Evaluation**

The field investigation and seismic stability analyses are complete with the exception of the fault rupture portion which will be discussed below. The draft final report was prepared and sent to the two regulatory agencies, the state Division of Safety of Dams (DSOD) and Federal Energy Regulatory Commission (FERC), for their comment. Completion of the final report is scheduled for May 2011.

Findings to date show the existence of a 10-15 foot layer of material used to construct the downstream shell of the dam has the characteristics of a soil, rather than rock. This material is located next to the dam foundation, low in the structure. The findings also show the existence of a layer of alluvium in the dam foundation under the upstream shell. The seismic analysis concluded that both of these materials would liquefy during the Maximum Credible Earthquake causing significant deformation of the dam. Vertical deformation estimates range from 15 to 25 feet.

Based on this information, the consultant completing the study recommended the District implement a water level restriction of 40 to 45 feet below the dam crest to prevent the uncontrolled release of water in the event of a large earthquake causing damage to the dam. The current operating restriction is 57 feet below the dam crest and was based on the reservoir elevation at the time District staff was informed by preliminary analyses that the downstream shell was unstable. The analyses in the draft final report are now the best information available

and the District has made a request to the two regulatory agencies to modify the water level restriction to 45 feet below the dam crest.

A major capital project will be required to rehabilitate the dam, correct the deficiencies, and remove the operating restriction. The Anderson Dam Seismic Retrofit Project has been initiated for this purpose. The current schedule shows completion of construction in June 2018, and staff is investigating methods to accelerate the schedule. Approximately \$110 million has been included in the Five-Year Capital Improvement Program for this effort but this amount is based on very preliminary cost information. A more refined estimate will be available in September 2012, when the planning study is complete.

**Fault Rupture Portion:** As mentioned earlier, the fault rupture portion of the seismic stability analysis is not yet complete. To date, the study has determined that several faults exist under the dam, in the foundation. These faults would only move sympathetically if the Calaveras Fault moved nearby. If there is movement of these faults, it is not expected that the dam would be damaged, but the outlet pipe could be ruptured. The study is focusing on the expected activity of these faults. Currently, DSOD considers the faults "conditionally active" and would require the outlet pipe to withstand significant movement. This determination would probably require the construction of a new outlet in a tunnel around the dam. To demonstrate the safety of the current outlet, the District would need to show that the faults are "inactive" by proving that they have not moved in the last 35,000 years. To accomplish this, the consultant must perform a paleoseismic study to: locate the fault, expose it in a trench, find a sedimentary layer above the fault that has not moved, and then carbon date the material in the sedimentary layer. This work is very difficult and, so far, the consultant has been unable to locate these conditions.

#### **b) Almaden, Calero and Guadalupe Dam Seismic Stability Evaluations**

The seismic stability evaluations for these three dams are being conducted concurrently by one consultant. The initial field investigation is complete and the proposed engineering material properties are being reviewed by the Division of Safety of Dams (DSOD). The seismic stability analyses will commence once this information is approved by DSOD. The preliminary seismic evaluations are scheduled for completion in the fall 2011, with a draft report completed by February 2012, and the final report in March 2012.

Findings from the field investigation indicate that no faults exist under any of the three dams. However, the field investigation confirmed the presence of alluvial materials in portions of the foundations at all three dams, with probable liquefaction beneath the Calero Main Dam. Also, the Guadalupe Dam embankment is weaker than desirable. These issues will all be assessed further during the analyses.

To determine if the field investigation for Calero Dam was adequate, District staff had its consultant conduct a limited preliminary seismic analysis using simplified methods. A result of this analysis provided information indicating that the dam could deform significantly during a large earthquake on a nearby fault. Based on this information, District staff decided to set an

operating restriction of 20 feet below the dam crest for an added margin of safety until the detailed analyses are complete.

### **c) Lenihan and Stevens Creek Dam Seismic Stability Evaluations**

The seismic stability evaluations for these two dams are being conducted by one consultant. The initial round of drilling for the Stevens Creek field investigation is complete and additional drilling is ongoing. The field investigation for Lenihan Dam is under preparation. The consultant is conducting preliminary analyses for Lenihan, using existing data which has been extensively gathered over the last ten years, before determining the extent of this field investigation. These investigations are scheduled for completion by January 2012.

Findings from the field investigation indicate that no active faults exist under either dam. The initial round of drilling and lab investigation at Stevens Creek shows foundation alluvial materials that are potentially liquefiable. This information has been reviewed with DSOD and the field investigation expanded to further assess the quality of the alluvium.

### **d) Emergency Action Planning**

Staffs from both agencies continue to work effectively in emergency action planning. The District conducted an Emergency Operations Center (EOC) functional exercise, using an earthquake impacting Anderson Dam, on August 11, 2010. City staff participated in the exercise. The District also conducted a briefing for all agencies downstream of Anderson Dam on the preliminary results of the seismic stability analysis before public release. The Anderson Dam Emergency Action Plan is also updated annually with new information distributed to both District and City staff. A workshop was held November 10, 2010 with downstream agencies including the City of San Jose staff to review the updated Emergency Action Plan.

## **B. Water Supply**

Water supply is a key component of sustainable living and a vital economy in San José and Santa Clara County. The Association of Bay Area Governments projects that the population of the county will increase to 2.4 million by the year 2035. New population growth brings an increased demand for water. Although the City and District have been aggressively working to reduce residential and commercial water use through conservation and efficiency programs, these programs alone are not enough. This report provides an update on work to date.

### **1. Water Supply Outlook**

Water supply in any given year is comprised of “incoming” supplies from local and imported sources, imported supply carryover from the prior year, as well as previously-stored supplies withdrawn from in-county and/or out-of-county storage. Local water supplies originate from runoff from precipitation, captured in local reservoirs and released for groundwater recharge and for the treatment plants. An additional local water supply is highly-treated recycled water used for non-potable purposes.

The District's imported sources of supply originate from natural runoff and releases from statewide reservoirs and pumped out of the Sacramento-San Joaquin Delta by the State Water Project (SWP) and federal Central Valley Project (CVP). The annual allocations of contracted supplies from the SWP and CVP are subject to cutbacks due to dry hydrologic conditions and to Delta pumping restrictions. The San Jose Municipal Water System purchases water from the District and the San Francisco Public Utilities Commission, which sources its water from Hetch Hetchy and Bay Area watersheds.

The water supply outlook for 2011 is good. Local and imported water carryover from 2010, available transfer supplies from 2010, along with a 70 percent allocation from the SWP, a 55 percent agricultural allocation and 75 percent municipal and industrial allocation from the CVP, and reservoir inflow to date will provide sufficient supplies to meet demands in 2011. Demands are projected to remain near or slightly above 2010 levels. Local precipitation has been above average to date, and current year supplies should provide for some surface reserves for 2012. Locally, as of March 15, 2011, storage in the District's ten reservoirs was 100 percent of the seasonal average. Full contract amounts are expected to be available from the Hetch Hetchy system.

## **2. Water Conservation**

- **Joint Goal: Reduce water use to meet short-term supply issues and conserve 98,500 acre-feet per year countywide by 2030**

Water conservation is a key strategy to meet demand. Conservation programs reduce demand on existing water and energy supplies, helping to defer the costs and environmental impacts of developing additional supplies. These programs also reduce wastewater flows to the San Jose/Santa Clara Water Pollution Control Plant, reducing or deferring capital and operational costs while protecting the San Francisco Bay environment. In addition to meeting long-term water supply and reliability goals, water-use efficiency programs help meet short-term demands during critical dry periods or unexpected developments (i.e. regulatory issues) such as disruptions in supplies flowing through the Delta.

The District's long term goal is to reduce demand by 98,500 acre-feet/year of water by 2030 (using 1992 as a base-year) through implementation of water conservation. As half of the county's population, the City's long term goal is to achieve approximately half of this reduction within San José. These goals are consistent with recent state legislation requiring all water retailers to reduce per capita water use by 20% by 2020. Conservation efforts to date by the District, cities, and water retailers have already reduced countywide water demand by 50,600 acre-feet/year.

Efforts by the District and the City to reduce both long-term and short-term demands are described below:

**a) Long-Term Conservation to Ensure Water Supply Reliability**

To achieve these long-term goals, the District implements nearly 20 different ongoing water conservation programs that use a mix of incentives and rebates, free device installations, home visits, site surveys, and educational materials to reduce water consumption in homes, businesses and agriculture. These programs are designed to achieve sustainable, long-term water savings and are implemented regardless of water supply conditions. The City, on behalf of the San Jose/Santa Clara Water Pollution Control Plant, cost-shares with the District on the programs that result in reduced wastewater flows.

**b) Short-Term Response to Water Shortages**

In addition to these long-term water conservation efforts, there are times when more immediate savings are needed, such as during the recent drought. A majority of these short-term savings come from behavioral changes due to increased marketing and education as well as response to restrictions/prohibitions, mandatory allocations, and /or conservation pricing. In the period from March 2009 to October 2010, water use decreased by 19% across the County (18-20% within San José) compared to a baseline period of average water use and adjusted for population growth. Several factors contributed to this, such as the weather, reduced economic activity, and the community's response to the District's and City's short-term water conservation marketing and education efforts.

**c) Public Education/Outreach**

The District collaborates with the City and other water retailers to implement a year long water conservation campaign. The current campaign has included two messages:

1. Short-term demand reduction message: simple and consistent messages to bring about behavioral changes in the form of simple tips that individuals can adopt, such as taking shorter showers or watering landscape early in the morning instead of the middle of the day.
2. Long-term program implementation message: information on the District's water conservation rebate and service programs to increase program participation and deliver long-term savings.

The campaign has been successful in achieving its goal of helping the community scale back water usage as well as increasing participation in District conservation programs to remain on track to meet our long-term goals.

The District and City partnered and coordinated efforts on multiple community and educational events, including a San José Green Vision brown bag presentation to City employees, and presentations to two Mobile Home Parks in San José that are installing sub-meters to encourage water conservation among its residents. The District also produced its 18<sup>th</sup> annual water-efficient landscape workshop series, and supported the annual Going Native Garden Tour. Each agency also implements its own youth outreach and education programs for water awareness and conservation.

### **3. Water Recycling**

- **City's Green Vision Goal: Utilize Recycle or beneficially reuse 40 million gallons per day (45,000 acre feet per year) by 2022**
- **District Board Policy for Recycled Water: Protect, maintain and develop recycled water**

#### **Benefit and Need:**

Recycled water is locally produced, relatively immune from hydrological impacts, and is sustainable. Recycled water used in this community helps maintain our economy, environment and quality of life, and can ease the level of any future potential water cutback or rationing. Recycled water used for non drinking water purposes such as industrial and irrigation uses directly offset the demand on drinking water supplies.

In times of drought, recycled water is a reliable, drought-proof supply that can help meet water needs. The current use of recycled water for non potable purposes helps preserve groundwater and treated potable supplies for drinking water purposes. Preserving groundwater in the groundwater basin can prevent subsidence (sinking of the ground) in times of severe droughts.

In addition, the recent Water Conservation Act of 2009 requires that water retailers like San José Municipal Water System meet a 20% reduction goal in water use by 2020 (from a baseline level). A percentage reduction in water use due to conservation or water recycling contributes equally towards agencies meeting their 20% reduction goals. This is a benefit that recycled water provides to water retailers.

#### **Interests and Objectives:**

The City's Green Vision Plan (Goal 6) and the District's Board policy for recycled water require both agencies to diligently and aggressively expand recycled water use. These mutual interests and objectives can be summarized as follows:

- Recycled water is a precious resource that should not be wasted;
- Further developing a reliable drought-proof water supply for the community is critical to the economic and social well-being of this community;
- Both agencies desire to work together in partnership with the community to increase recycled water use;
- Investing in treatment technology produces highly purified water that can be blended with recycled water to enhance its quality and expand its use;
- Continuing to limit effluent discharges to the Bay to protect habitat is critical.

#### **Accomplishments:**

There are a number of significant recycled water milestones and efforts since the last recycled water report to the Joint City-District meeting participants. These are detailed below.

**a) First Recycled Water Policy Advisory Committee Meeting:**

As reported out at the last Joint Meeting, in May 2010 the City and District executed a significant 40-year Recycled Water Integration Agreement (Integration Agreement), and a Ground Lease Agreement for the construction of than Advanced Recycled Water Treatment Facility. Per a term in the Integration Agreement, the agencies convened the first meeting of the Recycled Water Policy Advisory Committee meeting on September 23, 2011. The Committee was comprised of City of San José Council members Kansen Chu and Pierluigi Oliverio; Santa Clara Mayor Patricia Mahan; and Santa Clara Valley Water District Board members Rosemary Kamei, Tony Estremera and Patrick Kwok. The next Recycled Water Policy Advisory meeting is planned for April 21, 2011 and the District will have Director Don Gage replace former District Director Rosemary Kamei. This next meeting will cover topics on budget for the operation and maintenance for the recycled water system, and other collaboration projects. This Committee discusses recycled water issues and provides recommendations to their full City Councils (San Jose and Santa Clara) and to the District Board.

**b) Advanced Recycled Water Treatment Facility**

The City and District had a well-attended groundbreaking ceremony for the Advanced Recycled Water Treatment Facility (AWTF) on October 22, 2010, with local dignitaries, community leaders and state officials in attendance. This project is a joint project with the City of San José, as administrator of the San José/Santa Clara Water Pollution Control Plant. The AWTF will produce highly purified water that will be blended with existing recycled water to enhance non potable water quality to expand its uses such as increased cooling tower use and expanded irrigation use for salt-sensitive species.

The AWTF, which is being constructed next to the City's Recycled Water Transmission Pump station along Zanker Road, will include microfiltration, reverse osmosis, and ultraviolet light disinfection treatment trains sufficient to produce 10 million gallons of recycled water per day (mgd). Funding for the \$56 million facility will include \$11.25 million in state and federal grants and \$11 million from the City of San José as the administering agency for the San Jose/Santa Clara Water Pollution Control Plant (Plant). Plant support for this facility stems from its ability to enhance reliability through expanded filtration capacity. The District is administering the construction project and construction progress can be viewed via webcam at [www.valleywater.org](http://www.valleywater.org). Construction is expected to be completed in April 2012 and the facility's test operations will run from April through June 2012, with it being fully operational thereafter. The District will own and operate this facility.

**c) Recycled Water Public Outreach**

The Integration Agreement has terms that specifically address collaboration and coordination on recycled water public outreach. Outreach staffs from both agencies have collaborated on efforts in developing joint messages and these efforts will intensify over the years in order to secure the expanded use of recycled water in this county. Investment in the AWTF allows for demonstration of this proven technology in Santa Clara County. It will allow our community to

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explore other ways to develop local water supplies for future needs. The AWTF can demonstrate the safety and purity of the recycled water and the community may use this to consider perhaps future indirect potable uses such as replenishment of the groundwater basins.

Educating and informing the public about recycled water is key to recycled water expansion. As a part of the City's Plant Master Plan outreach to the community, recycled water is included and presented in terms of recycled water being a reliable water supply plus the significant benefit it provides by reducing freshwater flows to the sensitive San Francisco Bay habitat. The District too in gearing up for the AWTF coming on-line in 2012 has contracted with a public relations firm to develop a strategic outreach plan for recycled water that will cover the next five years. Numerous public opinion studies within the county as well as elsewhere have shown that when the public was provided with informative materials regarding recycled water, including current industrial and irrigation uses, treatment technology, and benefits, the public's previous skepticism and/or concern lessens. Components of this strategic outreach plan will include elements such as development of outreach materials including a website, an educational DVD, creation of a speaker's bureau, construction of a rapid response plan, development of a media outreach strategy, and the establishment of an independent advisory panel (blue ribbon) for local recycled water issues. The recycled water strategic outreach plan's completion is planned for May 2011.

#### **d) External Funding**

The District and City will continue pursuing external funding such as grants and cost sharing agreements to help leverage the agencies resources for their recycled water programs. Both agencies received success this past year from the American Recovery and Reinvestment Act for their recycled water infrastructure projects; the City received \$6.5 million to expand recycled water service to industrial customers and others, and the District received \$8.25M in ARRA funding towards the AWTF. The City and District, in collaboration with other agencies and the Bay Area Clean Water Agency (BACWA), are jointly seeking additional regional recycled water funding through the state's Proposition 84 grant program. The District and City also work in collaboration with the Bay Area Recycled Water Coalition for additional federal funds for their recycled water projects.

#### **Potential Future Use of Recycled Water – Indirect Potable Reuse:**

There is no new water readily available. To ensure that there is a reliable supply for future generations, District staff is evaluating the potential for indirect potable reuse of recycled water and completing feasibility evaluations. Indirect potable reuse is defined in California Water Code Section 13561 as the planned use of recycled water for replenishment of a groundwater basin or aquifer that has been designated as a source of water supply for a public water system.

The preliminary report on the findings on feasibility is planned for July 1, 2011. Staff efforts include analyzing water supply flexibility in operations, operation modeling, assessing water rights, assessing permitting and regulatory requirements for indirect potable reuse, preparing outreach, understanding the costs of the various water treatment options and technologies,

understanding monitoring requirements for water quality assurances, preparing engineering costs for expansion of advanced treatment facilities, and identifying other parameters.

Preliminary studies have shown that indirect potable reuse (i.e. replenishment of groundwater with highly purified recycled water) is key to expanding recycled water use in the County in the future. At a joint meeting between the District Board and the San José City Council in September 2006, the officials were presented with analysis of three options to significantly expand recycled water. It was apparent that non-potable expansion is cost effective up to approximately 25,000 acre-feet, after which groundwater recharge reuse (indirect potable reuse or groundwater replenishment) becomes the most cost effective option. Potentially 40,000 to 50,000 acre-feet per year of recycled water could be used for indirect potable reuse. The elected officials at the joint meeting in September 2006 recommended that staffs from the two agencies (i.e. the District and the City of San José) work towards defining an option for groundwater recharge reuse, including evaluating water quality, benefit to the public, public acceptance, and recharge/replenishment quantities.

#### **Previous Recycled Water Reimbursement Rebate and New Cost Sharing:**

Since April 7, 1998, the City and District have had an agreement titled "South Bay Water Recycling Reimbursement Agreement for Development and Utilization of Non-potable Recycled Water between the City of San José and the Santa Clara Valley Water District" whereby the District provided a incentive payment of \$115/acre-foot for South Bay recycled water use that offset District potable water supplies. This agreement expired and the recently executed Integration Agreement supplanted it. There is a cost sharing term in the Integration Agreement that utilizes a cost sharing formula. A term within the Integration Agreement requires the District provide the City \$1 million per year until the Advanced Recycled Water Treatment Facility becomes operational (planned for June 2012). On July 30<sup>th</sup>, 2010, the District provided \$1 million to the City towards their recycled water efforts.

#### **Investor-Owned Utility and Public-Private Partnerships:**

Two investor-owned utilities, San Jose Water Company and Great Oaks Water Company, have approached both the District and the City of San José with their interest in expanding recycled water while owning a general rate-basing recycled water infrastructure. Working within the framework of their Integration Agreement, the City and District will analyze the recycled water expansion plans proposed by these private utilities and the City will amend or create a Wholesaler-Retailer agreement to provide recycled water as appropriate.

#### **Expanding the Recycled Water System:**

Projects recently completed or currently under construction will provide additional recycled water service to Santa Clara Central Park and the Mineta-San José International Airport as well as San Jose High Academy, Milpitas parks and schools, and four data centers in Santa Clara. The City is also developing demand for recycled water through the Cooling Tower Initiative that markets recycled water for cooling use to industrial facilities. The Cooling Tower Initiative

marketing effort has also received significant support from private and public entities, including nonprofit organizations like Sustainable Silicon Valley, the key organizer of the EcoCloud™ sustainable water use program. In conjunction with this marketing program, the City recently applied for a \$2 million grant from the US Bureau of Reclamation to construct a one-mile pipeline extension in the City of Santa Clara.

### C. Watershed Protection

In addition to its water supply and flood protection partnerships, the City and the District work together to protect water quality, habitat, and streamside properties throughout the watershed. The section below discusses the achievements and next steps for five cooperative projects focused on watershed protection.

#### 1. Trash Removal From Creeks

In September 2004, the City and District executed a Memorandum of Agreement (Agreement) for trash prevention and removal. The Agreement formalized the commitment of the City and District to increase coordination and collaboration on a variety of activities to achieve cleaner urban creek areas. The two agencies revised the Agreement in February 2008, to incorporate the following:

- Monthly encampment cleanups led by the City;
- Weekly encampment cleanups led by the District; and
- An increase in the number of partnered cleanups to up to 5 per year (previously up to 3).

The key accomplishments for fiscal year 2009-10 and planned activities for FY 10-11 are:

Task	Description	Accomplishment Trash Removed FY09-10	Planned For FY 10-11
1. Monthly Encampment Cleanup Program	The Monthly Encampment Cleanup Program is a weekend program previously coordinated by the San Jose Police Metro Unit to remove trash from large active encampments one weekend a month	360 cubic yards (74.59 tons)	Complete up to 10 one day clean up events
2. Weekly Encampment Cleanup	The Weekly Encampment Cleanup Program is a weekly activity coordinated by Santa Clara Valley Water District to remove trash from smaller encampments one day a week.	257 cubic yards (28.98 tons)	Average 50 one day clean up events
3. Partnered Cleanup Projects	Partnered Cleanup Projects are joint City/District projects which target trash clean-up sites, typically areas with large trash accumulations that don't fall within other programs.	240 cubic yards (7.27 tons)	Complete up to 5 clean-up events

In 2010 organizational changes in the San Jose Police Department (SJPD) required that the coordination of the Monthly and Weekly Encampment Cleanup Programs be transferred to the Joint Trash team. SJPD staffing and support of encampment cleanups was transferred from the Metro Unit to the Secondary Employment Unit of the SJPD. The administrative responsibilities and coordinating tasks for the operation of the encampment clean ups was redistributed among the Joint Trash Team members. Service for Monthly and Weekly Encampment Cleanup Programs continued and the Joint Trash Team worked to minimize disruption from the transition in organization.

The monthly encampment cleanup program focuses on the removal of active illegal encampment sites and is led by the City. Activities are typically conducted during the weekend, averaging approximately one day per month. These cleanups typically occur the fourth Saturday of the month with sites selected by the Joint Trash Team based on complaints from the public.

For monthly encampment cleanups, the SJPD arranges for and supervises a labor crew from County Department of Corrections. The Water District provides rear-loading compactor trucks, drivers, portable sanitation equipment, tools, supplies, and personal protection equipment for the workers. Police Officers post signs at the cleanup sites at least 72 hours in advance of the cleanup to warn that all materials will be collected and disposed of, and that any valuables found can be claimed at the Police Department's property warehouse. The dates of the monthly cleanups are coordinated with the City's Housing Department to allow outreach to the individuals living in the encampment.

The weekly encampment cleanup program cleans active and inactive illegal encampment sites. The weekly encampment cleanup program is led by the District under the auspices of the Agreement and the District's Clean Safe Creeks – Good Neighbor Program. If required, the SJPD accompanies the cleanup crews to ensure public and employee safety during the operation. Activities are typically conducted Monday through Friday, approximately one day per week.

The agreement also calls for the City and District to consider opportunities to manage and schedule routine cleanup activities performed by both parties with the intent of providing equitable exchange of services.

#### Stormwater Permit Trash Requirements

On October 14, 2009, the San Francisco Bay Regional Water Quality Control Board (Water Board) adopted the Municipal Regional Stormwater NPDES Permit (Stormwater Permit) for the San Francisco Bay Regional. The City and District are among the 76 co-permittees under this new Stormwater Permit. Trash is specifically highlighted as a priority pollutant and the permit contains aggressive goals and requirements for controlling and reducing trash in local creeks and waterways. Specifically, the Stormwater Permit lays out goals of reducing trash loading from the storm sewer system to receiving waters by 40 percent by 2014, 70 percent by 2017, and 100 percent by 2022. Additionally, the Stormwater Permit requires identification and annual clean up, to the point of no visual impact, of creek Trash Hot Spots (32 Hot Spots for the City; 12 Hot Spots for the District).

The list of selected Trash Hot Spots and initial assessment was submitted to the Water Board on July 1, 2010, with cleanups beginning in Spring 2010. Both City and District staff have been working with the Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP) to track Trash Hot Spots cleanups. In December 2010, City and District staff coordinated efforts to clean adjacent Hot Spots to maximize efficiencies and sharing of resources used conduct the cleanups and assessments of the trash and litter collected at these Hot Spots.

## **2. Countywide Efforts Focused on Reducing Trash**

In addition to the Agreement between the City and District, there are several countywide efforts focused on reducing trash in creeks. The staff working on the City-District trash agreement is also primarily coordinating these other efforts including:

- Baseline Trash Load and Trash Load Reduction Plan: The City is in the process of developing its Trash Load Reduction Plan. This Plan is a Stormwater Permit requirement and will describe the actions City will implement to reach the 40 percent trash load reduction goal. City staff provided a progress report on the Plan to the City's Transportation and Environment Committee on February 7, 2011. City staff is participating in regional data collection and research efforts, continuing to refine the Plan, and will be initiating a stakeholder input process to gather input and feedback on the Plan in Summer 2011. Staff will return to the Committee with a final Trash Load Reduction Plan for consideration in December 2011. The Trash Load Reduction Plan is due to the Regional Water Board by February 1, 2012.
- Structural Trash Management Pilot: The City continues to monitor and characterize the trash collected in the trash capture screens installed under the previously reported pilot project conducted in partnership with Sunnyvale and the Santa Clara Valley Urban Runoff Pollution Prevention Program (Program). Installation of Full Trash Capture devices, which collect and capture trash within the storm sewer infrastructure are required as part of the Trash Control provision of the Stormwater Permit. Data collected from these devices will be used to inform development of a methodology that local jurisdictions can use to determine Baseline Trash Loading. This methodology is being developed through the SCVURPPP and Bay Area Stormwater Management Agencies Association (BASMAA). Several other cities around the Bay that are subject to the Stormwater Permit are also installing full trash capture devices and participating in this study. The City will be installing additional large scale and small trash capture devices in high priority trash areas throughout San Jose to meet the Stormwater Permit's required minimum treatment area (895 acres) and as part of the Trash Load Reduction Plan.
- SCVURPPP Trash Ad Hoc Task Group (Trash Group): The City and District, in coordination with the other Program co-permittees, participate in the Trash Ad Hoc Task Group with the goal of implementing the requirements and maintaining compliance with activities prescribed in the Stormwater Permit. Additional goals include developing a strategy for addressing trash problems associated with urban runoff and littering. Activities

include documenting trash management practices, and conducting trash assessments, developing guidance materials for co-permittees for implementing the trash requirements of the Stormwater Permit. The Trash Group is currently focused on developing the methodology for establishing the Baseline Trash Load and to track the impacts of trash control actions towards the Trash Load Reeducation required by the Stormwater Permit.

- Silicon Valley Anti-Litter Campaign: Year 5 of the Silicon Valley Anti-Litter Campaign (Campaign), formerly known as the Santa Clara County Litter Technical Advisory Committee, continued its efforts 'to further beautify Santa Clara County by preventing and removing litter through enforcement, education, volunteerism, and abatement.' This Campaign brings diverse stakeholders (e.g. District Attorney's Office, CalTrans, San José Mercury News, municipal agencies, etc.) together to address litter concerns within the County. The Chair of the Campaign is Councilmember Kansen Chu, Vice-Chair is Councilmember Xavier Campos, and Director Richard Santos is a committee member. The Campaign's five-year mission is '*to further beautify Santa Clara County by preventing and removing litter through enforcement, education, volunteerism and abatement.*' In 2010, 2,257 volunteers collected 1,280 bags of litter and 193 bags of recyclable materials in three hours during the Great American Litter Pick Up. There are currently three active sub-committees which include Enforcement, Education, and Volunteers. Each subcommittee is developing its annual workplan, which will include setting an achievable goal and actions for the year. This year's Great American Litter Pick Up was held on March 19, 2011 and is awaiting Green Event certification, which is recognition that the event followed or incorporated specific criteria demonstrating that the event was conducted in an environmentally sustainable way. During this event, 1,874 volunteers collected 1,144 bags of litter and 46 bags of recyclables.
- Creek Connections Action Group: This group, comprised of the City, the District, and County Parks, organizes two annual volunteer creek clean-ups in Santa Clara County. National River Clean-up Day occurs the third Saturday of every May and California Coastal Clean-up Day occurs the third Saturday of every September. At the May 2010 National River Clean-up event, 1,068 volunteers removed over 29,098 pounds of trash and more than 6,394 pounds of recyclables from 33 creek segments in Santa Clara County. At the September 2010 California Coastal Clean-up Day, 1,696 volunteers removed over 29,843 pounds of trash and over 7,955 pounds of recyclables from 43 creek segments and bay shores in Santa Clara County.
- WMI Trash Efforts and Zero Litter Initiative: In 2009, the WMI focused efforts on trash, product action initiatives, and stream goals (erosive forces and riparian setbacks). The WMI Trash Subgroup has been building support and commitment for a countywide initiative to eliminate trash and litter in Santa Clara County, which is now known as the Zero Litter Initiative (ZLI). A second countywide Trash Summit was held on May 10, 2010 and was attended by over 50 key stakeholders with a role in safeguarding Santa Clara County's natural resources including stormwater and solid waste, environmental health, transportation, and roadway maintenance. At the summit, stakeholders discussed development of a strategic plan, refinement of a Zero Litter Resolution for agency

adoption, and potential organizational structures that would allow the ZLI to become an ongoing collaborative. Key players include staff from the cities of San José, Palo Alto, and Campbell; the Santa Clara Valley Water District; Caltrans; the Santa Clara Valley Transportation Authority; and Santa Clara Valley Urban Runoff Pollution Prevention Program. Priority initiatives for eradicating litter in Santa Clara County identified in the ZLI's strategic plan include engagement with the business community, legislative advocacy, managing the impacts of trash from homeless encampments, and actions to reduce highway litter.

- Community Based Trash Reduction Grant Proposal: On March 21, 2011, the City of San José was notified of selection as a finalist for grant funding from the current round of the US EPA San Francisco Bay Water Quality Improvement Fund. The grant proposes to create an innovative partnership among the City, the Water District, and other community organizations engaged in creek stewardship, community development, and non-profit social service agencies (*Destination:Home* and *Downtown Streets Team*). The grant incorporates new approaches to assisting the homeless population living in our urban creeks. This partnership aims to create sustainable change in the quality of the targeted strength of Coyote Creek. This pilot program has two significant features:
  1. Members of the homeless community in the targeted area will be recruited to participate in an effective and innovative model transitioning chronically homeless people into permanent housing. *Downtown Streets Team* will work to bring homeless men and women out of a designated encampment location and provide job preparedness training, case management and housing assistance in return for cleaning the creeks and outreaching to other homeless individuals.
  2. Residents of the targeted neighborhoods will receive focused education and opportunities to participate in improving the health of their neighborhood creek with the goal of enhancing the perception of the neighborhood creek as a local resource to be enjoyed and protected. It is expected that greater community involvement with the creek will help minimize use of the creeks as an illegal dumping grounds.

Total cost for this project is approximately \$910,000 for four years. The grant amount requested for this project is \$680,000. The EPA grant program requires all projects provide a minimum local match equal to 25 percent of the total project costs, which would be approximately \$230,000 for this project. The Water District Board has approved a contribution of \$130,000 towards the required matching funds on January 25, 2011. The balance of the match will be provided by the City of San José utility funds and a small contribution was secured by *Destination:Home* from the eBay Foundation. Staff anticipates going to Council in June 2011 for execution of the grant agreement with EPA.

### **3. Santa Clara Valley Habitat Plan – A Conservation Legacy**

In 2001, the City, the County of Santa Clara, Santa Clara Valley Transportation Authority, and the District initiated a collaborative process to prepare and manage a Habitat Conservation Plan/Natural Communities Conservation Plan (Plan). Later, the cities of Gilroy and Morgan Hill also joined the effort. This long-range conservation Plan is being developed in partnership with

the U.S. Fish and Wildlife Service, California Department of Fish and Game, National Oceanic and Atmospheric Administration (NOAA Fisheries), and other resource agencies and stakeholder groups. The goal of this Plan is to provide the means for conservation and restoration of 26 protected and endangered animal and plant species and their habitats, thereby contributing to their recovery while allowing for compatible and appropriate development. The Plan Area covers nearly 2/3 of southern Santa Clara County (over 500,000 acres) and includes urban development in Morgan Hill, Gilroy and San José excepting the most northerly baylands area. The Plan also includes public projects sponsored by the Santa Clara Valley Transportation Authority and the District.

The draft Valley Habitat Plan, its related Draft EIR/EIS, and the draft Federal Implementing Agreement were released for public review by the County on behalf of the Local Partners on December 17, 2010. These documents are available for download from:

[http://www.scv-habitatplan.org/www/site/alias\\_default/341/public\\_draft\\_habitat\\_plan.aspx](http://www.scv-habitatplan.org/www/site/alias_default/341/public_draft_habitat_plan.aspx)

The review period will extend through April 2011. The Board, Council, and other local partners will need to consider public comments prior to adoption of the final Valley Habitat Plan, scheduled for September 2011.

The District is involved in the development of two Habitat Conservation Plans (HCPs): the Santa Clara Valley Habitat Plan and the Three Creeks HCP. The intention of these HCPs are to secure Federal Endangered Species Act (FESA) permits and develop a long-term programmatic approach to meet the state and federal endangered species mitigation requirements resulting from District projects and operations impacts.

The Valley Habitat Plan protects terrestrial species within the Guadalupe, Coyote, Uvas and Llagas watersheds in Santa Clara County (Attachment 3: Planning Study Area) in accordance with the requirements of Federal Endangered Species Act (FESA) and California Endangered Species Act (CESA).

The Valley Habitat Plan benefits the Local Partners by providing streamlined permitting and mitigation processes. The Valley Habitat Plan specifies mitigation fees to be paid by developers and public agencies commensurate with the species impacts from permitted projects. These funds are used by an 'Implementing Entity' set up by the Local Partners to acquire and manage preserve lands consistent with Wildlife Agency species recovery standards.

As specified in the 2003 MOU, elected officials and representatives from each Local Partner have met at a monthly Liaison Group to provide direction on key elements of the Valley Habitat Plan. Directors Kamei and Wilson have adeptly served as the District's representatives since 2005. Directors Gage and Schmidt are now the District representatives on the Liaison Group. Through the Liaison Group and its decision-making process, the Board has accepted the Plan goals, specified the project area and covered activities, concurred with the species that would be protected and with local governance approaches, including limiting the Plan to terrestrial species to avoid delay associated with the more complex issues related to steelhead and salmon (anadromous fish) which are to be permitted through the Three Creeks HCP.

The Valley Habitat Plan provides the District with permit coverage for its capital improvement projects for 50 years. Covered activities include flood protection projects; bridge and levee reconstruction or replacement; dam safety retrofits; dam maintenance and repair, and canal reconstruction, alignment or decommissioning.

District and City public and private projects would benefit from this regulatory certainty and streamlining through:

- Elimination of project-specific biologic consultations and formal biological opinions from the Wildlife Agencies. This would reduce project schedules by 18 to 36 months.
- Elimination of project-specific biological assessment. In most cases this results in savings of between \$150,000 - \$450,000, depending on the type and location of project.
- Mitigation land acquisition would be completed through the payment of fees. High project-specific implementation costs would be avoided. The SCV HP takes advantage of economies of scale pooling fees to acquire larger parcels to satisfy the mitigation needs of a number of projects; this lowers the per acre cost of mitigation. Recent District mitigations demonstrate the high per-project cost: the Santa Clara Tunnel Landslide project required the provision of 2.6 acres of California Red Legged Frog Habitat at an estimated cost of \$250,000/acre; the Stream Maintenance Program freshwater wetland mitigations have ranged from \$310,000 to \$950,000/acre.
- Costs of managing and monitoring mitigation projects would be covered by the fee, which includes an endowment to fund long-term management of preserve areas. Currently, ongoing mitigation monitoring costs are incurred on each mitigation project with variable costs depending on the site and the frequency of mitigation monitoring requirements. Fulfilling these perpetual commitments with a fee would eliminate compounding mitigation commitments and costs.

### ***Plan Related Agreements***

To complete the Valley Habitat Plan development process, Local Partner staff and legal counsel are currently working with the Wildlife Agencies to finalize a draft Implementing Agreement (IA) which will specify the responsibilities of each agency for carrying out the VHP. Under federal law this must be part of the formal public review package. During the public review period, Local Partner staff and legal counsel will be completing the draft agreements that provide the framework for the Local Partners to comply with the Plan and permits. These include:

- A **Joint Powers Agreement (JPA)** that establishes a local “Implementing Entity” that will be responsible for collecting the fees, carrying out the Valley Habitat Plan requirements and reporting; and
- A **Cooperating Agreement** that specifies the relationship between the JPA/ land use agencies and the District and VTA (Attachment 4 - Relationship of the Plan-related Agreements).

#### **4. Parks, Trails and Open Space Partnership**

- **City’s Green Vision Goal: 100 miles of trails by 2022**
- **District Clean Safe Creek Outcome: Community partnerships to provide 70 miles of trails countywide by 2015**

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The District and the City share a common interest of developing public access to trails and open space. The goal of the District's Clean, Safe Creeks and Natural Flood Protection Program is to identify and provide public access to 70 miles of trails countywide through community partnerships. The City is developing a 100-mile network of trails within its boundaries as defined by its Greenprint. The City's Green Vision sets a 2022 target for completion of the network. This partnership supports the efforts of both agencies.

Projects developed jointly along waterways within District fee or easement are recognized as "Collaborative Action Plan (CAP) Trails" and require completion of a Joint Trails Agreement (JTA) between the City and District. Projects developed by the City of San José outside of the CAP partnership add additional trail mileage, contributing to the City's Greenprint and Green Vision goals of a 100 mile network. The following chart shows the status and number of miles of trail development to date:

<b>Status</b>	<b>Jointly Developed Trails (Miles)</b>	<b>San Jose Developed Trails (Additional Miles)</b>
Plan	32.79	3.82
Design	3.97	0.00
Construct	0.39	0.00
Open to public	38.15	15.07

The City added 0.33 miles of new non-CAP trails in 2010; added mileage for a total to date of 53.22 miles of trail toward the City's Green Vision Goal. The annual amount was less than the 3.30 miles required on average to complete the 100-mile trail network by 2022. Progress was made by master planning 9 miles of trail and completion of construction documents for 6.4 miles of trail. Staff continues to seek funding through various local, state and federal sources to development momentum. The newly opened trail for 2010 was the Lower Silver Creek-Silverstone trail, between Foxdale Drive and Ocala Avenue.

At the beginning of each fiscal year, the City's Trail Program staff issues an Annual Trail Report for the prior 12 months. The document is intended for the general public and provides an overview of trail development. The report is posted on the Trail Program's web page [www.sjparcs.org/trails](http://www.sjparcs.org/trails) (click on the "Reports" link). Note that, for the purposes of this report, only the projects that are identified as part of the CAP are discussed in detail. Information on non-CAP projects being developed by the City can be found on the Trail Program web site.

The District reports on its trail activities, including those trails completed in partnership with the City, through quarterly reports to the Board and the Clean Safe Creeks and Natural Flood Protection program annual report. The annual report is posted on the District's web page <http://www.valleywater.org/Programs/MonitoringCommittee.aspx> (see annual reports on right side of page). A link to the City's Trail Program web page is also included on the District site.

### Program Updates

- In September 2010, City staff and volunteers from the Friends of the Guadalupe River Park & Gardens and Silicon Valley Bicycle Coalition conducted Trail Count 2010. This was the fourth formal count of trail traffic and included an on-site count as well as an on-line survey. A 9.6% increase in traffic along the Guadalupe River Trail was documented.
- Since July 2010, staff submitted four grant applications totaling \$915,000 to various state and local agencies. Staff awaits notice on the status of each submission.
- An Award of Merit was received from the Trails and Greenways Conference for Albertson Parkway.
- In July 2010 the Transportation Planning Excellence Award (TEPA) was received in the Livability / Sustainability category from the Federal Highway Administration (FHWA).
- In February 2011, notification was provided that the Exemplary Human Environment Initiatives (EHEI) Award from the FHWA was awarded for the San Jose Trail Network in the Encouraging Non-Motorized Transportation Category.
- A State-of-the-Art Award was received from American Trails for the Milestone Mileage Marker Guideline document.

## **D. Policy/Planning Initiatives**

### **1. Adopting Joint Priorities in 2010-2011**

The District and the City have worked together to secure federal funding for projects within the City limits. On February 8, 2011, the Council agreed to recommend support for federal funding for several flood control projects including:

- Coyote Creek Watershed Study
- Berryessa Creek Flood Protection Project
- South San Francisco Bay Shoreline Project
- Upper Guadalupe Flood Protection Project
- Upper Penitencia Creek Flood Protection Project
- South San Francisco Bay Emergency Port Access Project

These projects not only provide flood protection for thousands of homes and businesses, but also enhance the quality of life for residents.

The South San Francisco Bay Emergency Port Access Project will result in a feasibility study for two goals: (1) the development of a Port with a navigation channel in the Alviso area, to improve navigation capabilities and enhance the potential for new economic development opportunities and diversification of this distressed area, and (2) develop ingress and egress routes out of the South San Francisco Bay Area during catastrophic events including earthquakes or other natural or man-made disasters. The project obtained federal funding from the Department of Commerce. The City of San José, County of Santa Clara, and District provided local matching funds and entered into an agreement with the Silicon Valley Chamber of Commerce to manage the feasibility study.

Additionally, the City and the District are committed to supporting statewide policies that address the issue of global climate change. The government relations staff at the District and the City will continue to coordinate and provide support and legislative recommendations related to flood protection, water supply, water reclamation, energy efficiency, carbon reduction, water conservation and other activities that support implementation of the City's "Green Vision" and the District's desire to engage on climate change.

## **2. San Jose/Santa Clara Water Pollution Control Plant Master Plan**

The Plant Master Plan project has been a three-year effort to develop a technical alternative to rebuild the aging Plant and enable it to meet future regulatory requirements and population demands in the most sustainable and energy-efficient manner feasible. The proposed alternative includes process changes that will reduce odors and shrink the Plant's footprint, thereby enabling new land uses along the South San Francisco Bay shoreline.

The project team has elicited input from the Community Advisory Group (CAG), general public, partners and regulatory stakeholders, and technical experts to develop a draft recommended alternative for public discussion. This alternative envisions:

- Significant repairs and rehabilitation at the Plant as well as a major change in how biosolids are treated. The current process of using over 700 acres of open air lagoons and drying beds is proposed to be phased out over the next 15 years and replaced with a covered, mechanical process, over a much smaller area.
- New land uses with a mix of economic development focused on clean tech; recreational uses including trails and parks; and habitat restoration of uplands and marshlands.

Public workshops at the end of January 2011 provided opportunity for public review and input on the draft recommended alternative. This input will then be included in the development of the recommended Preferred Alternative, which is scheduled to be presented to the San José and Santa Clara city councils for approval to be analyzed through the California Environmental Quality Act (CEQA) process in April 2011. The CEQA process is expected to require about two years.

Project staff have provided updates to the SCVWD Board in August 2010 and to the San Jose City Council in December 2010, as well as regular updates to the Transportation and Environment Committee. District staff has been attending CAG and public meetings. Specific coordination occurred with respect to the future levee placements both along the Bay and Coyote Creek, and future land requirements for the planned recycled water facilities.

## **3. Protection and Augmentation of the Water Supply**

The District prepares an annual report on activities in the Protection and Augmentation of the Water Supplies (Report), formerly titled Water Utility Enterprise report. The Report also includes a financial analysis of the District's water utility system as well as proposed groundwater charges for the subsequent year.

The Report was filed with the District Clerk of the Board on February 25, 2011 and posted on the District web site. The proposed groundwater production charges recommended in the report will be the basis of public hearings to be held by the District Board of Directors, beginning on April 12, 2011 and ending on April 26, 2011. The Board is expected to adopt a final set of groundwater production charges in conjunction with the adoption of a final budget for fiscal year 2011-12.

#### **4. Water Supply and Infrastructure Master Plan**

The Water Supply and Infrastructure Master Plan will define the District's long-term water supply strategy and identify the water supply sources and infrastructure that will be required to meet water demands over a 25-year planning horizon. This will be the District's first water supply infrastructure plan in more than 30 years. The Water Supply and Infrastructure Master Plan is scheduled for completion by the end of 2012.

#### **5. Flood Protection and Stream Stewardship Master Plan**

The Flood Protection and Stream Stewardship (FPSS) Master Plan is a multi-objective planning tool to guide the strategic investment of public funds in Santa Clara County over the next planning horizon in the areas of natural flood protection, reduced potential for flood damages, healthy creek and bay ecosystems, clean safe water in creeks and bay, and trails and open space.

The FPSS Master Plan includes the following components: 1) identification of goals and objectives; 2) assessment of the existing program over the next planning horizon, 3) identification of future needs and opportunities through an evaluation of the foreseeable program against established goals and objectives; and 4) development of a recommended program and implementation strategy based on extensive stakeholder engagement and input.

Staff held stakeholder engagement meetings during December 2010 to present and receive stakeholder input on the needs and opportunities component. Staff is currently working on project selection criteria and initial cost estimates for the different program and project elements of the Master Plan. Next steps for the project include gathering additional stakeholder input to create the first draft of a community desired plan.

#### **6. District Capital Improvement Program**

The District updates its 5-Year Capital Improvement Program (CIP) on an annual basis. The major categories of the CIP are: Water Supply, Flood Protection, Water Resources Stewardship, Buildings & Grounds, and Information Technology. The annual CIP updating process is synchronized with the annual budgeting process, so that the Board adopts the 5-Year CIP at the same time as the next fiscal year's budget.

On February 22, 2011, the Board approved release of the Draft FY2012-2016 CIP for a 60-day public review. During this review period, staff meets with public works officials and other staff from each of the cities in Santa Clara County, and with County officials to discuss capital

projects that are pertinent to each city, and to solicit approval that the District's CIP is aligned with each city's and the County's General Plan.

Staff plans to request Board adoption of the 2012-2016 CIP in May 2011.

### **COST IMPLICATIONS**

There are no additional cost implications at this time. The budgetary impact of each agreement will be brought to the Council and Board as part of the final approval of any such agreement.

### **PUBLIC OUTREACH**

Public outreach has been part of many of the individual projects discussed above including numerous community meetings and information distribution on flood protection, water conservation, recycled water, trash cleanups, stream stewardship, trail projects, the Valley Habitat Plan, and the Plant Master Plan. This joint memo does not necessitate any additional public outreach specific to the memo.

### **COORDINATION**

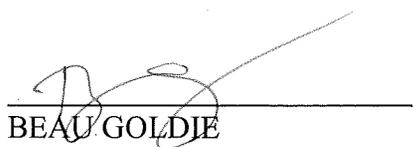
This memo was coordinated with staff from the City's departments of Environmental Services; Parks, Recreation and Neighborhood Services; Planning, Building and Code Enforcement; Public Works; the City Attorney's Office, and the appropriate Water District staff.

### **CEQA**

Not a Project. Environmental review was completed or is in progress as appropriate for each of the individual projects described in this Annual Status Report.



DEBRA FIGONE  
City Manager  
City of San José



BEAU GOLDIE  
Chief Executive Officer  
Santa Clara Valley Water District