



Memorandum

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 2, 2012

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 2011 between the City of San José and the Santa Clara Valley Water District relating to flood protection, water supply, watershed protection, and policy priorities.

EXECUTIVE SUMMARY

Since 2002, 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. Risk Reduction
 - 3. Floodwater Management Projects
 - 4. Dam Safety
- B. Water Supply
 - 1. Water Supply Planning
 - 2. Water Conservation
 - 3. Water Recycling
 - 4. Fluoridation

C. Watershed Protection

1. Ecological Monitoring and Assessment
2. Trash Reduction Plan and Joint Efforts
3. Countywide Efforts Focused on Reducing Trash
4. Mercury Remediation
5. Santa Clara Valley Habitat Plan – A Conservation Legacy
6. Parks, Trails, and Open Space Partnership

D. Policy Priorities and Planning Initiatives

1. Adopting Joint Priorities in 2012
2. San Jose/Santa Clara Water Pollution Control Plant Master Plan
3. Capital Improvement Programs
4. Real Estate Cooperation Agreement Initiative

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 to identify 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.

ANALYSIS

A. Flood Protection

1. Flood Preparedness

a) American Society of Civil Engineers (ASCE) Levee Rating

In 2006, the ASCE gave a grade of F to the overall status of governance with respect to managing the state's flood threat and losses, and a grade D to the levee infrastructure specifically. In January 2012, ASCE updated its evaluation of the California levee-and-flood-control systems. The grade remained at D. Locally, the Santa Clara County's score was C, the same as the counties of Los Angeles, Orange and Riverside. All other counties of the state were rated lower. The rating criteria included condition, capacity, maintenance and operation, and security and safety. Staff estimates the District having a funding shortfall of \$60,000,000 for work needed to improve the ASCE rating. Anticipated revenues may sustain the current rating of the local levee systems but not improve it.

b) COE Levee Vegetation Policy

The US Army Corps of Engineers (COE) began enforcing levee vegetation management guidelines in April 2009 that ban trees on levees and would cause the removal of existing trees. Local levees have trees, some of which were required by the COE or other regulatory agencies. The guidelines have caused significant protest and lawsuits across the nation because of the environmental impacts that may result. In responding to the criticism, the COE adopted a System Wide Improvement Framework (SWIF) in 2011 to allow levee owners, such as the District, to prioritize levee work based on flood risks. This effort of the COE to soften the impact of the new policy was welcomed. It provides a means for levee owners to stay in the Rehabilitation and Inspection Program (RIP) to be eligible for federal disaster assistance. A levee variance option is also available. The District will assess its levees and determine its options as to whether to apply for variance and/or stay in RIP.

2. Risk Reduction

a) CRS changes and rating

The District and the City both participate in FEMA's National Flood Insurance Program's Community Rating System (CRS) which yields discounts on flood insurance premiums in designated flood zones. The CRS system provides financial incentives for communities to take flood protective actions. A complex system of points leads to a class rating and associated discount. Each additional 500 points improves a community's rating by one class and increases flood insurance premium discounts by 5%. The District participates as a "fictitious community" because it is not a land use agency. The District's CRS points can be used by any participating community in the county. The District recently improved its rating from a Class 9 to a Class 8 which brings a potential 10% discount. The City's activities bring the NFIP-mandated flood insurance purchasers a total discount of 15%. A change in the District's rating will only be taken into consideration when the City is reassessed by FEMA.

CRS requirements will substantially change in 2012. The details of these changes are unknown at this time. Additional efforts may be required to retain the current discounts with the new requirements.

3. Floodwater Management Projects

a) Shoreline Area Projects

- South San Francisco Bay Shoreline Study

On September 22, 2010, the District and the Coastal Conservancy requested that the COE re-evaluate the Shoreline project scope, budget, and schedule. The District

wanted the COE to focus on a smaller range of flooding areas that would have the highest economic impacts due to flooding. On March 8, 2011 the District and the COE agreed to focus their efforts on the area between Coyote Creek and Guadalupe River [Economic Impact Area II (EIA II)] as a first phase of the Shoreline project which would also result in flood protection for the critical wastewater infrastructure of the San Jose/Santa Clara Water Pollution Control Plant (Plant). Public meetings were held in August and December of 2011, and in January and February of 2012 when preliminary alternatives were introduced. City staff has been involved in the development of alternatives for levee alignment and habitat restoration of EIA II. The Plant Master Plan has been incorporated into the analysis. A Decision Making Conference to determine a preferred alternative for EIA II is scheduled to be completed June 30, 2012. Following this, the project team will prepare a draft Chief's Report for the Alternative Formulation Briefing scheduled for January 2013. Funding for future steps associated with this Study is being considered by the District Board.

b) Guadalupe Watershed Flood Protection Projects

- Guadalupe River Railroad and Vehicle Bridge Crossings

The COE received \$12,500,000 in federal stimulus funding in 2009 to complete the construction of the new railroad and a vehicular bridge just south of Coleman Avenue (UPRR Bridge #4). The COE awarded the construction contract on July 24, 2009. The COE contractor has completed the construction of the new UPRR Bridge #4. The COE determined that the Bridge #3 (vehicular bridge) is not part of the authorized project and all work associated with the Bridge #3 was halted. The COE is also completing the new Autumn Street rail crossing at San Jose Market Center. The Autumn Street modification is scheduled to be completed in June 2012.

Other than the outstanding Autumn Street modification, the work remaining involves finalizing real estate transactions between the City and the District and final project accounting among the COE, the District and the City/Redevelopment Agency.

- Upper Guadalupe River Reach 6

Reach 6 extends from Highway 280 upstream to the Union Pacific Railroad (UPRR) Bridge downstream of Willow Street. The District began flood channel construction of Reach 6 in May 2010, and construction is scheduled for completion in May 2012. Some additional planting may occur after May 2012. Three upland planting areas along Palm Street, Harliss Avenue, and Edwards Avenue will have a walking path and resting bench for general public use. The District and City will need to agree on the roles and responsibilities for maintenance of the mitigation planting and recreational use features of these three areas.

- 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 near Willow Street to Blossom Hill Road. The COE is planning to reconstruct Reach 10B in June 2012 due to erosion damages from October 2009 and January 2010 storms. Lack of federal funds has halted design and construction of the other reaches. The District continues acquiring rights of way and relocating utilities required for construction of the entire project. Pending available federal funds, the entire Upper Guadalupe River Reaches 7 to 12 Project is officially scheduled for completion in 2020. In March, the Board considered alternatives to complete design and construction of Reaches 7 and 12 using local funds.

c) Coyote River Watershed Flood Protection Projects

- Mid-Coyote Project

The Mid-Coyote Project extends 6 miles from Montague Expressway to Interstate 280. The project's primary objective is to improve the creek's flood flow conveyance to protect homes, schools, businesses, and highways from a one-percent flood event. The project will also improve fisheries and habitat values, and provide for public access opportunities in cooperation with the City.

In addition to channel improvement alternatives, District staff evaluated alternatives that would modify upstream reservoirs and/or construct new off-stream storage to provide greater storage during flood events, and thus reduce flood flows in Coyote Creek. The capital cost estimates that were developed during the conceptual alternatives analysis were all above \$500,000,000. Funding available is approximately \$30,000,000. The results of the alternative evaluations were presented at the community meeting in summer 2011. The next steps will concentrate effort on the lower reaches between Montague Expressway and I-880 so construction can be within funding availabilities and start in FY2014.

District staff continues to participate on the City's Technical Advisory Committee for the Coyote Creek Trail master plans to ensure that flood protection and trail improvements can function within the constrained riparian corridor and that the proposed continuous maintenance road will be consistent and in supportive of the City's Coyote Creek Trail master plans.

- 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. It is being developed in partnership with the COE. The COE is the project lead and the project is currently in the planning phase. Due to benefit/cost constraints, the COE can only

fund flood protection improvements from Calaveras Boulevard up to Interstate 680 (2.0 miles). The COE is in the process of preparing their General Re-evaluation Report (GRR) and environmental documents, and they are scheduled to complete them by summer 2013. The COE will coordinate with the cities of San Jose, Milpitas and the community to establish a continuous maintenance road suitable for trail development along the Berryessa Creek. District staff has also been coordinating with VTA on for its station project at Montague Expressway.

- Upper Penitencia Creek Project

This project extends approximately 4.2 miles from the confluence with Coyote Creek (near Berryessa Road) upstream to Dorel Drive. It is being developed in partnership with the COE. The COE is the project lead and the project is currently in the planning phase. The COE is in the process of preparing their General Re-evaluation Report (GRR) and environmental documents, scheduled to be completed by summer 2014. The COE will coordinate with the City's Parks Department to ensure that the planned flood protection improvements do not conflict with the City's trail system. District staff has also been coordinating with VTA on their station project at Berryessa Road.

- Lower Silver Creek Project

This project extends approximately 4.6 miles from the confluence with Coyote Creek to Lake Cunningham, all within the City of San José. 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 \$20,000,000 was allocated to this project in spring 2009. Construction work in the reach between I-680 to Story Road begun in 2010 and is scheduled to be completed by end of 2013. Construction of the reach from Story Road to Moss Point Drive is scheduled to start in summer of 2012. City support related to traffic control and impacts to City facilities was important to the allow construction of the project.

Recently, the District was notified the project will receive \$25,000,000 from the State's Prop 1E Grant Program. With this additional funding source, the District will be able to complete the entire Lower Silver Creek improvements, including improvement at Lake Cunningham, and will remove about 3,800 parcels from FEMA flood maps when completed.

District staff has been coordinating with City staff on the construction of the maintenance road to preserve and/or enhance the master planned trail alignment along Lower Silver Creek, particularly between Jackson Avenue and Capitol Expressway.

4. Dam Safety

The District is required to complete seismic stability evaluations for eight of its dams: Anderson, Calero, Almaden, Guadalupe, Lenihan, Stevens Creek, Uvas, and Chesbro. The first five dams are on creeks that flow through the City of San José. The purpose of the studies is to evaluate the dams' performance using current seismic standards including the Maximum Credible Earthquake. If any dam is found to be seismically deficient, the District will place a water level restriction on the reservoir to reduce the risk of a dam failure and protect public safety. District and City staff will continue to work jointly on emergency planning and response.

The seismic stability evaluations are being completed in various phases. The Anderson Dam evaluation is complete and the evaluations for Calero, Almaden, and Guadalupe are scheduled for completion in April 2012. The Lenihan and Stevens Creek evaluations are also ongoing and completion as anticipated for March 2012, but will be delayed due to the need for additional field work. A new completion date has not yet been set but will be sometime in 2012. Finally, the Uvas and Chesbro evaluations have not yet begun but are scheduled for completion by December 2013.

Results to date indicate Anderson Dam is deficient and requires a seismic retrofit. An operating restriction of 45 feet below the spillway is in place. A capital project has been initiated and construction is scheduled to begin in 2016 with completion in 2018. Preliminary results also indicate that Calero and Guadalupe dams are deficient but Almaden is not. Operating restrictions are in place at Calero and Guadalupe and a capital project will be initiated in July 2013, but estimated schedules for construction are not yet available.

B. Water Supply

1. Water Supply Planning

a) Water Supply Outlook – near term

Despite very low precipitation and runoff both locally and statewide in December and January, Santa Clara County's 2012 water supply outlook is stable due to healthy groundwater reserves, continued water conservation savings, and sufficient supplies of imported water. District staff has conducted an initial assessment of water supply conditions based on estimated local and imported water supplies, groundwater pumping and treated water demands. The assessment evaluates three scenarios using projected average, dry or critically dry conditions for the remainder of 2012, corresponding to 50%, 90%, and 99% exceedence probabilities. Based on this analysis, it appears that contract treated water demands can be met and the groundwater recharge program maintained to achieve end-of-year storage in local groundwater basins of approximately 350,000 acre-feet. This projected groundwater storage level is within the normal range (i.e. above 300,000 acre-feet, or Stage 1) identified in the District's Water Shortage Contingency Plan adopted as part of the 2010 Urban Water Management Plan. In the coming months,

staff will continue to reevaluate water supply conditions and identify appropriate Board recommendations.

b) Water Supply Outlook – Long Term

Countywide water demands are projected to increase from current demands of about 325,000 acre-feet per year to about 425,000 acre-feet per year by 2035. At this higher level, demands are projected to exceed available supplies, in normal rainfall years, by approximately 4,000 acre-feet per year. The shortfall will be greater during droughts, which historically have occurred in about 15 percent of years, and last from three to six years. During an extended drought, such as the one that occurred from 1987 through 1992, staff anticipates an average shortfall of about 45,000 acre-feet per year, and a maximum shortfall of 123,000 acre-feet per year. These water supply shortfalls can be managed through a combination of short-term water use reductions (ranging from voluntary behavioral changes to mandatory water use restrictions), new expanded long-term conservation programs, and/or new water supplies.

c) Water Supply and Infrastructure Master Plan

The District is preparing a Water Supply and Infrastructure Master Plan (Water Master Plan) that will describe the District's strategy for filling anticipated shortfalls between future water demands and water supplies, and the new and upgraded infrastructure needed to support the strategy. The Water Master Plan will build on existing supplies, infrastructure, and water management programs. Some of the alternatives being considered for the Water Master Plan are: 1) additional water conservation and recycling, 2) advanced treated recycled water to replenish groundwater supplies, 3) increasing local surface water storage capacity and utilization of local water rights, and 4) imported water transfers and dry year options. Staff is scheduled to present the preferred water supply strategy and implementation plan to the District Board of Directors in April 2012 and complete the Water Master Plan by August 2012.

2. Water Conservation

The District and City continue to collaborate and cost-share on implementation of various water conservation programs. This partnership, which dates back to the mid-1990s, allows each agency to reach its goals (e.g. water supply reliability and reduction in wastewater flows) more efficiently and cost-effectively. 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 water conservation. The City's long term goal as adopted by Council in the 2008 Water Conservation Plan is to achieve approximately half of this reduction within San José. Conservation efforts to date by the District, cities, and water retailers have already reduced countywide water demand by 52,500 acre-feet/year.

3. Water Recycling

The City's Green Vision Goal is to recycle or beneficially reuse 40 million gallons per day (45,000 acre feet per year) by 2022 and the District Board Policy for recycled water is to protect, maintain, and develop recycled water with an outcome measure goal of recycled water being 10% of the annual water demand by year 2025 (40,000 acre-feet per year).

a) Status of key projects:

- Silicon Valley Advanced Water Purification Center (formerly called Advanced Recycled Water Treatment Facility)

The City and District broke ground for the Silicon Valley Advanced Water Purification Center (Water Purification Center) on October 22, 2010. This project is a joint project between the District and the City. The District will own and operate this facility and it will produce highly purified water that will be blended with existing recycled water to enhance non-potable water quality and to expand its uses such as increased cooling tower use and expanded irrigation use for salt-sensitive species.

The Water Purification Center 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 \$59,000,000 facility includes \$11,250,000 in state and federal grants, \$11,000,000 from the City as the administering agency for the San Jose/Santa Clara Water Pollution Control Plant (Plant), and the rest of the funds paid by the District. 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 <http://oxblue.com/pro/open/southbayARWTF>. Construction is expected to be completed by early 2013 and the facility's test operations will run from September through early 2013, with it being fully operational thereafter. A ribbon cutting ceremony for the facility will be planned for 2013, and this event will be closely coordinated between the District and City.

- Continued Collaboration via the Recycled Water Policy Advisory Committee

In early 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 an Advanced Recycled Water Treatment Facility. Per a term in the Integration Agreement, the agencies convened annual meetings of the Recycled Water Policy Advisory Committee on September 23, 2010, and September 7, 2011. The Committee is currently comprised of City Council members Kansen Chu and Pierluigi Oliverio; Santa Clara Mayor Jamie Matthews; and District Board members Don Gage, Tony Estremera and Patrick Kwok. The next Recycled Water Policy Advisory meeting is planned for April 19, 2012 and will cover topics on the budget

for the operation and maintenance for the recycled water system (South Bay Water Recycling Program and the almost completed Advanced Recycled Water Treatment Facility), recycled water outreach, expansion projects, and other grant collaboration projects. This Committee discusses recycled water issues and provides recommendations to their full City Councils (San José and Santa Clara) and to the District Board.

- Potential Future Use of Recycled Water – Indirect Potable Reuse

District staff is evaluating the potential for indirect potable reuse of recycled water and completing feasibility evaluations. “Indirect potable reuse for groundwater discharge” 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 the District feasibility study is planned for May 2012.

4. Fluoridation

On November 15, 2011, the District Board adopted new policy language to support fluoridation at the District’s well field and three water treatment plants. The District will now coordinate with the Health Trust and the California Department of Public Health to identify potential funding sources for the project.

C. Watershed Protection

1. Ecological Monitoring and Assessment

The District initiated planning for the Guadalupe River Watershed Streams Condition Assessment in September 2011. Planning includes the development of a set stream resource management questions and conceptual models to guide data collection, analysis of data gaps, development of a statistical sample design and securing access to sample sites. Beginning in July 2012, up to 90 stream locations will be evaluated throughout the Guadalupe River watershed using the California Rapid Assessment Method. The assessments will result in one or more Ecological Services Indices on the overall condition of streams in the watershed. These results will be integrated with information on the extent and distribution of streams and existing finer resolution data and summarized into profiles of the condition of streams in the Guadalupe River watershed. The profile report will be available in March 2013.

2. Trash Reduction Plan and Joint Efforts

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 cooperative projects focused on watershed protection.

a) Trash Removal from Creeks

In September 2004, the City and District executed a Memorandum of Agreement (Agreement) for trash prevention and removal. The two agencies revised the Agreement in February 2008,

The key accomplishments for fiscal year 2010-11 and planned activities for FY 11-12 are:

Task	Description	Accomplishment Trash Removed FY10-11	Planned For FY 11-12
1. Monthly Encampment Cleanup Program	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 City-District Joint Trash Team based on complaints from the public.	775 cubic yards (141 tons)	Complete up to 10 one-day cleanup events
2. Weekly Encampment Cleanup	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. Activities are typically conducted Monday through Friday, approximately one day per week.	185 cubic yards (24 tons)	Average 3 one-day cleanup events a month
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.	66 cubic yards (8 tons)	Complete up to 5 cleanup events

b) Stormwater Permit Trash Requirements

The Stormwater Permit lays out goals of reducing trash loading from the storm sewer system to receiving waters by 40 percent by 2014, 70% by 2017, and 100% 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). Results of these cleanup activities are reported to the State Water Resources Control Board (Water Board) annually.

San José's Short Term Trash Load Reduction Plan was approved by the City Council on January 24, 2012

(http://www.sanjoseca.gov/clerk/Agenda/20120124/20120124_0701.pdf). The regional methodologies for determining the baseline trash load and trash reduction crediting, along with each City's Short Term Trash Load Reduction plan were submitted to the Water Board on February 1, 2012 and are currently undergoing review by the Water Board staff.

c) Structural Trash Management

The District is required to install four trash booms or eight outfall full capture devices by 2014. To date the City has installed a total of 118 connector pipe screens and two continuous deflection separation devices. These trash capture devices are treating approximately 597 acres of urban land area by capturing trash in the storm sewer system and preventing its deposition in local creeks.

3. Countywide Efforts Focused on Reducing Trash

In addition to the MOA 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:

a) Silicon Valley Anti-Litter Campaign

On March 19, 2011, volunteers collected 1,144 bags of litter and 46 bags of recyclables in three hours. The next Great American Litter Pick Up event was held on March 17, 2012 (results from this event are not available as of the time of this Memo's writing).

b) 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. At the May 2011 National River Clean-up event, 1,131 volunteers removed over 21,201 pounds of trash and more than 2,701 pounds of recyclables from 45 creek segments in Santa Clara County. At the September 2011 California Coastal Clean-up Day, 1,639 volunteers removed over 32,390 pounds of trash and over 7,773 pounds of recyclables from 43 creek segments and bay shores in Santa Clara County.

c) Watershed Management Initiative (WMI) Trash Efforts and Zero Litter Initiative

The WMI Trash Subgroup continues to build 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). On March 29, 2011 the ZLI hosted a roundtable on the impacts from homelessness on creeks. The roundtable was attended by 28 representatives from various agencies involved in environmental protection, housing, public safety and social services. Attendees shared their different perspectives and knowledge on the challenge of homelessness and the intersection between housing and human services and water quality issues. The roundtable attendees concluded that housing was the only viable long-term solution, but agreed to further explore smaller short term actions to manage the impacts from homelessness on creeks. A sub-committee met again to organize another workshop in 2012 to identify pilot projects.

d) Clean Creeks, Healthy Communities Grant Project

On September 9, 2011, the City finalized the Assistance Agreement from the U.S. Environmental Protection Agency for the Clean Creeks, Healthy Communities grant project. The project aims to improve water quality in Coyote Creek through a strategic partnership of government and non-profit entities with a shared interest in abating the problem of homeless encampments, illegal dumping, and litter in Coyote Creek. In 2011 the following progress has been made on Clean Creeks, Healthy Communities project:

- On September 12, 2011 Downtown Streets Team conducted the first day of cleanup on Coyote Creek with a crew of 11 volunteers. By December the Downtown Streets Team had recruited a full team of 25 homeless individuals, performed 5,572 hours of service and removed 550.5 cubic yards of trash from Coyote Creek. The Downtown Streets Team was also able to move two team members out of the creek encampments and into permanent housing.
- San Jose State University students enrolled in the graduate course, *Clean Creeks, Healthy Communities Independent Study*, conducted and completed the baseline survey of residents' attitudes and opinions towards coyote creek and trash pollution during the month October 2011.
- In partnership with three Strong Neighborhood Initiative areas (Spartan Keyes, Tully Senter, and Five Wounds/Brookwood Terrace), eight volunteer cleanup events have been held. In total, 240 volunteers contributed 789 hours of service and removed 25.76 cubic yards of trash from Coyote Creek.

4. Mercury Remediation

a) Summary of monitoring information

The District has conducted mercury monitoring independently since 2003 and recently jointly starting in 2011. The District collects water quality data from Almaden, Calero, and Guadalupe Reservoirs and Almaden Lake throughout the year, monthly during the fall and winter and twice monthly during the spring and summer. These data show the annual cycling of nutrients and methyl mercury production, as well as provides mercury loading estimates. The District also conducted mercury load monitoring from Guadalupe River to San Francisco Bay for several years at the station near Highway 101 and for two years at the station near Blossom Hill Road. This load monitoring is now being conducted by the SCVURPPP, which includes the District and the City. The reservoir and lake data indicate that methyl mercury is produced seasonally during the spring and summer when anoxic conditions occur in the deep zones. The District also collects data jointly with County Parks, Midpeninsula Regional Open Space District, and the owners of Guadalupe Landfill to assess mercury in fish tissue in the reservoirs and lakes and in Alamitos Creek, Guadalupe Creek and Guadalupe River. The first set of data collected in 2011 indicates that fish are contaminated in all of the sampled areas at levels exceeding the San Francisco Bay Regional Water Quality Control Board (Regional Board) Water Quality Objectives for methylmercury in fish as prescribed in the Guadalupe River Watershed Mercury Total Maximum Daily Load (TMDL). The highest levels of contamination are found in Almaden Reservoir, Guadalupe Reservoir, and Almaden Lake.

b) Role of City and its planned actions

Urban runoff is specifically mentioned in both the San Francisco Bay Mercury TMDL and the Guadalupe River Watershed Mercury TMDL as a significant source. Load allocations and prescribed load reductions are set forth in both documents. The San Francisco Bay Region Municipal Regional Stormwater NPDES Permit (Stormwater Permit) contains provisions with which the City and other permittees must comply to achieve these load reductions. Because mercury is overwhelmingly bound to particles (such as sediment or dirt), and because it tends to be found in greater concentrations in older industrial areas, control measures for mercury in urban runoff have been combined with those for PCBs which share a similar affinity for particles. The City is partnering with SCVURPPP and the Bay Area Stormwater Management Agencies Association (BASMAA) to comply with Stormwater Permit requirements through an EPA-funded grant project called *Clean Watersheds for a Clean Bay*. This project is using grant funding to explore a number of actions to intercept PCBs and Mercury from areas with elevated levels in street and storm drain sediments. Five pilot watersheds are distributed around the San Francisco Bay area, one of which is the Leo Avenue drainage area in San José. Storm drain sediments in this area have been shown to be very high in PCBs, and elevated above background in mercury. In 2010-2011, City and SCVURPPP staff completed facility inspections in the area to identify possible sources. In 2011-12 year, maintenance practices (such as increased street sweeping) will be piloted as a sediment control measure, and a continuous deflective screen (CDS) unit will be installed in the storm line as a retrofit to capture sediment and dirt in washed into the storm system.

Monitoring will be conducted to determine the effectiveness of these measures for pollutant reduction.

c) Role of District and its planned actions

The District is required by the Regional Board to comply with the Guadalupe River Watershed Mercury TMDL by conducting the joint monitoring discussed in 3a, and to conduct voluntary studies of treatment control options in the reservoirs and lake. The District has also voluntarily implemented mercury mining waste removal in the watershed (which the Regional Board will require all property owners to do beginning in 2019 per the TMDL). To date, the District has developed baseline water quality data and tested solar powered circulation as a treatment method. The circulators are not effective in the reservoirs (Almaden and Guadalupe, installed 2007) and are somewhat effective in Almaden Lake, but not sufficiently to meet the criteria in the TMDL. The District has purchased and installed oxygen injection equipment in Calero Reservoir and Almaden Reservoir for testing of this treatment method beginning in April 2012. An oxygenation system is budgeted for installation in Guadalupe Reservoir for operation beginning in April 2013. The District has also implemented mercury mining waste removal and creek restoration projects in Alamitos Creek (2003 – 2009) below Almaden Reservoir and in Jacques Gulch (2009) above Almaden Reservoir, and has removed mercury as part of its flood protection projects (Downtown and Lower Guadalupe River) and stream maintenance program (throughout the Guadalupe River Watershed). These activities have removed about 2000 kg of mercury from the watershed.

5. Santa Clara Valley Habitat Plan – A Conservation Legacy

Since 2003, the City, Gilroy and Morgan Hill, the County of Santa Clara, Santa Clara Valley Transportation Authority, and the District have worked as Local Partners to prepare the Valley Habitat Plan (Plan). The Plan identifies a conservation program to fulfill federal and state Endangered Species Act (ESA) requirements. Local Partners are working with the U.S. Fish and Wildlife Service and the California Department of Fish and Game to identify potential preserve areas to protect and restore habitat for some 20 local endangered animal and plant species. The Plan identifies a process to streamline ESA mitigation requirements for local development including public infrastructure projects. The Plan Area covers nearly two-thirds of southern Santa Clara County (over 500,000 acres) and includes planned urban development in Morgan Hill, Gilroy, San José and the County.

The public review of the draft Plan and its related Draft EIR/EIS was completed in April 2011. Some 800 comments were received. To address public concerns the Local Partners proposed major revisions (Proposed Revisions to the Draft Santa Clara Valley Habitat Plan: A Framework for Preparing a Final Plan August 2011) including economic impact analyses, reduced implementation costs, and lower development fees. The approach, approved by all the Local Partners' governing bodies in November 2011, includes a schedule for issuing the final Plan in spring 2012, for consideration and full adoption by Local Partners in mid-2012.

These documents are available for download from:

http://www.scv-habitatplan.org/www/site/alias_default/341/public_draft_habitat_plan.aspx

6. 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**

The District and the City share a common interest of developing public access to trails and open space.

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.

The City has developed 21.46 miles of trails upon District lands. Executed Joint Trail Agreements and Lease Agreements document this mileage.

As part of its Green Vision, the City has developed additional mileage on its property, or upon lands owned by other agencies or individuals. The City’s trail database does not define distance based on land ownership – so the figures below represent total trail miles contributing to the planned 100-mile network. Mileage is provided for trail projects under development (Plan, Design and Construct) as well as Open miles – it also represents mileage developed prior to execution of the CAP:

2011 Status	
Phase	Trail Mileage
Plan	36.49
Design	6.99
Construct	1.14
Open to public	53.97

The City added 0.75 miles of new trails not on District properties in 2011 (Guadalupe River Trail-Reach 6 provides 0.40 mile, Lower Silver Creek-Silverstone provides 0.33 miles). These projects lead to a total to date of 53.57 miles¹ of trail toward the City’s Green Vision Goal.

¹ The total mileage figure did not increase significantly since the 2010 report because corrections were made in the trail database including recognition that one mile of the Coyote Creek Trail system was within the County’s jurisdiction.

The increase in mileage was less than the 3.30 miles required on average to complete the 100-mile trail network by 2022. Staff continues to seek funding through various local, state and federal sources to development momentum. Trail development in 2012 is picking up, with projects that will be under construction along Highway 237 Bikeway, Lower Silver Creek, Thompson Creek and Lower Guadalupe River Trail.

Supplemental information about the City's trail project and program work is documented in the Annual Trail Report (released each year on or around July 1). The report is posted on the Trail Program's web page www.sjpark.org/trails (click on the *Reports* link).

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

- Trail Count 2011 was conducted in September (<http://www.sjpark.org/Trails/TrailCount.asp>). This was the fifth annual count of trail traffic and included an on-line survey. A 5.7% increase in traffic along the Guadalupe River Trail (at Coleman Avenue) was documented.
- \$700,000 in new grant funding was secured during 2011.
- An Award of Merit was received from the Trails and Greenways Conference for the Pedestrian Bridge Inspection Process (<http://www.sjpark.org/trails/TrailsAwards.asp>).
- Guadalupe River Trail Reach 6 was opened to the public in April 2011.
- Coyote Creek Trail Master Plan (Montague Expressway to Watson Park) was adopted by the City Council in September 2011.

D. Policy Priorities and Planning Initiatives

1. Adopting Joint Priorities for 2012

The District and City Government Relations functions have annually coordinated the federal funding requests for projects impacting the City of San Jose. This year is no exception. On March 6, 2012, the City Council agreed to recommend joint support with the District for several projects including:

Project	FY 12-13 Request	Funding Agency
San Jose Area Water Reclamation and Reuse Program	\$20,000,000	Bureau of Reclamation, Water and Related Resources
Coyote Creek Watershed Study	\$100,000	Army Corps of Engineers, General Investigations
Coyote/Berryessa Creek Flood Protection Project	\$1,000,000	Army Corps of Engineers, Construction General
Guadalupe River Flood Protection Project	No request. Project will be completed in 2012.	
Upper Guadalupe Flood Protection Project	\$13,000,000	Army Corps of Engineers, Construction General
Upper Penitencia Creek Flood Protection Project	\$541,000	Army Corps of Engineers, General Investigations
South San Francisco Bay Shoreline Study	\$497,000	Army Corps of Engineers, General Investigations
South San Francisco Bay Emergency Port Access Project	\$100,000	Army Corps of Engineers, General Investigations

Further, six times a year the City, the District and other government relations representatives from Santa Clara County cities and the County meet to discuss joint policy priorities and how to ensure effective coordination of issues which impact our mutual constituencies.

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

The Council approved a preferred alternative for the Plant Master Plan in April 2011 for environmental analysis. The alternative includes a 30-year capital program as well as a land use plan. Two scoping meetings were held in June 2011. The EIR development is ongoing and expected to be completed by spring 2013. The Shoreline Study (see section A.3.a.) has incorporated the terraced levee concept and alignment included in the Plant Master Plan preferred alternative into its analysis.

3. Capital Improvement Programs

The District updates its Five-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 Five-Year CIP at the same time as the next fiscal year's budget.

On February 28, 2012, the Board approved release of the Draft FY2013-2017 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 agency, 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 FY 2013-2017 CIP in May 2012.

4. Real Estate Cooperation Agreement Initiative

The Council and the Board approved the Cooperation Agreement between the City and the District for the Establishment of Procedures for Real Property Transactions (Cooperation Agreement) in November 2011. City and District staff are in the process of amending the Cooperation Agreement to include mutually acceptable exhibits (real estate transaction templates) by June 2012. Mutual acceptance of the exhibits will help streamline City/District real estate transactions.

COST IMPLICATIONS

There are no cost implications related to this status update.

PUBLIC OUTREACH

- Criteria 1:** Requires Council action on the use of public funds equal to \$1,000,000 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)**

Public outreach has been part of the projects discussed above including 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; Intergovernmental Relations; and the City Attorney's Office.

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Subject: Status Report Cooperative Efforts Between City of San Jose and Santa Clara Valley Water District

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CEQA

Not a Project, File No.PP10-069(a), Annual Reports. 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