



Memorandum

TO: RULES AND OPEN GOVERNMENT
COMMITTEE

FROM: Betsy Shotwell
Kerrie Romanow

SUBJECT: SEE BELOW

DATE: February 21, 2012

Approved

Date

2/23/12

**SUBJECT: SANTA CLARA VALLEY WATER DISTRICT FY 2013 -- JOINT
ADVOCACY FEDERAL PROJECTS**

RECOMMENDATION

That the Rules and Open Government Committee accept the Santa Clara Valley Water District's (SCVWD) FY 2013 – Joint advocacy Federal projects in the City of San José's jurisdiction and approve the City's mutual request for funds through the appropriation process. A one-week turnaround to City Council is requested in order to provide the SCVWD the City's support for these projects.

OUTCOME

That the Rules and Open Government and City Council have the opportunity to review the federal appropriations requests of the SCVWD and approve the City's joint submittal of appropriations requests for these projects for FY 2013.

BACKGROUND

On December 13, the City Council reviewed and approved the City's Legislative Priorities for 2012, which included proposed City sponsored federal funding priorities for FY 2013, as well as support to seek funding for the South Bay Water Recycling Facility. In January, the City Manager's Office received a request from the SCVWD detailing the District's appropriations requests for FY 2013 in the City's jurisdiction and requested the City's support for their appropriations submittal process. While there is much uncertainty as to the prospects of federal funding in the FY 2013 budget, the SCVWD has confirmed that the City's support for these projects is nevertheless desirable.

ANALYSIS

The following are projects in the City's jurisdiction identified for submittal:

The San José Area Water Reclamation and Reuse Program

Project Description: The San José Area Water Reclamation and Reuse Program will increase water supply reliability and protect endangered species habitat by reducing wastewater discharges into South San Francisco Bay through the recycling of wastewater effluent.

The San José Area Water Reclamation and Reuse program, now known as South Bay Water Recycling, contains 120 miles of pipeline, four pumping stations, and three reservoirs that provide a reliable supply of high quality recycled water for industrial applications and irrigation that supports sustainable urban water use and protects Silicon Valley's economy. The program also decreases the amount of treated effluent discharged into the San Francisco Bay, preserving and protecting the salt marsh habitat of two federally listed endangered species. The program is critical to the region as it provides the San José area with a high quality and reliable water supply. The system serves 629 customers and delivers approximately 10,000 acre-feet of recycled water per year.

The first phase of this project (Phase 1A) included 60 miles of pipeline, a reservoir and four pump stations, and was completed in 1998 at a cost of \$140 million. Between 1995 and 2008 the City received approximately \$32 million of the authorized federal share of \$35 million for Phase 1A. The remaining \$3 million was repaid through reimbursement of \$6.46 million from American Recovery and Restoration Act funding in 2009 that also included construction of 10 miles of pipeline at a cost of \$14.8 million. In addition, in March 2009 the US Bureau of Reclamation (Reclamation) completed its certification of NEPA compliance for the Phase 1B construction program, consisting of approximately 50 miles of pipeline and two reservoirs completed in 2008 at a cost of approximately \$82 million. In 2010, Reclamation provided grant funding of \$1.011 million towards a Phase 1B obligation of \$20.7 million in federal funding. In 2011, South Bay Water Recycling signed two additional Assistance Agreements as part of Phase 1D. With the execution of these active agreements (Phase 1A-1D), the total remaining federal funding authorized for South Bay Water Recycling projects has now reached \$23 million of which \$20 million in obligated unappropriated reimbursements is now requested for FY 2013.

Fiscal Year 2013 Request: \$20,000,000, Bureau of Reclamation, Water and Related Resources.

Coyote Creek Watershed Study

Project Description: The Study will examine ways to provide flood protection for San José, Milpitas, and Morgan Hill, including a major portion of the Silicon Valley's high-tech area, in an environmentally acceptable way that maximizes stream and environmental restoration and recreational opportunities. The project seeks to provide flood protection for numerous cities in

Santa Clara County in the Coyote Creek Watershed and will safeguard the communities of San José, Milpitas, and Morgan Hill from potential flood damages of up to \$138 million (2001 dollars).

The project is located in the Coyote Creek watershed which encompasses most of the eastern valley's foothills, the City of Milpitas and portions of the Cities of San José and Morgan Hill. The project enjoys extensive local support with the Santa Clara Basin Watershed Management Initiative, Clean Water Fund, Guadalupe-Coyote Resource Conservation District, Santa Clara Valley Audubon Society, Sierra Club-Loma Prieta Chapter, Silicon Valley Toxics Coalition, Clean South Bay, Federation of Fly Fishers-Northern California Council, and Home Builders Association of Northern California all supporting the project.

Fiscal Year 2013 Request: \$100,000. U.S Army Corps of Engineers, General Investigations.

Coyote/Berryessa Creek Flood Protection Project

Project Description: The project provides extensive flood protection to the area downstream of Montague Expressway in Milpitas and San José where potential damages from a 1 percent flood could exceed \$250 million. The project consists of two phases of construction; one dealing with reaches of Coyote Creek, completed in 1996, and the other providing flood protection in the Berryessa Creek watershed which drains a 22 square mile area in the Cities of Milpitas and San José. Completion of the project is critical for the local community as Berryessa Creek floods on average once every four years inflicting serious monetary damage to local residents and businesses.

The original project that was proposed by the Corps of Engineers in 1998 consisted primarily of a trapezoidal concrete lining and was strongly opposed by the local community. The Corps and SCVWD are currently pursuing a General Reevaluation Report that will provide flood protection in an environmentally sensitive way that is acceptable to the local community. Project features stemming from the reevaluation study will include setback levees and floodwalls to preserve sensitive areas, appropriate aquatic and riparian habitat restoration and fish passage and sediment control structures to limit turbidity and protect and enhance water quality. Completion of the flood protection project will greatly benefit the BART to San José rail line that must cross the project.

Fiscal Year 2013 Request: \$1,000,000, U.S. Army Corps of Engineers, Construction General.

Guadalupe River Flood Protection Project

Project Description: The project provides flood protection to downtown San José; protects and improves the water quality of the river, and preserves and enhances the river's fish and wildlife habitat, while providing significant recreational benefits.

The project extends through downtown San José from Interstate 880 to Interstate 280 and protects the area from up to \$576 million in damages from a one percent flood. The project is

part of a multi-phased flood protection project along the Guadalupe River and is an integral component to downtown San José's revitalization efforts. Flood protection work includes: channel widening, bridge replacement; underground bypass box culverts, streambed erosion protection features, and terraces as well as on and off-site environmental remediation.

The Guadalupe River Project received \$12.5 million in funding from the American Recovery and Restoration Act in 2009 to complete capital project work and project mitigation.

Fiscal Year 2013 Request: No request. Project will be completed in 2012.

Upper Guadalupe Flood Protection Project

Project Description: The Upper Guadalupe River Flood Protection project will provide flood protection for 7,500 homes in Santa Clara County with potential damages from a 100-year flood event exceeding \$280 million. The project will also provide long-term environmental benefits for fish and wildlife habitat. The total project cost is currently estimated at \$256 million, of which the Santa Clara Valley Water District will provide approximately \$99 million.

This critical flood protection/environmental restoration project extends from Southern Pacific Railroad downstream of Willow Street to Blossom Hill Road in the City of San José. All proposed flood protection improvements include long-term environmental benefits for fish and wildlife habitat and continuous creekside trail access. Specifically, the project will provide extensive environmental benefits including restoring fish passage for migrating salmon and Steelhead Trout, greatly increased riparian habitat and the restoration of 6.4 miles of native vegetation in the riparian corridor. The City of San José, the Guadalupe River watershed and surrounding areas will benefit greatly from this project.

Fiscal Year 2013 Request: \$13 Million, U.S. Army Corps of Engineers, Construction General

Upper Penitencia Creek Flood Protection Project

Project Description: The Upper Penitencia Creek Flood Protection project will provide flood protection to over 5,000 homes, schools, and businesses in the communities of San José and Milpitas and surrounding areas, where potential damages from a 100-year flood could exceed \$455 million. The project includes modified floodplains, levees, floodwalls and bypass channels along the Upper Penitencia Creek. The area the project serves is prone to extensive flooding as the creek has the capacity to carry less than a 10-year flood event. Historically, significant flooding that has occurred along the creek often takes a devastating toll on the local community. The creek has topped its banks in 1978, 1980, 1982, 1983, 1986, 1995 and 1998.

Because the City's King Road Bridge replacement project can not move forward ahead of this project, funding to expedite the Upper Penitencia project is critical.

Completion of the flood protection project will greatly benefit the BART to San José rail line that must cross the project.

Fiscal Year 2013 Request: \$541,000, U.S. Army Corps of Engineers, General Investigations.

South San Francisco Bay Shoreline Study

Project Description: The project will provide tidal and fluvial flood protection in the Bay, including approximately 42,800 acres, 7,400 homes and businesses, including major highways, parks, airports, and the San Jose/Santa Clara Water Pollution Control Plant. According to estimates, the project will provide \$34.5 million (1981 dollars) in flood protection.

The project is being pursued in conjunction with the South San Francisco Bay Salt Ponds Restoration Project, which upon completion will provide the largest restored wetlands on the West Coast thereby greatly increasing the health of the San Francisco Bay. This will provide significant habitat to numerous endangered species and migratory birds, will greatly increase water quality in the region which will have effects throughout the state, and will provide tidal and fluvial flood protection to communities around the South Bay area.

Fiscal Year 2013 Request: \$497,000, U.S. Army Corps of Engineers, General Investigations.

South San Francisco Bay Emergency Port Access Project

Project Description: The City, County, District and Chamber of Commerce conducted a feasibility study for the South San Francisco Bay Emergency Port Access project. Consistent with this effort, the District is requesting that the U.S. Army Corps of Engineers initiate a reconnaissance study for a navigation channel in the South San Francisco Bay. The proposed navigation channel would provide ingress and egress routes out of the South San Francisco Bay Area during catastrophic events including earthquakes or other natural or manmade disasters.

In the event of an earthquake or other disaster damage to the region's surface transportation network would be extensive. A Bay Area Association of Governments study shows that over 1,700 roads would likely be closed resulting in the closure of all transbay bridges and the Bay Area Rapid Transit System making it difficult, if not impossible, for the continued movement of goods and commerce and emergency supplies in and out of the south bay community.

Fiscal Year 2013 Request: \$100,000, U.S. Army Corps of Engineers, General Investigations.

OUTREACH



Criteria 1: Requires Council action on the use of public funds equal to \$1 million or greater.

(Required: Website Posting)

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

This document will be posted on the City's website for the February 29 Rules and Open Government Committee meeting where Council and the public have the opportunity to comment.

EVALUATION AND FOLLOW-UP

The City Council will be informed as to the status of all of the City's Federal funding requests as part of the regular Intergovernmental Relations legislative updates.

COORDINATION

This memorandum was coordinated with the Department of Public Works, the City's lobbying firm of Patton Boggs, LLP in Washington, D.C., the City Attorney's Office, and the SCVWD.

FISCAL/POLICY ALIGNMENT

The measures identified are consistent with the City of San Jose's 2012 Legislative Guiding Principles and Priorities adopted by the City Council on December 13, 2011.



BETSY SHOTWELL
Director, Intergovernmental Relations

/s/

KERRIE ROMANOW
Acting Director, Environmental Services

For more information, contact: Betsy Shotwell, Director of IGR at 408-535-8270, or Jo Zientek, Acting Assistant Director of Environmental Services Department at 408-535-8557