



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kerrie Romanow

SUBJECT: SEE BELOW

DATE: August 7, 2023

Approved

Date

8/16/23

COUNCIL DISTRICT: 4

SUBJECT: SAN JOSE MUNICIPAL WATER SYSTEM'S AMENDED WATER SUPPLY ASSESSMENT FOR THE SEELY AVENUE MIXED USE PROJECT

RECOMMENDATION

Approve San José Municipal Water System's Amended Water Supply Assessment for the Seely Avenue Mixed Use Project and the conditions related to land dedication for the construction of the on-site well.

SUMMARY AND OUTCOME

The amended Water Supply Assessment (WSA) identifies the water supply sources available to meet the Seely Avenue Mixed Use Project's (Seely Avenue Project) potable and recycled demands. (**Attachment** – Draft Amended Water Supply Assessment, Seely Mixed Use Project). City Council approval of the amended WSA will fulfill the requirements of the California Water Code and the California Environmental Quality Act.

BACKGROUND

An amended WSA has been prepared for the proposed Seely Avenue Project, to replace the original WSA approved in November 2022 in accordance with state law. The Seely Avenue Project site is located at the intersection of Montague Expressway and Seely Avenue in the San José Municipal Water System's (Muni Water) North San José/Alviso service area. The initial Seely Avenue Project WSA, approved by City Council in November 2022, included an assessment based on the development of approximately 1,480 residential units and 54,000 square feet of retail space.

California Water Code Section 10910 (Senate Bill 610) requires that a water retailer prepare a WSA for certain types of proposed projects, including one that would demand an amount of water equal to or greater than that required by a 500-dwelling unit project. The Seely Avenue Project meets the criteria for preparing a WSA, as it will include the construction of more than 500 dwelling units.

The original WSA assessed Muni Water's existing and future water supplies for the North San José/Alviso service area. Although Muni Water does not currently provide water to the project site, it is the water retailer for the area and will be supplying both potable and recycled water to the Seely Avenue Project in the future.

The Seely Avenue Project would be a new Muni Water customer. Historically, on-site groundwater wells have provided water supply to the property. As discussed in the original WSA, potable water is provided to Muni Water's North San José service area primarily from the San Francisco Public Utilities Commission. In 2009, Muni Water entered into both a master Water Supply Agreement (the agreement common to all Bay Area Water Supply and Conservation Agency members) and a Water Sales Contract (specific to Muni Water) with the San Francisco Public Utilities Commission. The City currently has a contract for up to 5,041 acre-feet per year (4.5 million gallons per day); this contract is both temporary and interruptible. The Water Supply Agreement with the San Francisco Public Utilities Commission was amended and restated in 2018 and 2021 and will remain in place until June 30, 2034. Muni Water also owns and operates four groundwater wells in the Seely Avenue Project service area. Two of the wells are currently permitted to be used under normal conditions to supply water and the other two are available for emergency use purposes.

ANALYSIS

The amended WSA includes additional, updated, and corrected information associated with the Seely Avenue Project.

After City Council approval of the original WSA, the Seely Avenue Project finalized a project plan that includes the development of approximately 1,475 residential units and 19,000 square feet of retail space. The amended WSA includes revised maximum water demands that reflect the final development plan and fix calculation errors made within the initial demand calculations. Revised Seely Avenue Project demands are approximately 422 acre-feet of water per year, of which 13 acre-feet per year is projected to be supplied from recycled water and 409 acre-feet per year is projected to be supplied by potable water. A majority of the potable water demand is associated with residential use.

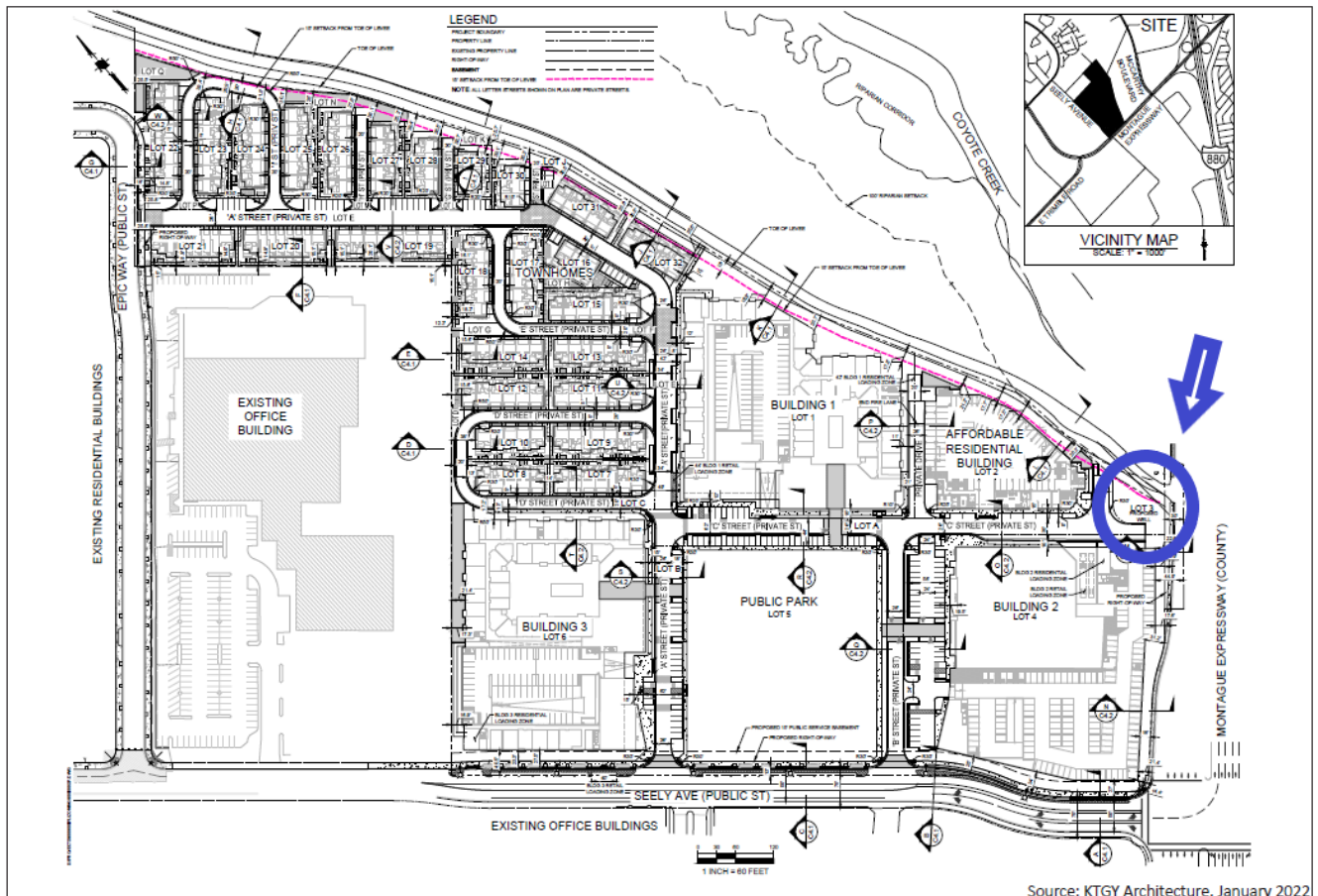
The amended WSA clarifies the Seely Avenue Project's condition of project approval by the City. As a condition of project approval, to meet the demands of the Seely Avenue Project, including the timing of the project, immediately upon its acquisition of the property and prior to grading permit approval, the applicant shall dedicate land to the City to allow for construction of

August 7, 2023

Subject: San José Municipal Water System's Amended Water Supply Assessment for the Seely Avenue Mixed Use Project

Page 3

a domestic water supply well at the project site. Timely dedication is required to ensure that the proposed well can be constructed and available to meet the water demands of the Seely Avenue Project. Funding is available for design and partial construction in an existing appropriation within the Major Facility Fund. The subject project's Major Water Facilities Fee will fund the proportional cost of the well that benefits their development, and that funding will be incorporated to the appropriation as part of a future budget process to fully fund well construction. The Conceptual Site Plan below shows the land to be dedicated to the City to allow for construction of a domestic water supply well at the project site.



Conceptual Site Plan

Figure 2-4

Seely Avenue Mixed-Use Project
Draft Environmental Impact Report

EVALUATION AND FOLLOW-UP

No additional follow-up action with City Council is expected at this time.

HONORABLE MAYOR AND CITY COUNCIL

August 7, 2023

Subject: San José Municipal Water System's Amended Water Supply Assessment for the Seely Avenue Mixed Use Project

Page 4

COORDINATION

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

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the August 29, 2023 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Statutorily Exempt, File No. PP17-001, Feasibility and Planning Studies; CEQA Guidelines Section 15262.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/
KERRIE ROMANOW
Director, Environmental Services

For questions, please contact Jeff Provenzano, Deputy Director, at (408) 277-3671 or Jeffrey.Provenzano@sanjoseca.gov.

ATTACHMENT: Draft Amended Water Supply Assessment, Seely Mixed Use Project

DRAFT | AUGUST 2023

AMENDED WATER SUPPLY ASSESSMENT
SEELY AVENUE MIXED USE PROJECT

PREPARED BY



TABLE OF CONTENTS

Section 1. INTRODUCTION	1
1.1. Project Description	1
1.2. Purpose of Water Supply Assessment.....	<u>21</u>
1.3. Preparation of Water Supply Assessment.....	2
1.4. Public Water System Serving the Project	2
Section 2. WATER DEMANDS.....	<u>43</u>
Section 3. CURRENT AND FUTURE WATER SUPPLY	<u>54</u>
3.1. Sources of Supply	<u>54</u>
3.2. Imported and Purchased Water	<u>54</u>
3.2.1. SFPUC – Wholesaler	<u>54</u>
3.2.2. Valley Water – Wholesaler	<u>65</u>
3.3. Local Groundwater	<u>76</u>
3.4. Recycled Water.....	<u>109</u>
Section 4. EXISTING WATER DEMANDS	<u>109</u>
4.1. Current & Future Demands	<u>109</u>
4.2. Single Dry Year Supplies and Demands	<u>1211</u>
4.3. Multiple Dry Years Supply and Demand.....	<u>1211</u>
Section 5. SUPPLY SUFFICIENCY ANALYSIS.....	<u>1312</u>

LIST OF TABLES

Table 1. Project Water Demands.....	4
Table 2. Water Source by SJMWS Service Area	<u>54</u>
Table 3. Santa Clara Plain Principal Aquifer Water Budget (2010-2019)	<u>98</u>
Table 4. Demands for Potable and Non-Potable Water - Actual.....	<u>109</u>
Table 5. SJMWS Projected Potable and Non-Potable Water Demand.....	<u>1110</u>
Table 6. Single Dry Year Supply and Demand Comparison (Potable) (AFY).....	<u>1211</u>
Table 7. Multiple Dry Year Supply and Demand Comparison (Potable) (AFY).....	<u>1312</u>
Table 8. Projected SJMWS Potable Demand and Supply with Project Demand and Supply (AFY).....	<u>1614</u>
Table 9. Normal, Single, and Multiple Dry Year Potable Water Supply and Demand Projections (AFY).....	<u>1614</u>
Table 10. Normal Year Supply and Demand Comparison (Recycled) (AFY).....	<u>1715</u>

TABLE OF CONTENTS

LIST OF FIGURES

Figure 1. Project Location Map.....	1
Figure 2. SJMWS Service Areas.....	32
Figure 3. Santa Clara Plain (San Jose) Index Well 07S01W25L001 Hydrograph.	87
Figure 4. SJMWS Well Locations.....	98
Figure 5. Projected SJMWS Water Demand.....	1110
Figure 6. Projected SJMWS and Project Potable Water Supply and Demand.....	1513

APPENDICES

Appendix A References

LIST OF ACRONYMS AND ABBREVIATIONS

Acronym	Meaning
AFY	acre-feet/year
CEQA	California Environmental Quality Act
CVP	Central Valley Project
DDW	California Water Resources Control Board, Division of Drinking Water
DWR	California Department of Water Resources
gpd	gallons per day
gmp	gallons per minute
IP	Industrial Park
MGD	million gallons per day
NSJ/Alviso	North San José/Alviso
Project	Seely Avenue Mixed-Use Project
RWF	San José/Santa Clara Regional Wastewater Facility
RWS	Regional Water System
SBWR	South Bay Water Recycling
SFPUC	San Francisco Public Utilities Commission
SJMWS	San José Municipal Water System
SWP	State Water Project
UWMP	Urban Water Management Plan
WSA	Water Supply Assessment
WSAP	Water Shortage Allocation Plan

SECTION 1. INTRODUCTION

1.1. Project Description

The proposed 22-acre Seely Avenue Mixed Use Project (Project) site is located north of Montague Expressway and east of Seely Avenue in the City of San José (**Figure 1**). The project will be constructed on two parcels (APN No. 097-15-034 and 097-15-033) that are approximately 11 acres each. Both parcels are currently zoned as Industrial Park (IP).

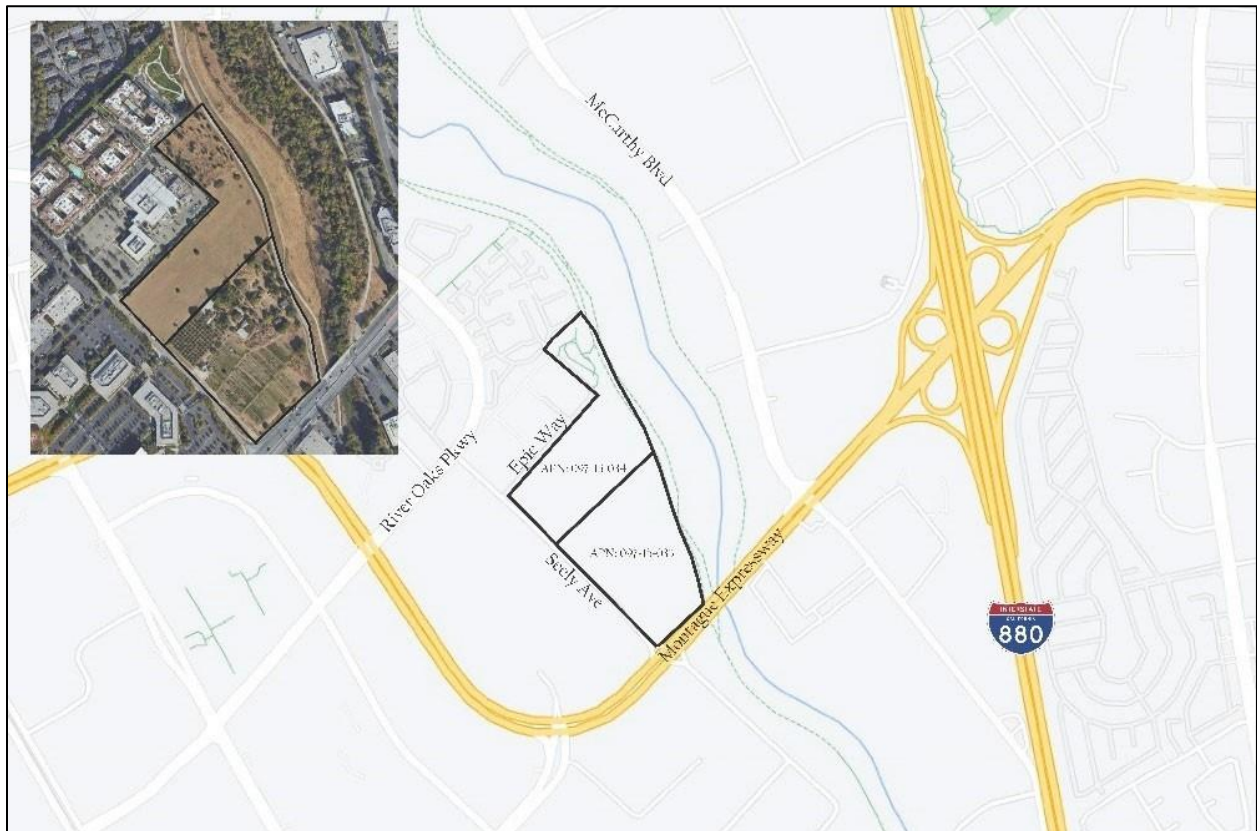


Figure 1. Project Location Map

The Project will include the development of approximately 1,480,475 residential units, consisting of three market rate apartment buildings, one affordable apartment building, and a for-sale townhome community. There will also be approximately 5419,000 square feet of retail space, ~~including a 42,000 square-foot anchor space aimed to accommodate a grocery tenant~~. The project will also feature an approximately 2.50-acre public park. The project will also include the installation of a domestic water supply well to support the potable water demand of the Project.

1.2. Purpose of Water Supply Assessment

The purpose of a Water Supply Assessment (WSA) is to assess whether the total projected water supplies available for a project during normal, single dry, and multiple dry water years during a 20-year projection period will meet the projected water demand associated with the proposed project.

Under Senate Bill 610 (2001), a WSA is required for any “project” that meets the criteria of Water Code Sections 10910 and 10912. A WSA is required for the 618 E. Trimble Project because it is subject to the California Environmental Quality Act (CEQA) and will include the development of more than 500 dwelling units.

1.3. Preparation of Water Supply Assessment

This WSA was prepared using information developed for and contained in the City of San José 2020 Urban Water Management Plan (UWMP) and project planning and design documents supplied to LSCE by the Project applicant. The information, values, and projections contained herein are consistent with the City of San José 2020 UWMP.

[A WSA for this project was initially completed and adopted by City Council on November 15, 2022; this Amended WSA replaces the prior version. Updates in this Amended WSA include corrections to the project’s water demand estimates and additional information addressing the schedule of the well construction.](#)

1.4. Public Water System Serving the Project

The Project will be served by the San José Municipal Water System (SJMWS). The SJMWS provides potable and non-potable water to four service areas: (1) North San José/Alviso (NSJ/Alviso), (2) Evergreen, (3) Coyote Valley, and (4) Edenvale (**Figure 2**).

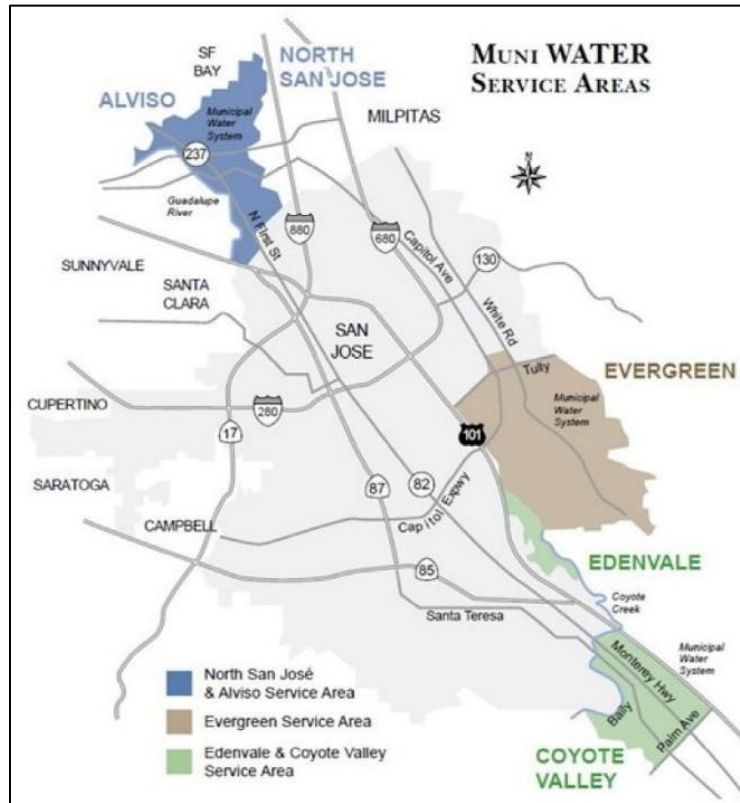


Figure 2. SJMWS Service Areas

The Project is located in SJMWS’s (1) NSJ/Alviso service area (**Figure 2**). The NSJ/Alviso service area consists of 5,600 acres and extends from Trimble Road on the south to the Alviso Slough on the north. The area is bordered on the west by the Guadalupe River and on the east by Coyote Creek. Land use in the NSJ/Alviso service area is predominantly industrial, with some residential and commercial properties.

Potable and non-potable water is supplied to the SJMWS by the following:

- **San Francisco Public Utilities Commission (SFPUC)** – The SJMWS purchases potable water from the SFPUC. This supply is predominately from the Hetch Hetchy reservoir, with additional local surface water.
- **Valley Water** – The SJMWS purchases treated surface water from Valley Water (previously called the Santa Clara Valley Water District) under a treated water contract. This supply includes water from the Sacramento-San Joaquin Delta and local surface water.
- **Groundwater** – The SJMWS owns and operates four domestic supply wells in the NSJ/Alviso service area. Two of the wells are permitted by the California Water Resources Control Board, Department of Drinking Water (DDW), for normal use. Two of the wells are permitted by DDW for emergency use only.
- **Recycled Water** - The City of San José operates the South Bay Water Recycling (SBWR) system and distributes recycled water generated by the San José/Santa Clara Regional Wastewater Facility.

The recycled water is used for non-potable purposes such as agriculture; industrial cooling and processing; and irrigation of golf courses, parks, and schools.

Potable and non-potable water demand for the NSJ/Alviso service area is met with purchased water from the City and County of San Francisco’s Regional Water System (RWS), which is operated by the SFPUC, groundwater from the Santa Clara Subbasin-Santa Clara Plain, and recycled water from the South Bay Water Recycling (SBWR) Program.

Potable water purchased from Valley Water is not available in the NSJ/Alviso service area and is not considered a source of potable water for the purposes of this WSA.

SECTION 2. WATER DEMANDS

The Project includes approximately 1,500,474 dwellings and 54,000 square feet of retail space. Project residential potable water demand was calculated by multiplying the number of dwellings by the average daily dwelling water usage of 245 gallons per day (gpd) and converting it to acre-feet per year (AFY). Project retail potable water demands were calculated by multiplying the square footage of the planned market and small structure retail space by 0.240 gpd per square foot and converting it to AFY. Potable water will only be for indoor commercial/residential uses, and the daily project outdoor water demand of 11,500 gpd will be met with recycled water. Annual project water demands are summarized in Table 1.

Table 1. Potable Commercial Project Water Use Coefficients Demands	
Use	Coefficients (gpd/sf)
Retail	0.240
Market	0.900
Retail (Small Structure)	0.076

Calculated daily potable water demands for residential and retail use were multiplied by 3.8 and 2.4, respectively, to calculate peak hour demand. Based on the peak hour demand volume, residential potable water demand was 565 AFY (acre-feet/year) and retail demand was 29 AFY for a total project potable water demand of 594 AFY. Project outdoor water use (residential and retail) is projected to be 13 AFY and will be met by utilizing recycled water. Project water demands are summarized in Table 2.

Table 31. Project Water Demands		
Use	Type	AFY
Residential	Potable	565404
Commercial	Potable	295
Outside	Recycled	13
Total		607422

SECTION 3. CURRENT AND FUTURE WATER SUPPLY

3.1. Sources of Supply

SJMWS relies on four sources of supply: surface water from SFPUC, local and imported surface water from Valley Water, groundwater from the Santa Clara groundwater basin, and recycled water from the SBWR Program. As mentioned above in Section 1.4, the City of San José has four separate service areas, and each service area has its own unique water sources. **Table 2** summarizes the water source(s) for each service area.

Table 32. Water Source by SJMWS Service Area				
Service Area	SFPUC	Valley Water	Groundwater	Recycled Water
North San José/Alviso	X		X	X
Evergreen		X	X	X
Edenvale			X	X
Coyote Valley			X	X

The water sources utilized by SJMWS (discussed below) are generally considered to be consistent sources, except during times of drought, during which supplies would be decreased based on the reduced availability of wholesale supplies, as discussed in this section. This section includes the amount of supply from each source that was purchased historically and is anticipated to be purchased in the future to supply the project’s service area as determined by SJMWS.

3.2. Imported and Purchased Water

3.2.1. SFPUC – Wholesaler

The NSJ/Alviso service area receives water from the RWS, which is operated by the SFPUC. This supply is predominantly from the Sierra Nevada Mountain range delivered through the Hetch Hetchy aqueducts, but also includes treated water produced by the SFPUC from its local watersheds and facilities in Alameda and San Mateo counties. There are two turnout connections from SFPUC’s Bay Division Pipelines No. 3 and No. 4 to the NSJ/Alviso service area.

The amount of imported water available to SFPUC's customers is constrained by hydrology, physical facilities, and the institutional parameters that allocate the water supply of the Tuolumne River. Due to these constraints, SFPUC is very dependent on reservoir storage to firm up its water supplies. The SFPUC serves its retail and wholesale water demands with an integrated operation of local Bay Area water production and imported water from Hetch Hetchy.

The business relationship between the SFPUC and its wholesale customers is largely defined by the Water Supply Agreement between the City and County of San Francisco and Wholesale Customers in Alameda, San Mateo, and Santa Clara Counties. The Water Supply Agreement was entered into in July 2009 and was amended and restated in 2018 and 2021. ~~In addition, a 2021 Amended and Restated Water Supply Agreement is being circulated among the parties for signature. However, that amendment does not substantively alter the City's rights as described in the WSA.~~ This 25-year Water Supply Agreement replaced the 1984 Settlement Agreement and Master Water Sales Contract and will expire on June 30, 2034, unless extended by two additional five-year option terms. The Water Supply Agreement addresses the rate-making methodology used by the SFPUC in setting wholesale water rates for its customers in addition to addressing water supply and water shortages for the RWS. The Water Supply Agreement serves as the master agreement and provides 184 million gallons per day (MGD) Supply Assurance to all the permanent SFPUC wholesale customers on an annual average basis. Under the Water Supply Agreement, the City of San José has a temporary interruptible supply. However, the SFPUC must provide ten years of notice to interrupt the supply and seek out additional sources of water .

The Water Supply Agreement is supplemented by an individual Water Sales Contract between SFPUC and each individual retailer, also entered into in July 2009. The individual Water Sales Contract indicates any specific conditions between SFPUC and the retailer. The contract currently held by the City of San José with SFPUC was most recently renewed in 2009 and continues to be a temporary and interruptible supply contract. The City of San José has no Individual Supply Guarantee but does have an Interim Supply Allocation of 4.5 MGD (5,041 AFY).

The Water Supply Agreement between SFPUC and its wholesale customers contains a Water Shortage Allocation Plan (WSAP), which describes the method for allocating water during supply shortages. The Tier 1 Plan allocates water from the RWS between San Francisco retail and wholesale customers during system-wide shortages of 20% or less. The Tier 1 Plan was amended in the 2018 Water Supply Agreement to ensure that retail customers also conserved during drought conditions. The Tier 2 Plan allocates the collective wholesale customer share among the wholesale customers.

3.2.2. Valley Water – Wholesaler

SJMWS purchases treated surface water from Valley Water under a treated water contract. Valley Water contracts with the US Bureau of Reclamation and the State to receive imported Central Valley Project (CVP) water and State Water Project (SWP) water. Valley Water also operates its conjunctive use system of surface water from local watersheds and groundwater. Valley Water's water supply system is comprised of local reservoirs, groundwater subbasins, groundwater recharge facilities, treatment plants, a treated water transmission system, imported supplies, and raw water conveyance facilities. Valley Water supplies water to local retail water agencies, which in turn provide it to their retail customers in Santa Clara County. Valley Water has an active conjunctive use water management program to optimize

groundwater and surface water use and prevent groundwater overdraft and land subsidence. Both groundwater and imported water are sold to retailers. While SJMWS purchases treated water supplies from Valley Water, this particular water supply source is not available or used in the project's service area.

3.3. Local Groundwater

The Santa Clara Subbasin-Santa Clara Plain is located in a structural trough that is bounded by the Santa Cruz Mountains to the west and the Diablo Range to the east. The subbasin, which is approximately 22 miles long, narrows from a width of 15 miles near the County's northern boundary to about half a mile wide at the Coyote Narrows. The plain underlies the northern portion of Santa Clara County and includes the majority of the streams and recharge facilities operated by Valley Water. The plain has a surface area of 225 square miles and is approximately 15 square miles smaller than the Santa Clara Subbasin since it does not include the Coyote Valley portion of the Santa Clara Subbasin. Although hydraulically connected, Valley Water refers to the Coyote Valley separately since it is in a different groundwater charge zone than the Santa Clara Plain and has fewer water supply options than the Santa Clara Plain.

The groundwater basin in Santa Clara County is not adjudicated and has not been identified or projected to be in overdraft by the California Department of Water Resources (DWR). The quality, supply, and management of the local groundwater basin is monitored and managed by Valley Water as the Groundwater Sustainability Agency for the Santa Clara basin. In 2016, Valley Water completed and submitted an Alternative plan to DWR in lieu of a Groundwater Sustainability Plan to meet the requirements of the Sustainable Groundwater Management Act of 2014. The Alternative Plan was approved by DWR in 2017.

Groundwater in the subbasin is managed by Valley Water using in-lieu recharge programs that maintain adequate storage to meet annual water supply needs and provide a buffer against drought or other shortages. According to Valley Water's Annual Groundwater Report for Calendar Year 2019, groundwater levels in the subbasin fully recovered from the 2012-2016 drought.

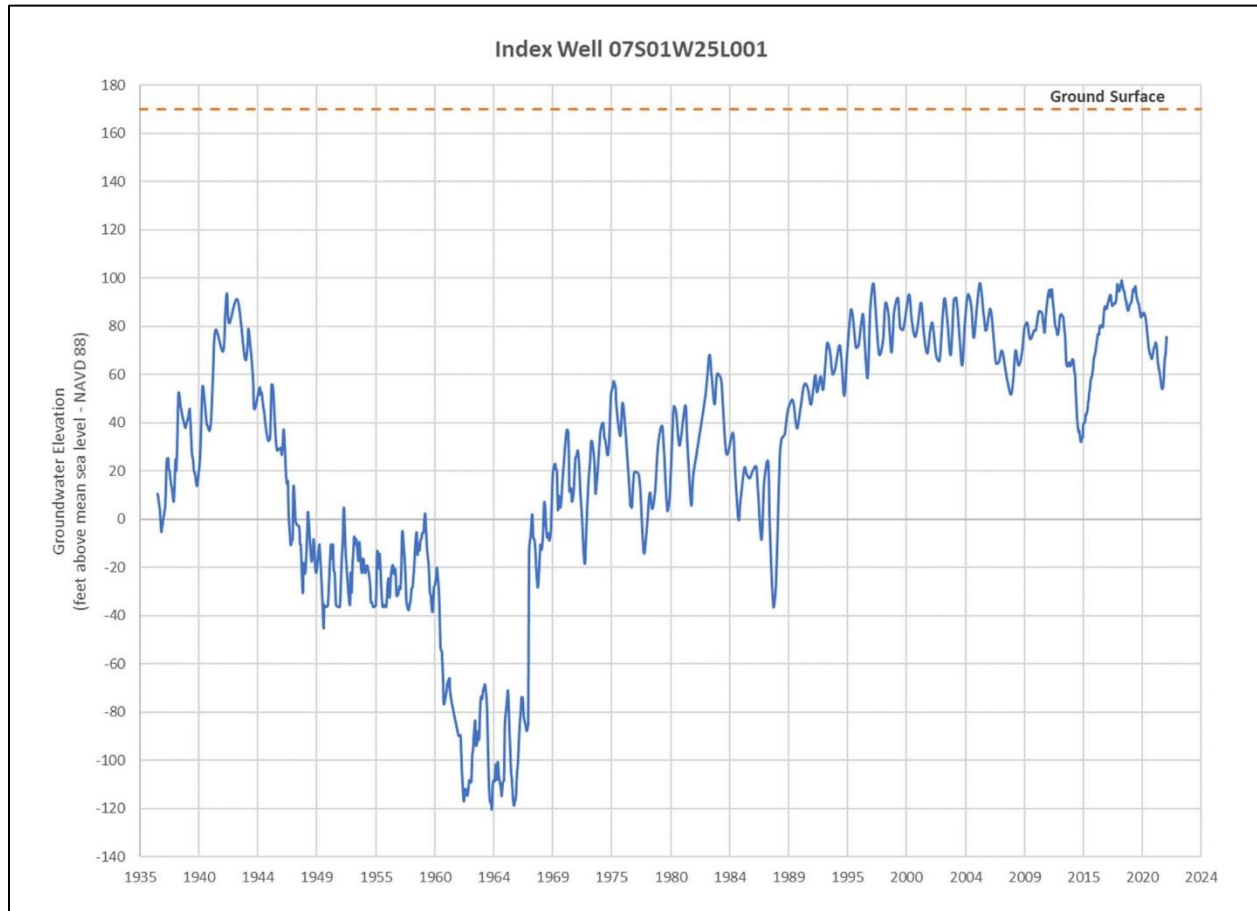


Figure 3. Santa Clara Plain (San José) Index Well 07S01W25L001 Hydrograph.

The estimated groundwater storage in the subbasin at the end of 2019 was 315,700 AF, which represents an increase in storage of 6,300 AF over 2018. Total groundwater use in the subbasin in 2019 was 57,700 AF which was 9% less than the previous year and well below the long-term average use of 95,000 AF due primarily to the increased use of treated surface water.

A water budget for the Santa Clara Plain for calendar years 2010 through 2019 is shown in **Table 43**. The water budget is based on Valley Water’s groundwater flow model for the Santa Clara Plain and represents inflows and outflows for the principal aquifer. Although the water budget can vary significantly from year to year, on average, there was an average annual increase in storage by about 3,000 AFY for the Santa Clara Plain over this 10-year period.

Table 43. Santa Clara Plain Principal Aquifer Water Budget (2010-2019)	
Water Budget Component	AFY
<i>Inflow</i>	
Managed Recharge	53,000
Natural Recharge	25,500
Subsurface Inflow	7,500
Total Inflow	86,000
<i>Outflow</i>	
Groundwater Pumping	75,500
Subsurface Outflow	7,500
Total Outflow	83,000
Change in Storage	3,000

Valley Water expects groundwater demand to increase in the Llagas and Santa Clara subbasins from 306,000 AFY in 2020 to approximately 345,000 AFY in 2045 (2020 UWMP). Although projected 2045 demand is higher than present demand, this number is still down from a peak in the 1990s and 2000s because of significant conservation efforts from Valley Water and the State.

SJMWS owns and operates four groundwater wells in the NSJ/Alviso service area (**Figure 4**) with a combined pumping capacity of approximately ~~6,000 gallons per day (500 gpm)~~. Two of the wells are currently permitted to be used under normal conditions to supply water, and the other two are available for emergency use purposes. The wells extract groundwater from the Santa Clara Subbasin – Santa Clara Plain.

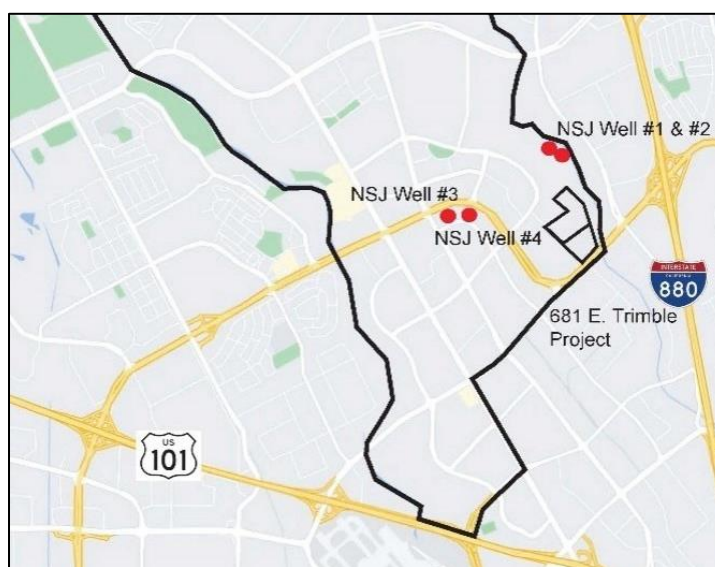


Figure 4. SJMWS Well Locations

3.4. Recycled Water

The City of San José operates the SBWR system and distributes recycled water generated by the San José/Santa Clara Regional Wastewater Facility (RWF). Some of this water is supplied to Valley Water’s adjacent Silicon Valley Advanced Water Purification Center, which in turn purifies a small portion of the water with advanced technologies and blends it with tertiary treated water to create high-quality recycled water that can be used by a wider variety of customers. Since March 2014, the purification center has been demonstrating the effectiveness of the advanced treatment technologies (microfiltration, reverse osmosis, and advanced oxidation) and setting the stage for Valley Water to begin a potable reuse program.

The SBWR program delivers disinfected tertiary treated wastewater from the RWF through an extensive recycled water distribution system consisting of over 150 miles of pipeline. The recycled water is used for non-potable purposes such as agriculture; industrial cooling and processing; and irrigation of golf courses, parks, and schools. During the peak summer season, SBWR diverts between 15 and 20 MGD of recycled water for irrigation and industrial uses to over 900 customers throughout San José, Santa Clara, and Milpitas.

The SBWR Strategic Plan includes 15,000 AFY of retail recycled water deliveries. Although the SBWR retailer projections for recycled water exceed the amount projected in the strategic plan, total system capacity exists to meet projections.

SECTION 4. EXISTING WATER DEMANDS

4.1. Current & Future Demands

Table 54 provides the historical (actual) water use data for the SJMWS for various water use categories (e.g., single-family, multi-family, industrial, institutional, and others) for 2020.

Table 54. Demands for Potable and Non-Potable Water - Actual (2020)	
Use Type	2020 (AFY)
Single-Family	7,920
Multi-Family	2,694
Commercial	1,040
Industrial	1,837
Institutional/Governmental	176
Landscape	2,873
Losses	1,006
Total Potable	17,546
Recycled	4,097
TOTAL	21,643

The projected water demand for SJMWS from the 2020 UWMP, as shown in **Table 65**, indicates that SJMWS anticipates significant growth in demand from 2020 to 2045.

Table 65. SJMWS Projected Potable and Non-Potable Water Demand					
Use Type	Projected Water Use (AFY)				
	2025	2030	2035	2040	2045
Single-Family	9,107	10,293	10,917	12,338	12,621
Multi-Family	2,932	3,171	3,463	3,763	3,849
Commercial	1,642	1,920	2,436	3,376	3,446
Industrial	2,562	3,197	4,086	5,546	5,665
Institutional/Governmental	208	239	286	356	365
Landscape	3,401	3,930	4,586	5,584	5,712
Losses	1,228	1,406	1,569	1,852	1,894
Total Potable	21,080	24,156	27,343	32,815	33,552
Non-Potable (Recycled)	4,776	5,456	6,279	7,368	7,413
TOTAL	25,856	29,612	33,622	40,183	40,965

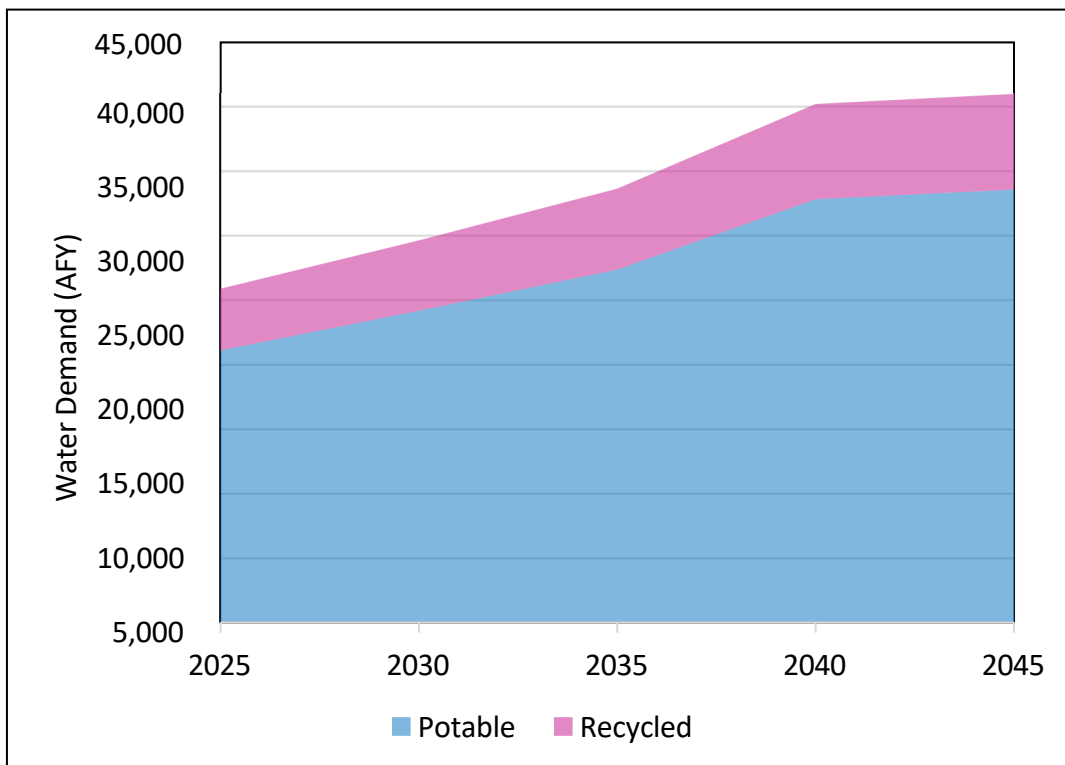


Figure 5. Projected SJMWS Water Demand

4.2. Single Dry Year Supplies and Demands

As described in Valley Water’s draft 2020 UWMP, imported and groundwater supplies appear to be sufficient to meet demands during a single dry year through 2045. This assumes that reserves are at healthy levels at the beginning of the year and that the projects and programs identified in their Water Supply and Infrastructure Master Plan are implemented. If reserves are low at the beginning of a single dry year, Valley Water could call for water use reductions in combination with using reserves. Imported supplies from SFPUC during a single dry year are projected to be reduced based on their supply reliability analysis. The projected SFPUC supply available to San José in a single-dry year ranges from 54-64% through 2045. Accounting for total water supply management, this represents a total SJMWS potable supply shortage of under 10% in any given year, which will be managed utilizing conservation measures as identified in SJMWS’ Water Shortage Contingency Plan.

Table 76 illustrates the reliability of water supplies to meet projected annual potable water demands for the SJMWS in a single-dry year.

Table 76. Single Dry Year Supply and Demand Comparison (Potable) (AFY)					
	2025	2030	2035	2040	2045
Supply totals	19,265	22,330	25,505	30,977	31,257
Demand totals	21,080	24,156	27,342	32,814	33,553
Difference	(1,815)	(1,826)	(1,837)	(1,837)	(2,296)

Note: Table Excludes recycled water which is 100% available in all years

4.3. Multiple Dry Years Supply and Demand

The greatest challenge to water supply reliability is multiple dry years, such as those that occurred in 1987 through 1992 and 2012 through 2015. Multiple dry year periods have the potential to deplete supply reserves in, including local groundwater storage.

With existing and planned projects presented in 2020, their Water Supply Master Plan, and under current regulations, Valley Water has identified that their diverse water supplies are sufficient throughout the full five-year drought in all demand years (Valley Water, 2021).

Projected supplies available to San José from SFPUC during multi-dry years range from 46%-64% each year through 2045. Based on cumulative available water supplies, this represents a total SJMWS potable supply shortage between approximately 5-10% during a given multi-dry year, which will be managed utilizing conservation measures as identified in SJMWS’ Water Shortage Contingency Plan. **Table 87** presents the projected multiple-dry-year potable water supply and demand assessment for the SJMWS.

Table 47. Multiple Dry Year Supply and Demand Comparison (Potable) (AFY)					
		2025	2030	2035	2040
First Year	Supply Totals	19,265	22,330	25,505	30,977
	Demand Totals	21,080	24,156	27,342	32,814
	Difference	(1,815)	(1,826)	(1,837)	(1,837)
Second Year	Supply Totals	19,421	22,508	26,140	30,666
	Demand Totals	21,695	24,793	28,437	32,962
	Difference	(2,274)	(2,285)	(2,297)	(2,296)
Third Year	Supply Totals	20,036	23,145	27,235	30,813
	Demand Totals	22,310	25,431	29,531	33,110
	Difference	(2,274)	(2,286)	(2,296)	(2,297)
Fourth Year	Supply Totals	20,652	23,783	28,329	30,636
	Demand Totals	22,926	26,068	30,626	33,258
	Difference	(2,274)	(2,285)	(2,297)	(2,622)
Fifth Year	Supply Totals	21,267	24,420	29,200	30,784
	Demand Totals	23,541	26,705	31,720	33,405
	Difference	(2,274)	(2,285)	(2,520)	(2,621)

Notes: 1. Supply Totals include projected supplies available from SFPUC and Valley Water (which includes groundwater) during five-year shortages ranging from 2025-2030 through 2040-2045. 2. Table excludes recycled water which is 100% available in all years

SECTION 5. SUPPLY SUFFICIENCY ANALYSIS

The projected potable water demand of the Project is 594,409 AFY which represents 128% of the 5,041 AFY currently delivered to SJMWS by SFPUC in a normal water year per the Water Supply Agreement. The Project demand represents 32% of the total SJMWS potable water demand in 2020 and 21% of the projected potable water demand in 2045. The potable water demands of the project fall within the projected water demands for SJMWS through 2045; however, the project's rate of residential water demand increase through 2030 exceeds the assumed rate of residential demand increase for the North San José/Alviso service area within the City's UWMP. To ensure sufficient documentation of water supply available for this project, the analysis within this WSA will assume the project's demands are in addition to assumed growth documented within the City's UWMP.

A condition of project approval by the City will be the construction of a domestic water supply well at the project site to meet the demands of the Project. Based on yield of other domestic supply wells in the vicinity of the Project, a well-constructed at the site would be expected to yield approximately 1,800 gpm. Based on a 50% annual use factor, the well would yield 1,452 AFY, or 2.4 times project demand. The installation of a well with an anticipated yearly yield of 1,452 AF would provide 858 AFY of potable water; therefore, this well will be more than sufficient to supply the project demands. Potable water As a condition of project approval, to meet the demands of the project, the permittee shall only dedicate land

to the City immediately upon permittee’s acquisition of the property, and prior to any grading permit approval, to allow for construction of a domestic water supply well at the project site in order to ensure that the proposed well meets the water demands of the Project.

The new groundwater well at the project site is intended to be constructed such that it will be online before the project is complete. If the project has any phase(s) ready for occupancy before the Project well is operational, there is temporary, interruptible supply available under the City’s Water Supply Agreement with the City and County of San Francisco and as depicted in the UWMP, and as shown in this WSA, which would be available for project phasing.

Figure 6 depicts the total projected SJMWS potable water supply ~~and demand with~~, including the contribution from the Project Well, and Project ~~supply and demand included.~~

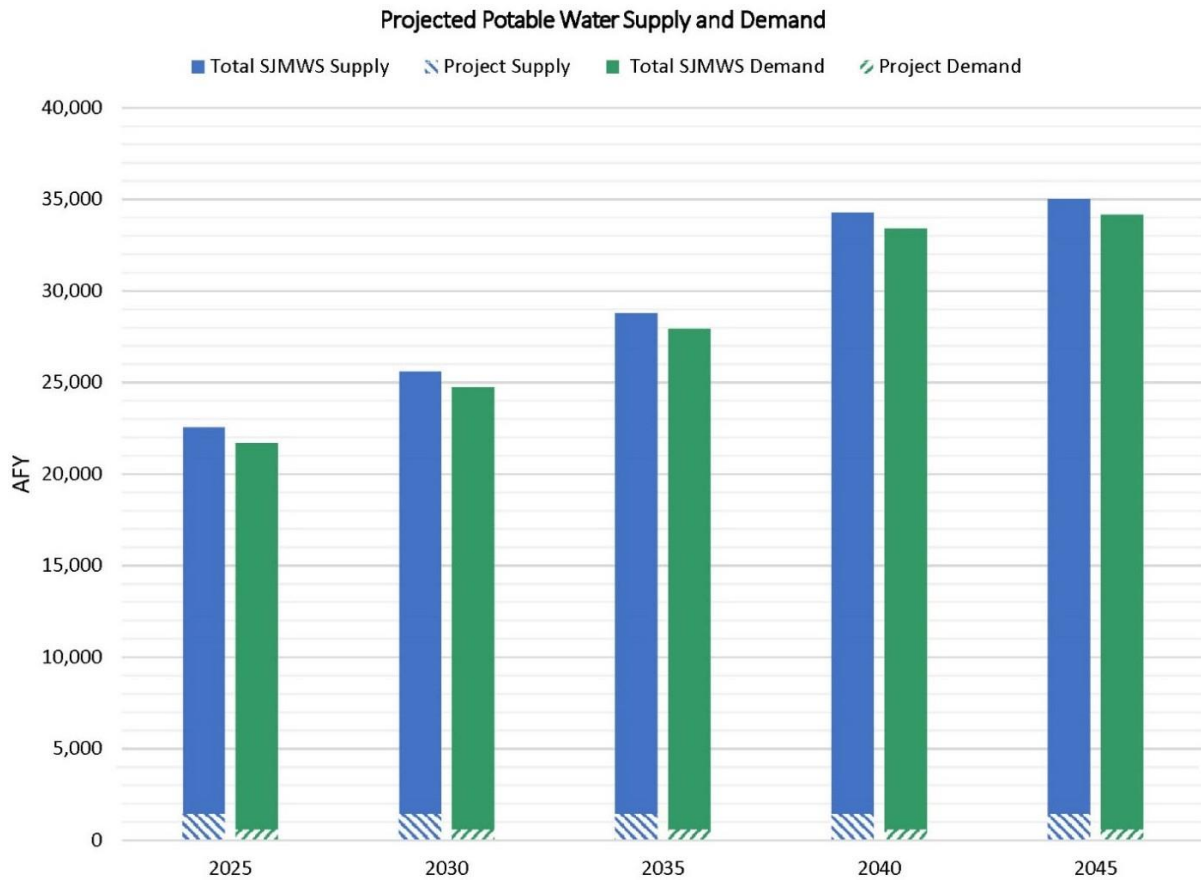


Figure 6. Projected SJMWS and Project Potable Water Supply and Demand

Table 9 provides a summary of ~~8~~ summarizes projected SJMWS water supplies through 2045, the supply from the well to be constructed as part of the project, projected SJMWS and Project potable water demand, and the projected remaining potable water remaining for other uses during a normal water year.

Table 98. Projected SJMWS Potable Demand and Supply with Project Demand and Supply (AFY)					
	2025	2030	2035	2040	2045
Projected SJMWS Demand	21,080	24,156	27,343	32,815	33,552
Project Demand	<u>594409</u>	<u>594409</u>	<u>594409</u>	<u>594409</u>	<u>594409</u>
Total Projected Demand	<u>21,674489</u>	<u>24,750565</u>	<u>27,937752</u>	<u>33,409224</u>	<u>34,146961</u>
Projected SJMWS Supply	21,080	24,156	27,343	32,815	33,552
Projected Supply from Project Well	<u>1,452451</u>	<u>1,452451</u>	<u>1,452451</u>	<u>1,452451</u>	<u>14521451</u>
Total Projected Supply	<u>22,532531</u>	<u>25,608607</u>	<u>28,795794</u>	<u>34,267266</u>	<u>35,004003</u>
Available Remaining Potable Water for Development (Normal Year)	<u>8581,042</u>	<u>8581,042</u>	<u>8581,042</u>	<u>8581,042</u>	<u>8581,042</u>

Table 109 presents the projected normal, single, and multiple-dry year water supply and demand scenarios for the SJMWS, including the Project demand and supply from the Project Well. In a multi-year drought, Valley Water would likely implement a combination of countywide short-term water use reductions, use of reserves, and obtaining additional supplement supplies through transfers and/or exchanges to meet demands. Additional supply could also be developed with longer run times or higher pumping rates of the Project well and additional supplies from existing SJMWS wells and SJMWS wells currently in development to meet supply deficits.

Table 109. Normal, Single, and Multiple Dry Year Potable Water Supply and Demand Projections (AFY)					
	Normal Year (2040)	Single Dry Year	Multiple Dry Years		
			Year 1	Year 2	Year 3
Total Demand (Including Project)	<u>34,26733,224</u>	<u>32,44933,224</u>	<u>32,44933,224</u>	<u>32,11833,371</u>	<u>32,26533,519</u>
Total Supply (Including Supply from Project Well)	<u>33,40934,266</u>	<u>33,40832,428</u>	<u>33,40832,428</u>	<u>33,55632,117</u>	<u>33,70432,264</u>
Difference	<u>8581,042</u>	<u>-959-796</u>	<u>-959-796</u>	<u>-1,438254</u>	<u>-1,439255</u>
Difference Made up with Conservation and Groundwater	0	<u>959796</u>	<u>959796</u>	<u>1,438254</u>	<u>1,439255</u>

The projected recycled water demand for the project is 13 AFY which represents 0.3% of the total projected recycled water supply for 2020 and 0.2% for 2045. Recycled water is assumed to be available in all years. The Project recycled water demand and projected available recycled water are summarized in Table 110. A condition of project approval will be that the project connect to and be served by the SBWR system.

Table 4-10. Normal Year Supply and Demand Comparison (Recycled) (AFY)

	2025	2030	2035	2040	2045
Total <u>Project</u> Demand	13	13	13	13	13
Total Supply	4,776	5,456	6,279	7,368	7,413
Available Remaining Recycled Water	4,763	5,443	6,266	7,355	7,400

Appendix A

References

San José Municipal Water System 2020 Urban Water Management Plan, June 2021

Valley Water Groundwater Condition Report, Santa Clara County, March 2022

Valley Water 2020 Urban Water Management Plan, June 2021