CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Matt Loesch

SUBJECT: **Actions Related to the Phase III Sanitary Sewer Master Plan**

DATE: July 28, 2025

Approved

Date: 8/2/25

COUNCIL DISTRICT: Citywide

RECOMMENDATION

(a) Adopt a resolution adopting the Phase III Sanitary Sewer Master Plan Addendum to the Envision San José 2040 General Plan Final Program Environmental Impact Report (Resolution No. 76041) and Supplemental Environmental Impact Report (Resolution No. 77617), all in accordance with the California Environmental Quality Act, as amended.

(b) Adopt a resolution approving the Phase III Sanitary Sewer Master Plan Report recommending sanitary sewer capacity improvement projects to meet the City's sanitary sewer level of service policy, Envision San José 2040 General Plan growth projections, and the California State Water Resources Control Board's General Order for Sanitary Sewer Systems.

SUMMARY AND OUTCOME

Adoption of the resolution approving the report will provide San José with an updated Sanitary Sewer Master Plan that will guide the construction of necessary sewer capacity improvement projects throughout the City to ensure current capacity needs and growth projections are met as described in the Envision San José 2040 General Plan.

Adoption of the resolution approving the addendum to Envision San José 2040 General Plan Final Program Environmental Impact Report (Addendum) will save the City both time and environmental consultant fees by avoiding the need to pursue individual CEQA exemptions for each of the 76 identified capacity improvement projects. The Addendum addresses the environmental analysis for all 76 projects as scoped.

BACKGROUND

In October 2004, the City completed the Phase I Sanitary Sewer Master Plan, which analyzed the trunk sewer system, pipes with a diameter of 12 inches or greater, for the south, central, and north areas of San José to meet the growth projections described in the San José 2020 General Plan. In April 2013, the City completed the Phase II Sanitary Sewer Master Plan, which analyzed the citywide trunk sewer system, pipes with a diameter of 10 inches or greater, to meet the growth projections described in the Envision San José 2040 General Plan, adopted by the City Council in November 2011. The Phase II Sanitary Sewer Master Plan included updates to the Phase I plan, revising previously identified capacity improvement projects or dropping projects no longer required based on sewer hydraulic modeling work. In September 2013, an addendum to the Phase II Sanitary Sewer Master Plan was completed to analyze the all-main sewer system, pipes of all diameters on City right-of-way that are maintained by the City, focused solely on North San José.

To date, 50 sanitary sewer capacity improvement projects previously identified in the master plan phase I and II reports have been constructed to alleviate capacity needs in the City.

The Phase III Sanitary Sewer Master Plan (Attachment) analyzes the citywide all-main sewer system and includes substantial updates to the Phase II plan. This master plan identifies 76 sewer capacity improvement projects that will alleviate existing capacity deficiencies while incorporating future capacity improvement needs.

The Planning, Building, and Code Enforcement Department, working closely with the Public Works Department and its consultant, GHD, Inc. prepared the Addendum for the Phase III Sanitary Sewer Master Plan in accordance with CEQA. The Addendum will be available on the City of San José, Planning, Building, and Code Enforcement webpage.

ANALYSIS

The Phase III Sanitary Sewer Master Plan recommends projects to fix existing sanitary sewer capacity issues and provide sufficient capacity for the City's future needs based on a combination of upcoming development projects and growth projections in the Envision San José 2040 General Plan. Individual projects will be recommended for construction and award, when appropriate, either through the Director of Public Works or City Council award.

The Phase III Sanitary Sewer Master Plan and related work were initiated by the Public Works Department in 2017. The focus of this phase of the master plan was to expand the analysis to consider all public sewer mains for the following three purposes.

(1) To ensure the City continues to meet City Council Policy 8-7, "Sanitary Sewer Level of Service" when considering private development projects for entitlement such that a level of service "D" or better is achieved;

(2) To satisfy Envision San José 2040 General Plan Goal IN-3, "Water Supply, Sanitary Sewer and Storm Drainage" which states that sanitary sewer infrastructure facilities should be available to meet future growth planned within the City and that they fulfill all applicable local, state, and federal regulatory; and

(3) To meet the California State Water Resources Control Board's Waste Discharge Requirements General Order for Sanitary Sewer Systems, amended December 6, 2022, which states that program enrollees, including the City, need to provide adequate system capacity to convey peak flows related to designated local historic storms.

The CEQA Addendum accompanying the master plan, drafted by the City and GHD, Inc., provides an environmental analysis of the 76 identified sewer capacity improvement projects under the Final Programmatic Environmental Impact Report and Supplemental Environmental Impact Report for the Envision San José 2040 General Plan. As described in the Addendum, the implementation of the Phase III Sanitary Sewer Master Plan will not result in new significant effects on the environment, nor will the improvements result in an increase in the severity of significant effects identified in the Final Programmatic Environmental Impact Report and Supplemental Environmental Impact Report. The adoption of the resolution will allow the identified capital improvement projects to proceed without additional environmental consultant fees and delays from additional environmental clearance requirements.

EVALUATION AND FOLLOW-UP

Progress on budgeted sanitary sewer master plan capital construction projects is reported in the Sanitary Sewer Collection System Annual Status Report each year, which is presented to the Transportation and Environment Committee. Unbudgeted sanitary sewer master plan capital construction projects are reported as unfunded sanitary sewer needs on the biennial Deferred Maintenance and Infrastructure Backlog Report, which is also presented to the Transportation and Environment Committee.

COST SUMMARY/IMPLICATIONS

The Phase III Sanitary Sewer Master Plan identifies 76 capacity improvement projects with an estimated capital cost of $118 million (2021 dollars). Project scopes may change over time depending on local water conservation efforts, reducing actual sewer demand, sewer lining and repair projects reducing infiltration and inflow that may otherwise be taking up sewer capacity, or other potential reasons. Projects are

recommended for inclusion in the biennial capital budget based on the severity of the capacity improvement need and flow confirmation.

These projects have and will continue to be built using a combination of funding from the Sanitary Sewer Connection Fee Fund and the Sewer Service and Use Charge Capital Improvement Fund, depending on future and existing capacity improvement needs. Once built, these projects will have ongoing operation and maintenance costs that will be supported by the Sewer Service and Use Charge Fund. Staff expects there to be no impact to the General Fund by either the capital projects or the ongoing operation and maintenance costs.

COORDINATION

This memorandum and report have been coordinated with the City Attorney's Office, the City Manager's Budget Office, the Environmental Services Department, the Planning, Building, and Code Enforcement Department, and the Transportation Department.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the August 19, 2025 City Council meeting.

A copy of the report was circulated to West Valley Sanitation District for review on October 5, 2023. A copy of the report was circulated to County Sanitation District No. 2-3 of Santa Clara County for review on November 14, 2023.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Phase III Sanitary Sewer Master Plan Addendum to the Envision San José 2040 General Plan Final Program Environmental Impact Report (Resolution No. 76041) and Supplemental Environmental Impact Report (Resolution No. 77617), File No. ER22-287.

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/
MATT LOESCH
Director of Public Works

For questions, please contact Mathew Nguyen, Deputy Director of Public Works, at Mathew.Nguyen@sanjoseca.gov or (408) 535-8300.

ATTACHMENT
Phase III Sanitary Sewer Master Plan Report