



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Cano
Kerrie Romanow
Jim Shannon

SUBJECT: SEE BELOW

DATE: August 11, 2020

Approved

Date

8/12/20

COUNCIL DISTRICT: 4

**SUBJECT: THE 2019 SAN FRANCISCO BAY AREA INTEGRATED REGIONAL
WATER MANAGEMENT PLAN AND PROPOSITION 1 INTEGRATED
REGIONAL WATER MANAGEMENT PROGRAM GRANT**

RECOMMENDATION

(a) Adopt a Resolution:

- (1) Approving the 2019 San Francisco Bay Area Integrated Regional Water Management Plan, a comprehensive, non-binding water plan that analyzes and prioritizes water supply, wastewater and recycled water, stormwater and flood protection, and watershed management and habitat protection and restoration needs and projects in the nine county Bay Area region; and
- (2) Authorizing the City Manager to negotiate and execute a Local Project Sponsor Agreement with the Association of Bay Area Governments (ABAG) to effectuate a \$3,203,550 grant with City matching funds of 65 % for a total project cost of \$9,215,000 relating to the River Oaks Stormwater Capture Project for the term ending on or about September 2024, and all related documents necessary for the grant.

(b) Adopt the following Appropriation Ordinance and Funding Sources Resolution amendments in the Storm Sewer Capital Fund:

- (1) Establish an estimate for Revenue from State of California in the amount of \$1,518,000; and
- (2) Establish the River Oaks Stormwater Capture Project appropriation to the Public Works Department in the amount of \$1,518,000.

OUTCOME

Approval recognizes the updated Integrated Regional Water Management Plan and further allows the City to accept grant funds and use local matching funds to design, construct, and monitor water quality improvements for the River Oaks Stormwater Capture Project located at the current River Oaks Pump Station. The grant funds will support the construction of the first publicly-funded regional green stormwater infrastructure (GSI) project in the City and implementation of the San José Green Stormwater Infrastructure Plan.

BACKGROUND

In November 2014, California voters passed Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014, which provides \$510,000,000 for Integrated Regional Water Management (IRWM) Planning and Implementation. The IRWM Grant Program is administered by the California Department of Water Resources (DWR), which awards funds to local public agencies and non-profit organizations for projects and programs to improve water supply reliability and improve and protect water quality using regional strategies, rather than strictly local strategies.

A multi-stakeholder effort across nine-counties coordinated a strategic approach to regional water management and developed the IRWM Plan. The IRWM Plan builds on water resources' needs and planning strategies identified throughout the Bay Area, leveraging regional cooperation to more effectively address the needs identified. The City Council adopted resolutions approving previous San Francisco Bay IRWM Plan versions in 2006 (<https://records.sanjoseca.gov/Resolutions/RES73555.PDF>) and 2013 (<https://records.sanjoseca.gov/Resolutions/RES77051.PDF>) allowing the City to be eligible for grant funds under the Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act. In 2018, the City completed the Chynoweth Avenue Green Street Grant Project that was partially funded by Proposition 84 IRWM funds.

However, in order to be eligible for additional grant funds, the IRWM Grant Program Guidelines mandate formal approval of the 2019 update of the IRWM Plan, as evidenced by a resolution or other written documentation. The DWR approved the update in April 2020.

In September 2019, City Council approved the GSI Plan which describes the City's approach to integrating green stormwater infrastructure into drainage infrastructure to ensure stormwater runoff is treated or infiltrated rather than directed to creeks untreated. The GSI Plan includes a concept design and tentative timeline for the River Oaks Stormwater Capture Project. In addition, Measure T – The Disaster Preparedness, Public Safety and Infrastructure Bond, passed in 2018, allocates approximately \$25 million to clean water projects.

ANALYSIS

2019 San Francisco Bay Area Integrated Regional Water Management Plan

The San Francisco Bay Area Integrated Regional Water Management Plan (IRWM Plan) reflects a nine-county effort to coordinate and improve water supply reliability, quality, and protect water resources. This 2019 revision conforms the previously-approved plan to new DWR guidelines related to the California Water Plan and changes to the California Water Code. The update includes discussing climate change vulnerabilities in the Bay Area; identifying how management strategies can help address climate change challenges; outlining specific processes and strategies used to engage and include underrepresented populations, such as disadvantaged communities and tribal communities, in regional planning; and adding details related to regional groundwater contaminants and management plans. The DWR approved the updated IRWM Plan on April 14, 2020. Through this action, the City will approve the updates to the IRWM Plan (<https://sfpuc.sharefile.com/share/view/sc0c44baeb0f4ff39>).

Integrated Regional Water Management Grant Program

In April 2019, DWR released the program proposal solicitation for the Round 1 Proposition 1 IRWM Implementation Grant Funds. One application per eligible region was accepted and the San Francisco Bay Area is designated as a single funding region. This solicitation made up to \$25,025,000 available for IRWM Plan implementation projects in the San Francisco Bay Area.

In response to the grant solicitation, 29 projects were submitted to ABAG by Bay Area agencies for inclusion in the updated IRWM Plan project list. San José submitted the River Oaks Stormwater Capture Project. The IRWM Plan Coordinating Committee screened the projects for inclusion in the DWR grant application. Projects were scored based on criteria that included technical and financial feasibility and how the projects addressed multiple goals, employed innovative technologies, addressed climate change adaptation, and were supported by technical studies. Of the 29 projects submitted, eight projects were selected for inclusion in the grant application to DWR, including the River Oaks Stormwater Capture Project.

On June 2, 2020, DWR announced the grant recipients, including the City's River Oaks Stormwater Capture Project. ABAG will serve as the lead grantee with DWR and will establish a Local Project Sponsor Agreement (LPSA) with each project sponsor. ABAG will administer and disperse the grant. The City will provide a 65% match of the \$9,215,000 for its River Oaks Stormwater Capture Project.

River Oaks Stormwater Capture Project Description

The River Oaks Stormwater Capture Project is an innovative project designed to divert urban runoff flows from smaller storm events and dry weather flows to the existing detention basin currently reserved for overflow conditions in large rain events. The detention basin will be converted to a bioretention facility that will collect and treat runoff from approximately 344 acres of impervious and pervious surfaces prior to its discharge into the Guadalupe River while

maintaining its overflow storage capacity. In addition, the project will make the area publicly accessible with passive recreation features.

The River Oaks Stormwater Capture Project is the first publicly-funded, regional project in the City. The project serves as a pilot project for the City and is included in the Council-approved GSI Plan, which highlights regional projects as one of the effective means to treat stormwater runoff. In addition, construction of the River Oaks Stormwater Capture Project will also contribute to the City's efforts towards meeting Municipal Regional Stormwater NPDES Permit (MRP) requirements.

The estimated total cost of the proposed regional GSI project improvements is approximately \$9,215,000, including \$3,203,550 supported through the Proposition 1 IRWM Grant funding. The local matching funds are estimated to be \$6,011,450, which includes \$2,436,800 for staff and consultant support.

Below is the tentative project schedule for the River Oaks Stormwater Capture Project (Table 1) and total project financial timeline: split out by Measure T and Prop 1 IRWM Grant (Table 2). Grant revenues and project expenditures for out years will be incorporated into future CIP development.

Table 1

River Oaks Stormwater Capture Project	
Project Feasibility Studies	October 2019 – September 2020
Final Design, Bid, and Award Process	November 2020 – February 2022
Project Construction	April 2022 – August 2023
Project Close-Out	August 2023 – December 2023

Table 2

	2019-2020	2020-2021	2021-2022	2022-2023	Total
Measure T Bond Program (Fund 498) (Project Administration, Design, Engineering, Construction, Inspection, Construction Contingency, Consultant Supports)	\$661,250		\$4,847,283	\$502,917	\$6,011,450
Storm Sewer Capital Fund (Fund 469)		\$1,518,000	\$1,685,550		\$3,203,550
Grand Total	\$661,250	\$1,518,000	\$6,532,833	\$502,917	\$9,215,000

CONCLUSION

The River Oaks Stormwater Capture Project was one of eight projects selected by DWR out of 30 applicants for Proposition 1 IRWM Grant funds. The project supports implementation of the City's GSI Plan by capturing and treating stormwater and dry weather runoff from over 300 acres before discharging to the Guadalupe River. For the City to enter into an agreement with ABAG and receive grant funds, Council must adopt a resolution accepting the update of the IRWM Plan. The City anticipates \$3,203,550 in Proposition 1 IRWM Grant funding towards the total estimated project cost of \$9,215,000.

EVALUATION AND FOLLOW-UP

The Department of Public Works will update the City Council on the status of the River Oaks Stormwater Capture Project as part of relevant Measure T updates.

CLIMATE SMART SAN JOSE

The recommendation in this memo has no effect on Climate Smart San José energy, water, or mobility goals.

POLICY ALTERNATIVES

Alternative 1: Do not adopt a resolution approving the 2019 San Francisco Bay Area Integrated Regional Water Management Plan or authorize the City Manager to negotiate and execute a Local Project Sponsor Agreement with the Association of Bay Area Governments.

Pros: Reduced workload on City staff needed for grant agreement negotiation, grant reporting, and grant management.

Cons: Loss of grant funding totaling \$3,203,550. This would result in the City being required to fund the entire \$9,215,000 for the River Oaks Stormwater Capture Project.

Reason for not recommending: The City's project was part of a very small number of projects selected for award of funding. If the City does not accept this funding, Measure T funds would be required for the full cost of the project.

PUBLIC OUTREACH

The City hosted a public meeting on the GSI Plan on November 15, 2018 which included a reference to the River Oaks Stormwater Capture Project. The City also provided a public comment period on the GSI Plan in April 2019. On March 4, 2020, the City held a community meeting for the project to discuss potential project concepts. In the wake of the COVID-19 pandemic, the City hosted a virtual community meeting on May 28, 2020 to present the project alternatives to stakeholders and members of the public interested in the outcome of the project. During these meetings and public comment periods, feedback from community members regarding the River Oaks Stormwater Capture Project have been positive and enthusiastic.

Also, this memorandum will be posted on the City Council Agenda website for the August 25, 2020, City Council meeting.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

COST SUMMARY/IMPLICATIONS

The table below identifies the local funding sources for the Project. Most of the match would be provided in the form of staff design, inspection, and construction management services, administration, and water quality monitoring for the Project. The local matching funds for the Project are estimated to be approximately \$6,011,450, as shown in the table below.

Grant Amount	Local Match	Source of Local Match
\$3,203,550	\$6,011,450	The City would commit \$6,011,450 to fund portions of project design, inspection, and construction management services provided by Public Works, and not funded by the grant. These services would be funded by the Measure T Bond Program.

HONORABLE MAYOR AND CITY COUNCIL

August 11, 2020

Subject: The 2019 San Francisco Bay Area Integrated Regional Water Management Plan and Proposition 1 Integrated Regional Water Management Program Grant

Page 7

Operation and maintenance costs will depend on the final design of the Project. Typical annual costs for these types of facility can be in the range of three to six percent of the Project cost, or approximately between \$276,000 and \$552,000. These costs will be incorporated into the budget process in future years.

BUDGET REFERENCE

The table below identifies the fund and appropriations to fund the contract recommended as part of this memorandum and remaining project costs, including project delivery, construction, and contingency costs.


Fund #	APPN #	Appn. Name	Current Total Appn	Rec. Budget Action	2020-2021 Proposed Capital Budget Page	Last Budget Action (Date, Ord. No.)
469	R100	Revenue from State of California	N/A	\$1,518,000	N/A	N/A
469	NEW	River Oaks Stormwater Capture Project	N/A	\$1,518,000	N/A	N/A

CEQA

Not a Project (PP17-004): Government Funding Mechanism or Fiscal Activity with no commitment to a specific project which may result in a potentially significant physical impact on the environment. The lead agency determined the Bay Area Integrated Regional Water Management Plan Update to be categorically exempt, NOE posted 6/9/2020.

/s/
MATT CANO
Director, Public Works

/s/
KERRIE ROMANOW
Director, Environmental Services Department


JIM SHANNON
Budget Director

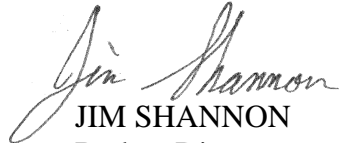
HONORABLE MAYOR AND CITY COUNCIL

August 11, 2020

**Subject: The 2019 San Francisco Bay Area Integrated Regional Water Management Plan and Proposition 1
Integrated Regional Water Management Program Grant**

Page 8

I hereby certify that there will be available for appropriation in the Storm Sewer Capital Fund in the FY 2020-2021, monies in excess of those heretofore appropriated there from, said excess being at least \$1,518,000.



JIM SHANNON
Budget Director

For questions please contact Michael O'Connell, Deputy Director, at (408) 975-7333.