



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kerrie Romanow

SUBJECT: SEE BELOW

DATE: June 14, 2021

Approved

Date

6/17/2021

COUNCIL DISTRICT: 4

SUBJECT: ADOPTION OF THE MITIGATED NEGATIVE DECLARATION FOR THE TRIMBLE AND AGNEWS MUNICIPAL GROUNDWATER WELLS PROJECT AND APPROVAL OF THE PROJECT'S STATUS REPORT AND PROJECT SCOPE

RECOMMENDATION

Adopt a resolution:

- (a) Adopting the Initial Study/Mitigated Negative Declaration for the Trimble and Agnews Municipal Groundwater Wells Project (File No. ER20-015) and the associated Mitigation Monitoring and Reporting Program, in accordance with the California Environmental Quality Act; and
- (b) Approving the status report and project scope for the Trimble and Agnews Municipal Groundwater Wells Project.

OUTCOME

Approval of the project scope and the Mitigated Negative Declaration for the Trimble and Agnews Municipal Groundwater Wells Project (Project) will allow staff to proceed with the final Project design, advertising, and award.

BACKGROUND

San José Municipal Water System's (SJMWS) North San José/Alviso service area receives water from multiple sources to meet customer demands. Wholesale water purchased from San Francisco Public Utilities Commission (SFPUC) along with supplemental groundwater provide potable water supplies to the area. Recycled water is also distributed for non-potable uses such as irrigation and cooling towers.

The amount of imported water available to SFPUC's retail and wholesale customers is constrained by hydrology, physical facilities, and the institutional parameters that allocate the water supply of the Tuolumne River. 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 County, San Mateo County and Santa Clara County" (WSA) entered into in July 2009, and amended and restated in 2018. This 25-year WSA 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. San Francisco has a perpetual commitment (Supply Assurance) to deliver 184 million gallons per day (MGD) to its 24 permanent wholesale customers collectively. San José and Santa Clara are not included in the Supply Assurance commitment and each has temporary and interruptible water supply contracts with San Francisco equal to 4.5 MGD. Potable water use in the North San José/Alviso service area is currently 4.25 MGD and is projected to increase to 9.4 MGD by 2045.

In the 2009 WSA, the SFPUC committed to make three decisions before 2018 that affect water supply development:

- Whether or not to make the cities of San José and Santa Clara permanent customers,
- Whether or not to supply the additional unmet supply needs of the Wholesale Customers beyond 2018, and
- Whether or not to increase the wholesale customer Supply Assurance above 184 MGD.

Events since 2009 made it difficult for the SFPUC to conduct the necessary water supply planning and CEQA analysis required to make these three decisions before 2018. Therefore, in the 2018 Amended and Restated WSA, the decisions were deferred for 10 years to 2028.

In December 2018, the State Water Resources Control Board (SWRCB) adopted amendments to the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary (Bay-Delta Plan Amendment) to establish water quality objectives to maintain the health of the Bay-Delta ecosystem. If the Bay-Delta Plan Amendment is implemented, the SFPUC will be able to meet the projected water demands in normal years but would experience supply shortages in single dry years or multiple dry years, resulting in supplies to wholesale customers reduced between 40-50% during some multi-year drought periods.

ANALYSIS

Project Description

The Project would construct four new municipal groundwater production wells along with associated connections to the existing potable water distribution system to secure additional

potable groundwater water supplies for SJMWS' North San José/Alviso service area. One well is proposed at the Trimble site and three wells are proposed at the Agnews site. These wells would be used to provide additional water supply to the service area in both normal and dry-year (drought) conditions.

The Project is located on two sites in SJMWS' North San José/Alviso service area: the Trimble site and the Agnews site (Attachment A). The Trimble site is an existing City facility at 491 West Trimble Road. The Agnews site is on a portion of the proposed 22-acre Agnews East Parklands Project area located off Zanker Road, near the corner of Cabrillo Road and Center Road, at the former Agnews Hospital site. Both locations are City-owned properties, which will allow for increased ability to ensure the safety and security of the potable water supply sources. By locating wells adjacent to other existing and future City facilities SJMWS will be able to reduce the State-required source water protection zone, thereby minimizing the total area required to be set aside for the groundwater well facilities. SJMWS staff has coordinated with the Department of Parks, Recreation & Neighborhood Services to identify the optimal location for groundwater wells within the future Agnews park area, and will continue this coordination to ensure the final well site enclosures blend in to the aesthetic of the final park design. Staff is continuing conversations with developers and other City departments to secure land for additional groundwater wells that will also be needed for future water supplies.

The scope of the project is described in detail in Chapter 3 of the Initial Study, which is available at [Trimble and Agnews Municipal Groundwater Wells IS/MND](#). The project will be bid in two phases. The first phase will include drilling boreholes up to 800 feet in depth and installing steel casings, gravel packs, and contamination sealants/screenings. The data from the first phase will be used to design the project's second phase, which will include installation of submersible pumps and motors, and the additional necessary infrastructure to operate the groundwater well and connect the groundwater source to the existing distribution system. Both phases will be awarded after competitive bidding.

Initial Study and Mitigated Negative Declaration

On March 16, 2021, the Director of Planning, Building, and Code Enforcement circulated an Initial Study/Draft Mitigated Negative Declaration for a 20-day public review by posting it on the City's website in conformance with the requirement of the California Environmental Quality Act (CEQA). The circulation date was subsequently extended by seven days and ended on April 12, 2021. Eleven comment letters or emails were received from interested parties and public agencies including Santa Clara County, Valley Water, Santa Clara Unified School District, and the City of San José, Parks, Recreation and Neighborhood Services. The comments were minor corrections to the text in the Initial Study and concerns about public safety, added noise, location of wells at the Agnews site, and impacts on Agnews East Park Design. The comments did not result in changes to the analysis. Any future design work will be reviewed to make sure that it falls within the Initial Study and Mitigated Negative Declaration.

CONCLUSION

Staff recommends approval of the status report and project scope, and the adoption of the Mitigated Negative Declaration for the Trimble and Agnews Municipal Groundwater Wells Project. This will allow staff to proceed with the final Project design and advertising.

EVALUATION AND FOLLOW-UP

Staff will bid the construction work and return to the City Council for award of any Major Public Works construction contract which is outside the Director's award authority.

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: Purchase privately owned land as an alternative groundwater well location

Pros: More land area left available at Agnews site for future park development

Cons: Results in more expensive construction project that leads to higher water rates; delays development of water supplies by years to allow for identification of land, purchase negotiations, land acquisition contract process, and new CEQA analysis; alternative location may not produce equal groundwater supplies as proposed location, which would require construction of more wells than what's proposed in the recommended project.

Reason for not recommending: Additional water supplies are needed now for the community due to the uncertainty surrounding future SFPUC supply reliability.

PUBLIC OUTREACH

Staff from the Environmental Services and Parks, Recreation and Neighborhood Services Departments met with the River Oaks Neighborhood Association at its May 5, 2021 meeting to provide information to the group and answer their questions about this project. This memorandum will be posted on the City's Council Agenda website for the June 29, 2021 Council Meeting.

HONORABLE MAYOR AND CITY COUNCIL

June 7, 2021

Subject: Trimble and Agnews Municipal Groundwater Wells Project – Mitigated Negative Declaration and Status

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COORDINATION

This memorandum has been coordinated with the Department of Planning, Building and Code Enforcement, the Department of Parks, Recreation and Neighborhood Services, and the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

CEQA

Trimble and Agnes Municipal Groundwater Wells Project Initial Study and Mitigated Negative Declaration, Planning File No. ER20-015.

/s/

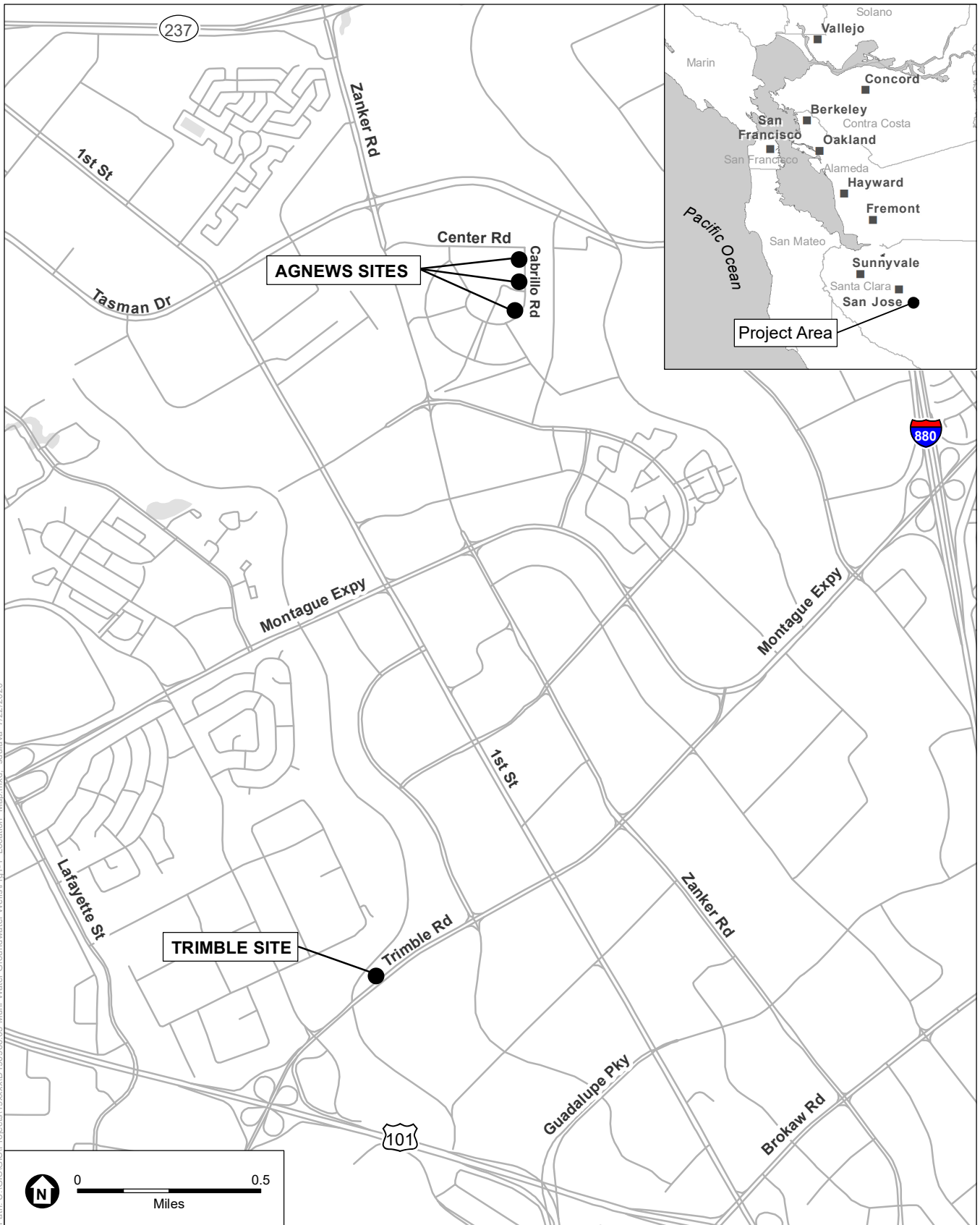
KERRIE ROMANOW

Director of Environmental Services

For questions, please contact Jeff Provenzano, Deputy Director, Water Resources Division, at Jeffrey.Provenzano@sanjoseca.gov.

Attachment: Attachment A, Map of Project Area

ATTACHMENT A



Path: U:\GIS\GIS\Projects\190966.03 Muni Water Groundwater Wells\Fig1-1 Location Map.mxd, sdujavea 7/22/2020

SOURCE: ESA, 2020

