

Environmental and Utility Services



Mission: *Provide environmental leadership through policy development, program design and reliable utility services.*

The services and programs of the Environmental and Utility Services (E&US) CSA provide integral support to the Council approved Economic Development Strategy and Strategic Initiatives. By providing and maintaining sound environmental infrastructure, programs and services for residents and businesses, our community continues to be a sustainable and attractive place to live, work and play. The quality and reliability of the services delivered by the E&US CSA are extremely high and have resulted in remarkable environmental leadership and achievements. As a result, our citizens view these services as routine and have high expectations for service delivery. The continued maintenance and expansion of these programs and services are necessary components of the City’s economic growth and vitality.

In order to focus on providing critical services, a number of expenditure reductions were approved to offset cost increases related to maintaining or enhancing services. Most of these reductions can be made with little or no service level impact.

The majority of the additions are in the Capital Budget and relate to infrastructure maintenance, replacement, or rehabilitation. At the Water Pollution Control Plant, the Reliability Improvements Project continues in order to address the aging infrastructure, and seven support positions were converted to front-line positions to address increased maintenance requirements. In the Storm Sewer Capital Program, funding for storm pump station replacement and rehabilitation has been added to mitigate potential localized flooding.

The second year of a five-year expanded parking enforcement plan will be implemented in 2004-2005 as part of a strategy to enhance the effectiveness of city-wide street sweeping. A key to greater effectiveness is the expansion of parking prohibitions in areas that experience greater than normal parking impacts due to higher density neighborhoods. Staff anticipates that these efforts, coupled with improved inspection services and more aggressive outreach and education programs about street sweeping and parking enforcement, will improve the effectiveness of street sweeping services throughout the City.

Primary Partners

Environmental Services
Transportation

CSA OUTCOMES

- Reliable Utility Infrastructure
- Healthy Streams, Rivers, Marsh, and Bay
- “Clean and Green” Air, Land and Energy
- Safe, Reliable and Sufficient Water Supply

City Service Area
Environmental and Utility Services
BUDGET SUMMARY

Budget at a Glance

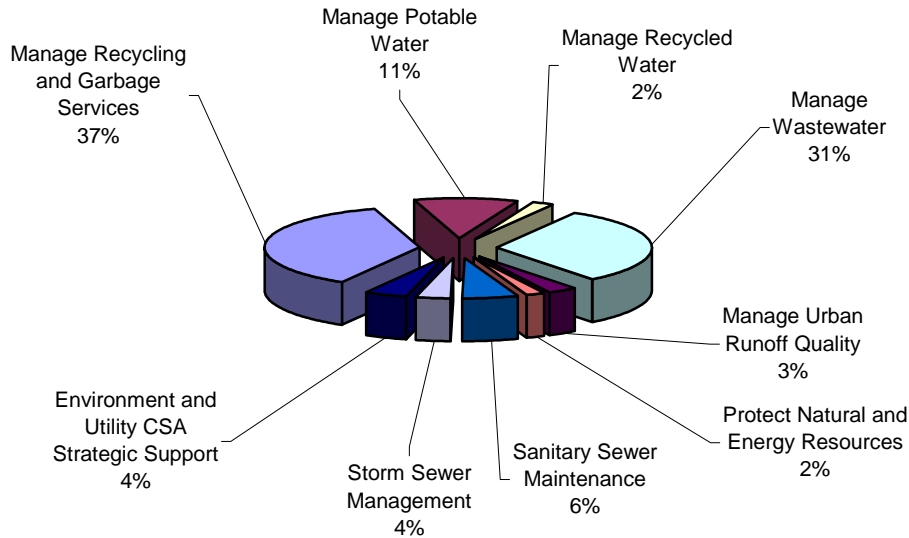
	2003-2004 Adopted	2004-2005 Adopted	% Change
Total CSA Budget (All Funds)	\$162,953,705	\$162,246,600	(0.4%)
Total Authorized Positions	596.96	592.26	(0.8%)

Budget & Performance Highlights

- **Street Sweeping Parking Enforcement Expansion** — The 15% of streets where street cleanliness is a problem are in those areas with high street parking impacts. This enhancement will expand enforced parking restrictions on sweep days by 40% and represents the second year of a multi-year strategy to improve street sweeping effectiveness in the City.
- **Water Pollution Control Plant Infrastructure Upgrades** — As the Water Pollution Control Plant utility infrastructure ages, it has required increased maintenance and rehabilitation. Almost half of the Plant’s infrastructure is 30 years old or older. The Reliability Improvements Project has commenced to address major infrastructure replacement and upgrades.
- **Water Pollution Control Plant Maintenance Staffing** — Maintenance needs at the Plant continue to escalate due to the aging infrastructure. In 2003-2004, the E&US CSA evaluated its vacant positions for opportunities to provide front-line maintenance services at the Plant. As a result, seven administrative support positions were converted to maintenance positions to address the increased maintenance required. These changes will provide savings, as well as additional core service support.
- **Storm Pump Stations Replacement/ Rehabilitation** — The storm sewer infrastructure is also in need of significant maintenance and replacement. Of particular concern are the storm pump stations, almost half of which are over 40 years old. As part of the 2004-2005 Adopted Capital Budget, funds have been allocated to replace or rehabilitate several of the older pump stations to reduce the risk of localized flooding.
- **Water Efficiency Program Reduction** — As a result of the effectiveness of the City’s Flow Reduction Programs, the recently renewed National Pollutant Discharge Elimination System (NPDES) Wastewater Permit has less stringent program requirements. The Water Efficiency Program (WEP), one component of the Flow Reduction Programs, has been highly successful in reducing flows to the Water Pollution Control Plant. As a result, WEP activities can be scaled back without impacting the City’s permit compliance. The result is ongoing savings of \$911,000 for 2004-2005.
- **Operational Efficiencies** — Modifications include the reduction of marketing and outreach costs through a more strategic and budget conscious approach; and reductions that reflect the implementation of a variety of efficiencies in the Business Services Division of the Environmental Services Department.

City Service Area
Environmental and Utility Services
BUDGET SUMMARY

2004-2005 Total Operations by Core Service



City Service Area Budget Summary

	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Dollars by Core Service					
Manage Potable Water	\$ 13,820,636	\$ 17,476,077	\$ 17,418,491	\$ 17,387,790	(0.5%)
Manage Recycled Water	3,053,359	3,924,837	3,632,125	3,497,658	(10.9%)
Manage Recycling and Garbage Services	52,584,313	59,277,084	60,021,672	59,785,001	0.9%
Manage Urban Runoff Quality	4,641,854	5,242,786	4,811,397	4,815,871	(8.1%)
Manage Wastewater	46,797,447	48,579,939	49,828,696	50,438,852	3.8%
Protect Natural and Energy Resources	2,775,995	5,172,614	4,449,881	3,112,852	(39.8%)
Sanitary Sewer Maintenance	7,886,158	9,444,552	9,372,222	9,355,222	(0.9%)
Storm Sewer Management	5,862,949	6,107,351	5,905,568	6,261,705	2.5%
Strategic Support	6,622,772	7,231,465	7,212,440	6,972,649	(3.6%)
Subtotal	\$ 144,045,483	\$ 162,456,705	\$ 162,652,492	\$ 161,627,600	(0.5%)
Other Programs					
City-Wide Expenses	\$ 475,706	\$ 497,000	\$ 619,000	\$ 619,000	24.5%
General Fund Capital, Transfers and Reserves	315,595	0	0	0	N/A
Subtotal	\$ 791,301	\$ 497,000	\$ 619,000	\$ 619,000	24.5%
Total	\$ 144,836,784	\$ 162,953,705	\$ 163,271,492	\$ 162,246,600	(0.4%)
Authorized Positions	591.20	596.96	591.16	592.26	(0.8%)

City Service Area
Environmental and Utility Services
FIVE-YEAR BUSINESS PLAN

Current Position *How are we doing now?*

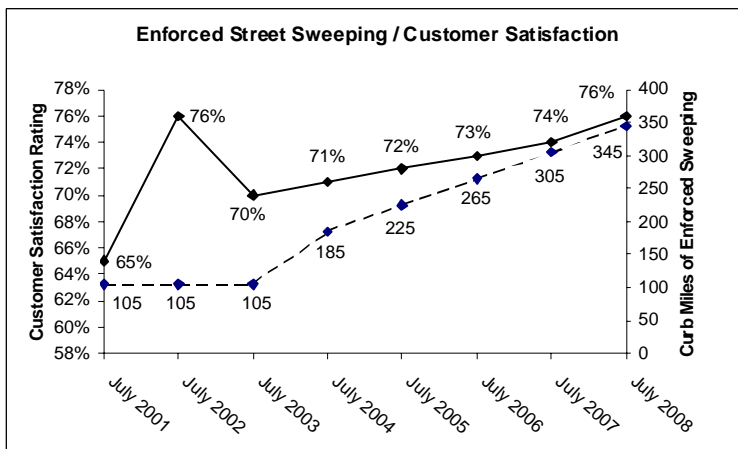
- Solid waste recycling and landfill diversion is 64%, the highest rate achieved by any large city in the country.
- City-wide facility and utility energy conservation is 16%.
- South Bay Water Recycling (SBWR) use for the summer of 2003 averaged 10.5 million gallons per day (mgd).
- During the summer of 2003, discharge from the San José/Santa Clara Water Pollution Control Plant (SJ/SC WPCP) met or exceeded all NPDES Permit requirements and was 100 mgd, well below the 120 mgd summer flow trigger.

Selected Community Indicators *What external conditions influence our strategies?*

- Flow to SJ/SC Water Pollution Control Plant—Used to determine need for new flow reduction programs and Plant expansion. Flow of 142 mgd triggers expansion planning.
- Recycling and diversion rates of the different sectors of the waste stream; i.e. Single Family Dwelling, Multi-family Dwelling, Commercial, Construction & Demolition—Indicates upon which areas we need to focus recycling education efforts.
- Solid waste landfill volumes—Indicates success of our diversion programs. State mandate = 50%.
- Recycled Water Use = 2.0 billion gallons per year—Indicates growth in use of recycled water for irrigation, agriculture, and industrial use.
- Percent of streets experiencing severe parking impacts that prevent effective street sweeping = 15%.

Trends / Issues / Opportunities *What developments require our response?*

- Increased natural gas, electricity, fuel and wholesale water costs increase expenses for the Treatment Plant, Recycle Plus, and Municipal Water System.
- Increased security requirements for SJ/SC WPCP and Municipal Water System.
- Lower solid waste landfill volumes reflect program effectiveness and downturn in the economy; impact General Fund revenue.
- Participation in the Santa Clara Valley Water Protection Collaborative to address flood protection, water quality, and habitat protection.
- Storm Water NPDES Permit continues the trend of more stringent requirements.
- Aging storm sewer and Treatment Plant infrastructure results in increased maintenance and rehabilitation/replacement costs.



- Work with co-permittees and Regional Board to develop new Stormwater NPDES Permit with feasible and reasonable provisions for submittal in spring 2005.
- Review Solid Waste Diversion Policy and Action Plan to evaluate recycling program alternatives to maximize diversion.
- Improve neighborhood cleanliness by addressing parking impacts on street sweeping effectiveness.
- Enhance City's leadership in recycling through review of e-waste and Environmental Purchasing Policies.

Trends / Issues / Opportunities ***What developments require our response? (Cont'd.)***

- Silicon Valley Energy Partnership with PG&E to provide energy efficiency education, audits, and installation design analysis to small businesses and municipalities.
- Partnership opportunity with Santa Clara Valley Water District for operation of SBWR System.
- Continued participation in the Watershed Management Initiative to leverage resources to meet permit requirements.
- Improve diversion and increase recycling effectiveness in downtown core through restructuring of commercial solid waste and recycling program.
- Influence water supply planning through participation in the newly created Bay Area Water Conservation and Supply Agency.
- Participation in the planning of the conversion of the Cargill Salt Ponds to assure the SJ/SC WPCP can continue to operate effectively and efficiently and protect Alviso from tidal impacts.
- Slower economy has resulted in declining commercial and industrial revenues for sewer and solid waste funds.

Policy Framework ***What policies guide our strategies?***

- Economic Development Strategy and Strategic Initiative Priorities.
- NPDES Storm Water Permit and Urban Runoff Management Plan (URMP) defines how the City will meet the objectives as set forth in the NPDES permit.
- NPDES Wastewater Permit - Defines the objectives the City must meet and guides flow reduction program development to ensure the wastewater treatment plant meets conditions that protect the San Francisco Bay from contaminants and conditions that could negatively impact water quality.
- AB939 50% Diversion mandate - Mandates that the City maintain a landfill diversion rate of 50% or greater.
- Environmental Procurement Policy - Reduction of environmental impacts through the purchase of preferable products by the City.
- Sustainable City Strategy - Statement of San José's desire to become an environmentally and economically sustainable city by conserving its natural resources for the use of present and future generations.
- Sanitary Sewer Master Plan - Identifies and prioritizes future capacity improvements to the City's sanitary sewer collection system in order to support the City's General Plan for future development.

Key Strategic Goals & Objectives ***Where are we going?***

Outcome 1: Reliable Utility Infrastructure

- **100% cost-recovery in special funds** – Maintain programs at 100% cost-recovery to ensure financial integrity and fiscal responsibility of funds. A combination of program efficiencies and modest rate increases will be used to balance expenditures and revenues to keep programs as close to 100% cost-recovery as possible.
- **Continue to meet and exceed the State's AB939 Diversion Mandate of 50%** - San José has succeeded in achieving 64% diversion of solid waste from landfills. As a result, the expected life span of San José landfills has been effectively doubled with current capacity in excess of 20 years. The CSA will continue to analyze diversion and disposal information, conduct outreach to encourage continued diversion, and improve service delivery and reliability of solid waste collection while maximizing diversion and providing high quality customer services.
- **Improve service delivery and reliability of residential street sweeping** - The City employs parking prohibition and enforcement on sweep days as a tool to improve the quality of street sweeping in select high parking impact areas. To mitigate the effect of reduced residential street sweeping frequency, the City will continue to work with the community to further identify areas that will benefit from this strategy.

Key Strategic Goals & Objectives *Where are we going? (Cont'd.)*

Outcome 1: Reliable Utility Infrastructure (Cont'd.)

- **Rehabilitation and replacement of aging infrastructure** – The utility infrastructure in San José - the Sanitary Sewer System, Storm Sewer System, and Treatment Plant - is aging and requiring increased maintenance. In order to maintain system reliability and minimize maintenance costs, the older infrastructure needs to be rehabilitated or replaced.

Outcome 2: Healthy Streams, Rivers, Marsh and Bay

- **Continue to meet and exceed Storm Water NPDES permit requirements** – The City conducts activities to limit non-storm water discharges to the storm sewer system and to implement “Best Management Practices” (BMP) to reduce pollutants. Activities include implementing BMP’s for municipal activities, enforcing State and local regulations, working with new development to minimize pollutants, and educating the community on how to protect water quality.
- **Continue to meet and exceed Wastewater NPDES discharge requirements** – The City’s NPDES permit development and management approach identifies the most cost-effective and environmentally beneficial programs. Through technical studies, regional cooperation and programmatic efforts, the Plant strives to provide regulatory certainty to the City and discharge community by resolving issues such as copper, nickel and mercury discharge limits, freshwater flows to the south bay, and marsh mitigation.
- **Continue expansion of recycled water system to decrease flow to the Bay** – The use of recycled water diverts flow from the Bay, and has been key to the City’s success in maintaining effluent flows below the flow trigger level of 120 mgd. As the pipeline is extended, the system will serve more customers, decreasing flow to the Bay.
- **Watershed Management Initiative and Water Resources Protection Collaborative** – The City Council adopted the Watershed Management Initiative’s (WMI) Watershed Action Plan in September 2003. The WMI will now concentrate its efforts on activities that implement the strategic objectives of the Action Plan. The City will continue participation in the Water Resources Protection Collaborative as it proceeds to develop standards and guidelines, as needed, for land uses near streams and the protection of surface and groundwater quality and quantity.

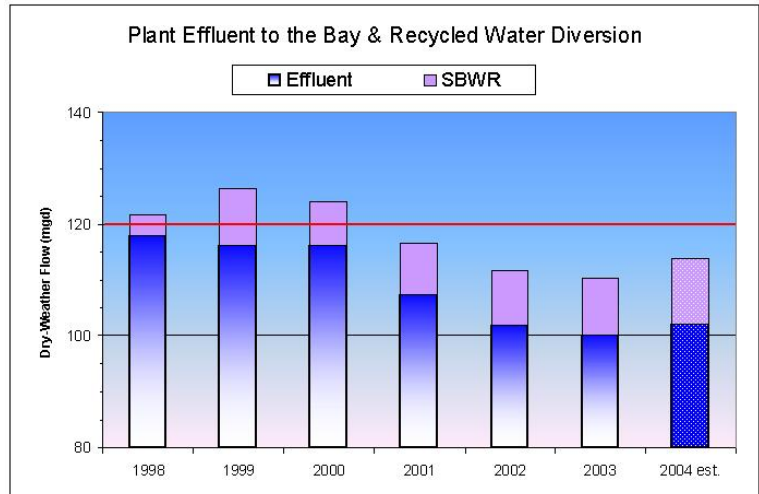
Outcome 3: “Clean and Green” Air, Land and Energy

- **Utilize Green Building design and construction principles in public and private construction** – The City is committed to implementing the Green Building policy and goals by developing in-house expertise in green building design and construction (LEED™ rating system). Through a partnership with PG&E’s Pacific Energy Center, education to encourage the incorporation of sustainable building goals early in the building design process is provided to public and private developers.
- **Promote environmentally responsible land use** – Utilizing closed landfills for both interim and permanent productive purposes provides a benefit to the community. Productive uses of landfills can include community athletic complexes such as softball and soccer fields, as well as land for temporary or permanent City use. Additionally, soil is a valuable commodity. Coordination of City project soil disposal and purchase needs, the temporary storage or staging of soil, and the ultimate reuse of soil can lead to significant cost savings.

Key Strategic Goals & Objectives *Where are we going? (Cont'd.)*

Outcome 4: Safe, Reliable and Sufficient Water Supply

- **Continue to meet and exceed drinking water quality requirements** - San José Municipal Water System ensures that drinking water delivered to customers meets all applicable federal and state health standards. Water at various locations in the distribution system is tested daily using the latest testing procedures and equipment.
- **Continue to meet and exceed recycled water quality requirements** - The South Bay Water Recycling Program delivers treated effluent from the SJ/SC WPCP to customers for reuse in irrigation, landscaping, and other beneficial purposes. Planned upgrades to Plant facilities through the 2004-2005 Adopted Capital Budget will ensure continued treatment of recycled water to meet customer needs and comply with regulatory requirements.



City Service Area
Environmental and Utility Services
INVESTMENT STRATEGY

Overview

The Environmental and Utility Services CSA will focus its service efforts in 2004-2005 on adjusting resources to meet City Council and community priorities, and address an aging utility infrastructure. Reliable and efficient utility services and strong environmental leadership both contribute to a strong economy and a sustainable community.

Key Investments & Objectives ***How will we accomplish our goals?***

Although less than 2% of the Environmental and Utility Services (E&US) CSA funding comes from the General Fund, \$900,000 in expenditures was shifted from the General Fund to E&US special funds in 2003-2004, with another \$512,000 shifted for 2004-2005. In addition, the CSA reviewed potential changes or enhancements to General Fund revenues. The recommended General Fund revenue adjustments total \$490,000.

While shifting costs to special funds reduces the General Fund budget, in the special funds, it reduces revenues available for other program activities. In order to minimize rate increases resulting from these shifts and from increased program costs, the E&US CSA performed a comprehensive evaluation of the services and activities provided from each of its special funds. This budget reflects the reduction or elimination of some services and activities not central to the mission and core services of the CSA, as well as general efficiency savings. In addition, offsetting reductions were approved for any position additions, resulting in an overall decrease in the number of positions.

Despite expenditure reductions in the special funds, rate increases will still be required to cover the escalating costs of service delivery and regulatory compliance. Approved as part of this budget were rate increases for the Municipal Water System, recycled water, and sewer service and use fees. Additionally, the second year of the City Council approved Recycle Plus rate increase and the third year of the City Council approved storm sewer rate increase will be implemented.

Outcome 1: Reliable Utility Infrastructure

General Fund Reductions and Revenue Enhancements

- Community-Based Organizations funding reduction.
- Shifted funds for Neighborhood Clean-Up Bins and Civic Yard Trimmings Collection and Processing to the Integrated Waste Management Fund.
- Shifted funds for storm response to the Storm Sewer Operating Fund.
- Removed Commercial Solid Waste Franchise Fee exemption for those companies providing front loader service to increase revenue collections.

Water Pollution Control Plant Reliability Improvements

- During 2004-2005, the Water Pollution Control Plant will complete the design for and bid the \$57 million Reliability Improvements Project.
- Completion of construction on this project is scheduled to occur in 2008-2009 and will increase peak flow capacity from 271 million gallons per day (mgd) to 400 mgd during wet weather.
- This project will ensure the operational reliability of the Plant during significant and prolonged rainstorms.
- Completion of this project will ensure that development can continue uninterrupted as the economy recovers and wastewater flows increase.

Outcome 1: Reliable Utility Infrastructure (Cont'd.)

Water Pollution Control Plant Maintenance Staffing

- Seven support positions in the Environmental Services Department were converted to front-line mechanics and electricians at the Water Pollution Control Plant to address the aging Plant infrastructure and corresponding increased maintenance needs.
- Over 50% of the Plant infrastructure is over 30 years old and in need of repair or replacement.
- The addition of these positions will reduce the 13-week maintenance backlog and enable the maintenance section to proactively address repair needs, as well as provide routine repair and maintenance on the Plant's electrical distribution system which must be available 24 hours per day, 365 days per year.
- The addition of these positions will also reduce the need for ongoing contractual services and help preserve City jobs.

Storm Pump Stations Rehabilitation and Replacement

- A total of \$500,000 is dedicated to rehabilitate or replace an old and aging pump station infrastructure to improve overall reliability.
- Nine of the 21 pump stations city-wide are over 40 years old and require significant rehabilitation. This will provide first year funding of a multi-year plan to address the infrastructure improvement needs of the storm pump stations.

Outcome 2: Healthy Streams, Rivers, Marsh and Bay

Water Efficiency Program Reduction

- The flow reduction activities in the Water Efficiency Program, coupled with increased recycled water usage, have been highly successful over the past 10 years in diverting flow to the Plant.
- Reflecting this flow reduction, as well as changes in the Wastewater permit requirements, \$911,000 in savings is realized in the Treatment Plant Operating Fund. These ongoing savings will reduce the magnitude of the approved sewer service and use rate increase.

Street Sweeping Effectiveness

- Goal is to improve the cleanliness of residential neighborhoods through the enhancement of street sweeping effectiveness.
- Parking prohibition and enforcement on sweep days will be expanded by installing 40 new curb miles of signage for parking prohibitions in 2004-2005.
- The program will perform outreach and education to areas heavily impacted with parked cars to determine if parking prohibition on sweep days would benefit each area.

City Service Area
Environmental and Utility Services
PERFORMANCE BY OUTCOME

Outcome 1: Reliable Utility Infrastructure

Wastewater Treatment Plant Reliability Projects

The \$57 million multi-year Plant Reliability Improvements Project currently underway at SJ/SC WPCP will increase peak wet weather flow capacity from 271 mgd to 400 mgd. Past wet weather flows during prolonged rainstorms have caused inflow to the Plant to surpass 320 mgd, resulting in numerous

operational difficulties. Construction of this project is scheduled to begin in 2004-2005. Also, commencing in 2004-2005, are studies for the planned rehabilitation of the Plant's electrical distribution system to replace aging infrastructure and ensure redundancy for the Plant's 24/7 operations.

Outcome 1: Reliable Utility Infrastructure

5 Year Strategic Goals	CSA Performance Measures	2005-2009 5-yr Goal	2003-2004 1-yr Target	2003-2004 Estimate	2004-2005 1-yr Target
A. Environmental and Utility Services CSA delivers quality Capital Improvement Program (CIP) projects on-time and on-budget	1. % of CIP projects that are delivered within 2 months of approved baseline schedule	TBD	85%	90% 18/20	85%
	2. % of CIP projects that are completed within approved baseline budget	TBD	90%	TBD	90%
	3. % of project delivery costs (exclusive of citywide overhead) compared to total construction costs for completed projects:				
	- Less than \$500,000	TBD	TBD	TBD	31%
	- \$500,000 < x < \$3,000,000	TBD	TBD	TBD	23%
	- Greater than \$3,000,000	TBD	TBD	TBD	15%
	4. % of operations and maintenance divisions rating new or rehabilitated capital facilities as being functional and sustainable after first year of commissioning or use	TBD	80%	TBD	80%
	5. % of customers rating new or rehabilitated CIP projects as meeting established goals (4 or better based on a scale of 1-5)				
	Public-	TBD	85%	TBD	85%
	City Staff-	TBD	85%	TBD	85%

City Service Area
Environmental and Utility Services
PERFORMANCE BY OUTCOME

Outcome 1: Reliable Utility Infrastructure (Cont'd.)

5 Year Strategic Goals	CSA Performance Measures	2005-2009 5-yr Goal	2003-2004 1-yr Target	2003-2004 Estimate	2004-2005 1-yr Target
B. Preserve the City's utility infrastructure to optimize service delivery capabilities	1. % of utility assets in working condition:				
	- SJ/SC Water Pollution Control Plant	95%	95%	95%	95%
	- Sanitary Sewer lines	97%	97%	98%	97%
	- Storm Sewer lines	97%	97%	97%	97%
	- SJ Municipal Water	95%	95%	95%	95%
	- South Bay Water Recycling	95%	95%	95%	95%
	2. % of customers rating service as good, based on reliability, ease of system use and lack of disruption:				
	- Potable	95%	90%	91%*	91%
	- Recycled	90%	90%	76%*	76%
	3. Ratio of MWS average residential water bill to average residential water bill of other San Jose water retailers**		<100%	<100%	80%
C. Provide for collection, disposal & processing of solid waste	1. % of waste diverted from landfills (State Goal: 50%)	>50%	64%	62%	62%
	2. % of residents rating collection services as good or excellent	90%	80%	83%	83%

* Potable and Recycled Water surveys conducted in 2004. Next surveys will be conducted in 2005-2006.

** San Jose water retailers include: San Jose Water Company and Great Oaks Water Company

Infrastructure Improvements

Also at the Water Pollution Control Plant, the Alternative Disinfection Project will begin in 2004-2005. This project will evaluate and construct the facilities required in order for the Plant to switch from gaseous chlorine to alternative disinfection methods.

A comprehensive storm pump station rehabilitation and upgrade capital program has been developed and will begin in 2004-2005 to address the aging storm sewer infrastructure by replacing or rehabilitating the oldest and least reliable pump stations to reduce the risk of localized flooding. Of the 21 storm pump stations in San José, nine of them are 40 years old or older.

Ten miles of recycled water pipeline extensions are under construction in Milpitas and Santa Clara which, when completed, will allow nearly 100 new customers

to connect to the South Bay Water Recycling Program system.

Successful Solid Waste Diversion

San José requested that the California Integrated Waste Management Board adopt a new base year for San José to calculate the City's waste diversion numbers. The Board reviewed the study the City conducted and approved the request. The result is that the 1999 diversion rate for San José was 59% and the 2000 diversion rate was 64%. The City's submission to the Board for 2002 forecasts a 62% diversion rate. This reduction is the result of lower sales tax activity which is one of the factors upon which the rate calculation is based. With this reduction, these are still the highest diversion accomplishments of any big city in America.

City Service Area
Environmental and Utility Services
PERFORMANCE BY OUTCOME

Outcome 2: Healthy Streams, Rivers, Marsh and Bay

5 Year Strategic Goals	CSA Performance Measures	2005-2009 5-yr Goal	2003-2004 1-yr Target	2003-2004 Estimate	2004-2005 1-yr Target
A. Manage stormwater for suitable discharge into creeks, rivers and the Bay	1. % of Urban Runoff Management Plan (URMP) tasks completed by target date	100%	100%	90%	100%
	2. % of residents surveyed who understand that any substances that get washed down the street end up in the Bay without treatment through the storm drain system	55%	40%	43%*	43%
B. Manage wastewater for suitable discharge into the Bay.	1. Mgd discharged to Bay during the average dry weather effluent flows (ADWEF) season	119	110	100	110
	2. % of time pollutant discharge requirements for wastewater NPDES permit are met or surpassed	100%	100%	100%	100%
C. Develop, operate, and maintain a recycled water system that reduces effluent to the Bay.	1. Millions of gallons per day diverted from flow to the Bay through recycled water during the ADWEF period	17	11	10.5	12

* Survey conducted fall of 2003. Next survey is scheduled for 2005-2006.

Managing Health of the Bay

For more than 10 years, the City has invested considerable efforts toward protecting local streams, rivers and the San Francisco Bay salt marsh habitat. The San José/Santa Clara Water Pollution Control Plant’s (Plant) average dry-weather effluent flow for 2003 was 100.1 mgd well below the 120 million gallons per day (mgd) trigger set by the State to protect wildlife habitat for the sixth consecutive year. The Plant has also once again consistently met all discharge limitations.

The City's 5-year Wastewater NPDES Permit was adopted on September 17, 2003, following a successful eighteen month process. The stakeholder negotiations resulted in a permit that continues the City’s excellent environmental leadership and protection, results in some resource savings relating to chlorine use, flow reduction, monitoring and marsh mitigation requirements, and should allow for regulatory certainty for permitted dischargers and the Plant over the next 5-year permit cycle.

Another significant success this year is San José’s inclusion on the stakeholder forum for the State and

federal South Bay salt pond restoration process giving the City a voice in this regional effort. This salt pond restoration effort is critical for San José, as much of the area to be restored is within City limits and in close proximity to the Treatment Plant. Actively participating will allow the City to address concerns that may affect planning for salt pond A18 and other bay habitat issues. It also demonstrates the agencies’ recognition of the City’s interest and knowledge, previous efforts in the area of restoration and habitat protection, as well as data collection and GIS mapping capabilities.

Decreased Construction Run-Off

Through the increased coordination effort between the Environmental Services, Planning, Building & Code Enforcement, and Public Works Departments for this rainy season, several additional and effective inspections of construction sites were performed. This resulted in a dramatic decrease in runoff and sediment transport incidents and citizen complaints about construction sites. This coordination effort between the different departments will continue.

Outcome 3: "Clean and Green" Air, Land and Energy

Green Building Program

In the Green Building Program, San José was recently recognized as having the first certified "green" library in the world by the United States Green Building Council. Staff continues to review existing construction projects to determine to what extent green building measures can be incorporated. Cross-training of staff within the departments of Environmental Services, Public Works, Redevelopment Agency, and Planning, Building and Code Enforcement continues to occur. To date, nine City staff are LEED™ Accredited Professionals.

Energy Efficiency

Energy supply, reliability and cost issues continue to be a concern for the next few years within California. As part of the adopted Sustainable Energy Policy, San José continues to pursue energy efficiency in City operations and encourages renewable and clean energy use, while promoting energy efficiency on a community basis. To that end, in 2003-2004 San José installed a small photovoltaic (PV) cell in one of the airport bus shelters. This PV cell generates enough electricity to power the light and motion sensor in the shelter.

Outcome 3: "Clean and Green" Air, Land and Energy

5 Year Strategic Goals	CSA Performance Measures	2005-2009 5-yr Goal	2003-2004 1-yr Target	2003-2004 Estimate	2004-2005 1-yr Target
A. Promote improved air quality	1. % of City vehicles using alternative fuels or are ultra-low emission vehicles	15%	15%	11%	11%
B. Utilize Green Building Design principles in all public buildings and encourage their use in private development	1. % of new and existing buildings incorporating Green Building Guidelines:				
	• Applicable Public Buildings	100%	100%	100%	100%
	• Commercial Buildings	25%	N/A*	N/A*	N/A*
	• Attached Residential	10%	N/A*	N/A*	N/A*
C. Procure, manage and conserve clean, economical and reliable sources of energy	1. % of energy conserved in City facilities	12%	12%	16%	12%
	2. # of renewable systems in City facilities	5	1	1	1
D. Reduce, reuse, and recycle solid waste at home, work, and play	1. % of residents rating the City's job of providing information on how to recycle as good or excellent	85%	82%	82%	82%
E. Promote environmentally responsible land use	1. % of City-owned closed landfills utilized for Tier 1 beneficial uses	80%	60%	40%	40%

* Currently no funding exists for private sector green building activities.

Outcome 4: Safe, Reliable, and Sufficient Water Supply

Successful Water Recycling and Conservation

The City plays an important role in ensuring future water supplies through its water conservation and water recycling programs. Both of these programs serve a dual purpose: (1) conserving potable water supplies, and (2) reducing the amount of wastewater to the San José/Santa Clara Water Pollution Control Plant. Both programs have been a major factor in keeping flows below the 120 mgd permit trigger.

The South Bay Water Recycling (SBWR) Program has continued to increase the number of customers using recycled water to over 450. SBWR provides the greatest short-term and long-term flow diversion potential. The first of three new electric power generation facilities, the Los Esteros Critical Energy Facility, was connected in 2003 and the Silver Creek pipeline was completed in early 2004. When the power plants currently under construction in San José and Santa Clara are operational, they will use an additional

7 mgd of recycled water in the summer. The City continues negotiations on a long-term agreement between the Plant Joint Powers Authority and the Santa Clara Valley Water District on the operation, maintenance and future expansion of the SBWR system.

Opportunities remain to achieve water conservation from indoor water use. The City’s water conservation efforts are currently only funded for indoor water conservation programs that prevent wastewater flows from the Water Pollution Control Plant from approaching the 120 mgd trigger. Because flows are currently around 100 mgd, water conservation efforts will be scaled back accordingly. The City will continue cost sharing on indoor water conservation programs with the Santa Clara Valley Water District and continue to offer businesses financial and technical assistance to reduce wastewater flows.

Outcome 4: Safe, Reliable and Sufficient Water Supply

5 Year Strategic Goals	CSA Performance Measures	2005-2009 5-yr Goal	2003-2004 1-yr Target	2003-2004 Estimate	2004-2005 1-yr Target
A. Decrease reliance on imported water	1. Mgd of water conserved and recycled	21.0	18.0	18.2	19.2
B. Public is educated regarding water conservation, and the safe and appropriate use of recycled water and water resources	1. % of residents demonstrating water conservation knowledge	40%	New Measure	New Measure	30%
	2. % of residents cutting back on water use as much as they can	75%	80%	80%	78%
	3. % of residents who are in favor of using recycled water	90%	80%	80%	80%
C. Meet or exceed drinking and recycled water quality standards	1. % of San Jose Municipal Water System drinking water samples meeting or surpassing State and Federal water quality regulations	100%	100%	100%	100%
	2. % of time recycled water meets or surpasses State recycled water standards (title 22)	100%	100%	100%	100%

Service Delivery Framework

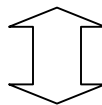
CITY SERVICE AREA
A cross-departmental collection of core services that form one of the City's 7 key "lines of business"

MISSION STATEMENT
Why the CSA exists

Environmental and Utility Services CSA

Mission:

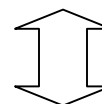
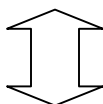
Provide environmental leadership through policy development, program design and reliable utility services.



CSA OUTCOMES
The high level results of service delivery sought by the CSA partners

Outcomes:

- Reliable Utility Service
- Healthy Streams, Rivers, Marsh and Bay
- "Clean and Green" Air, Land and Energy Resources
- Safe, Reliable, and Sufficient Water Supply



PRIMARY PARTNERS
Departments with Core Services that contribute to achievement of CSA Outcomes

CORE SERVICES
Primary deliverables of the organization

Environmental Services Department

Core Services:

Manage Potable Water

Manage Recycled Water

Manage Recycling & Garbage Services

Manage Urban Runoff Quality

Manage Wastewater

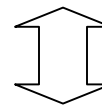
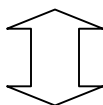
Protect Natural and Energy Resources

Transportation Department

Core Services:

Sanitary Sewer Maintenance

Storm Sewer Management



OPERATIONAL SERVICES
Elements of Core Services; the "front-line" of service delivery

STRATEGIC SUPPORT
Organization-wide guidance and support to enable direct service delivery

