

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES



MISSION

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

Primary Partners

Energy
Environmental Services
Transportation

CSA OUTCOMES

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

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES

SERVICE DELIVERY FRAMEWORK

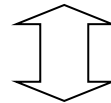
CITY SERVICE AREA
A cross-departmental collection of core services that form one of the City's six key "lines of business"

MISSION STATEMENT
Why the CSA exists

Environmental & Utility Services CSA

Mission:

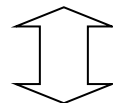
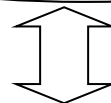
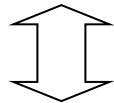
Provide environmental leadership through policy development, program design, and reliable utility services.



Outcomes:

- Reliable Utility Infrastructure
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CSA OUTCOMES
The high-level results of service delivery sought by the CSA partners



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

CORE SERVICES
Primary deliverables of the organization

Energy Department

Core Services:

Providing Clean Energy to the Community

Energy Customer Support

Energy Community Programming

Environmental Services Department

Core Services:

Potable Water Delivery

Recycled Water Management

Recycling and Garbage Services

Stormwater Management

Sustainability and Environmental Health

Wastewater Management

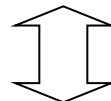
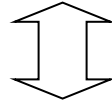
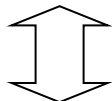
Transportation Department

Core Services:

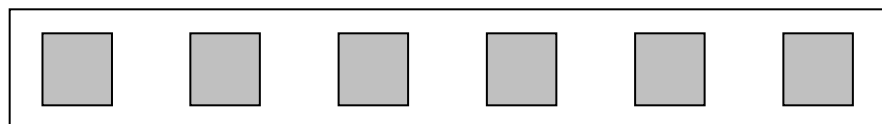
Sanitary Sewer Maintenance

Storm Sewer Maintenance

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



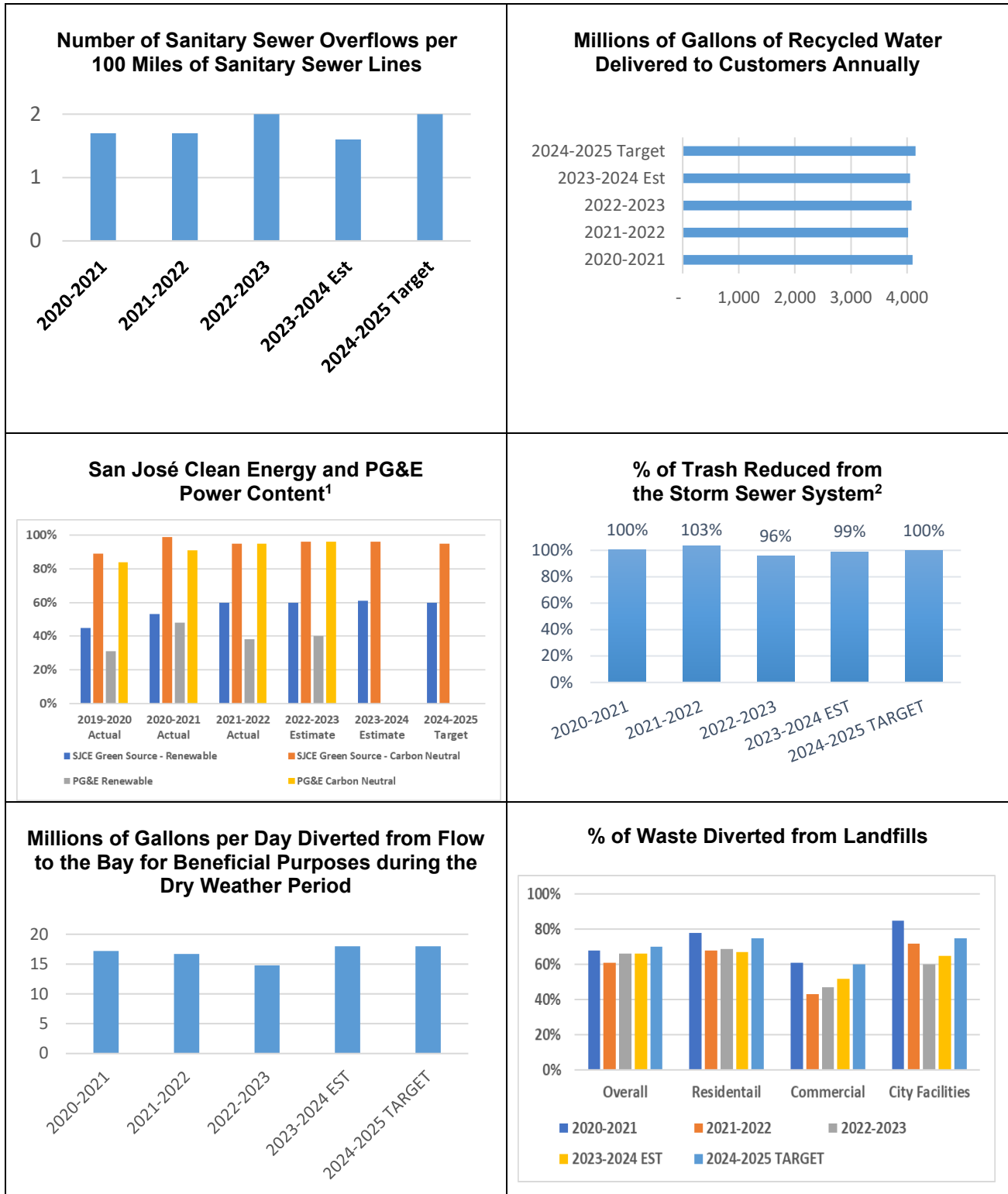
STRATEGIC SUPPORT
Organization-wide guidance and support to enable direct service delivery



CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES

DASHBOARD



¹ Information not available from PG&E. Data is reported to become available in July 2024.

² Reduction greater than 100% represents the amount of credit given to implement control actions. The new stormwater permit, effective July 1, 2022, refers to a goal of 100% Trash Load Reduction (TLR) or no adverse impact to receiving waters from trash by June 30, 2023. The TLR percentage is expected to increase slightly due to the planned installation of small and large trash capture devices.

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES

BUDGET SUMMARY

CSA Priorities/Expected 2024-2025 Service Delivery

- Utility Infrastructure Management – Build, operate, and maintain the City’s wastewater, stormwater, recycled water, and potable water utility infrastructure to ensure system reliability and public health and safety.
- Solid Waste Diversion – Oversee programs to collect, process, recycle, compost, and dispose of solid waste to maximize diversion from landfills and protect public health, safety, and the environment.
- Promote Climate Action in the Community – Provide leadership on climate action through policy, measures, and programs that reduce greenhouse gases and ensure a long-term water supply. Support environmentally sustainable practices throughout the community through education, public-private partnerships, and the implementation of the Climate Smart San José plan.
- Promote Clean Energy – Continue operating the City’s Community Choice Aggregation program with the goals of providing residents and businesses with a choice of electricity providers while progressing towards meeting greenhouse gas emissions reduction goals.

2024-2025 Key Budget Actions

- Environmental Services Department - Utility Rates
 - Storm Sewer Service Rates – Maintains current rates in 2024-2025.
 - Sanitary Sewer Service Rates – 9% increase in sanitary sewer service revenue will enable the City to continue to treat wastewater in accordance with environmental standards, transition to mechanical drying of biosolids, and procure vehicles and equipment necessary for ongoing maintenance of sanitary sewer infrastructure.
 - Residential Garbage and Recycling Rates – 4% increase in single-family dwelling rates and a 2% increase in multi-family dwelling rates will maintain cost recovery as contract expenditures increase due to annual cost-of-living adjustments for solid waste haulers. Additionally, these increases will enable the City to implement contamination reduction efforts.
 - Municipal Water System – A revenue increase of approximately 5% is necessary, primarily to account for the increased cost of wholesale water.
- Adds 1.0 Deputy Director for Regulatory Affairs and Water Supply, as well as 1.0 Senior Environmental Program Manager and 1.0 Supervising Environmental Services Specialist that will lead development of a purified water project and other drought-proof water supply solution.
- Adds 1.0 Environmental Services Specialist position and \$4.25 million in non-personal/equipment funding to support the management and disposal of mechanically dewatered biosolids produced by the San José-Santa Clara Regional Wastewater Facility.
- Adds \$2.5 million of one-time funding to support an update to the Plant Master Plan, to address current and future regulatory and capacity infrastructure requirements.
- Adds 1.0 Staff Specialist and part-time staffing to inspect and reduce recycling contamination in the Environmental Services Department.
- Adds 1.0 Senior Power Resources Specialist and 1.0 Power Resources Specialist I/II to support the Energy Programs team. These positions will support the development and implementation of new programs and initiatives, including a master plan to guide electrification of the City fleet and installation of accompanying infrastructure, electric vehicle charging, building electrification incentives, workforce development, and home energy storage incentives.
- Adds 5.0 positions (3.0 Maintenance Worker I/II, 1.0 Associate Engineering Technician, and 1.0 Engineering Technician) for the maintenance of new trash capture devices; increases by \$1.0 million in non-personal/equipment funding for the replacement of the Transportation Department’s sanitary sewer maintenance fleet, and adds one-time overtime funds of \$40,000 for additional storm sewer cleaning to mitigate legacy Polychlorinated Biphenyls pollutants.

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES

BUDGET SUMMARY

City Service Area Budget Summary**

	2022-2023 Actuals **	2023-2024 Adopted	2024-2025 Forecast	2024-2025 Proposed
Dollars by Core Service *				
<i>Energy Department</i>				
Strategic Support - Other - Environmental & Utility Services	46,166,558	25,826,056	4,200,637	4,240,477
Strategic Support - Environmental & Utility Services	4,834,517	6,489,799	5,863,470	6,188,670
Providing Clean Energy to the Community	368,370,315	427,432,822	496,293,029	496,293,029
Energy Customer Support	6,992,839	8,302,563	8,516,494	8,516,494
Energy Community Programming	2,893,983	8,567,248	3,808,506	9,202,088
<i>Environmental Services Department</i>				
Strategic Support - Fund Balance and Reserves - Environ & Util Services	2,895,518	0	0	0
Strategic Support - Other - Environmental & Utility Services	24,835,557	23,126,903	28,179,402	27,949,903
Strategic Support - Environmental & Utility Services	15,620,248	16,952,753	18,151,015	20,362,780
Recycling & Garbage Services	188,362,941	201,201,853	209,026,401	209,749,961
Potable Water Delivery	47,434,522	53,322,695	55,790,696	55,951,086
Recycled Water Management	12,419,013	29,165,533	15,341,629	17,454,629
Wastewater Management	98,466,878	107,563,059	107,577,588	119,250,849
Stormwater Management	9,120,394	10,806,839	10,737,360	11,943,417
Sustainability and Environmental Health	5,711,355	7,985,393	7,823,364	7,841,281
<i>Transportation Department</i>				
Sanitary Sewer Maintenance	21,047,541	28,136,506	25,790,190	26,865,190
Storm Sewer Maintenance	7,254,968	9,453,590	8,497,097	9,761,595
Strategic Support - Other - Environmental & Utility Services	6,283,478	6,186,629	6,603,813	7,005,010
Strategic Support - Environmental & Utility Services	2,257,898	2,411,223	2,636,838	2,636,838
Total CSA	\$870,968,524	\$972,931,464	\$1,014,837,529	\$1,041,213,297
 Authorized Positions	 780.56	 804.24	 802.99	 811.99

* Fund Balance, Transfers, and Reserves for funds that may be managed by the departments in this CSA have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The positions displayed in the 2022-2023 Actuals column reflect those included in the 2022-2023 Adopted Budget. 2022-2023 Actuals may not subtotal due to rounding.

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 1: RELIABLE UTILITY INFRASTRUCTURE

Strategic Goals	CSA Performance Measures	2022-2023 Actual	2023-2024 Target	2023-2024 Estimate	2024-2025 Target	5-Year Goal
Preserve the City's utility infrastructure to optimize service delivery capabilities	1. % of utility assets in working condition:					
	-SJ/SC Water Pollution Control Plant ¹	97%	95%	99%	95%	95%
	- Storm Sewer Inlets	96%	96%	98%	96%	96%
	- SJ Municipal Water	99%	100%	100%	100%	99%
	- South Bay Water Recycling	98%	98%	100%	100%	99%
	2. Ratio of Municipal Water System average residential water bill to weighted average residential water bill of the San José water retailers ²	88%	<100%	<100%	<100%	88%
	3. # of sanitary sewer overflows per 100 miles of sanitary sewer mains (annualized)	2.0	2.0	1.6	2.0	2.0
Provide for collection, disposal & processing of solid waste	1. % of waste diverted from landfills (State Goal: 50%) ³					
	- Overall ⁴	66%	70%	66%	70%	90%
	- Residential	69%	85%	67%	75%	90%
	- Commercial	47%	60%	52%	60%	75%
	- City Facilities	72%	85%	70%	75%	90%
	2. # of debris removals that address safety and obstructions in the public right-of-way (Priority 1 illegal dumping resources)	920	1,751	1,040	1,260	1,200
	3. Cubic yards of debris removed (Priority 1 illegal dumping requests)	5,225	2,759	8,780	4,840	5,000
	4. Tons of items collected through the Junk Pickup Program	8,913	10,715	8,896	9,163	10,313
	5. Per Capita Disposal (includes residential and commercial)	5.0 Lbs	4.4 Lbs	4.7 Lbs	4.1 Lbs	3.7 Lbs

¹ The % of utility assets in working condition for the Water Pollution Control Plant is calculated based on an average number of hours critical equipment is unavailable during the year due to repairs.

² Other San José water retailers include San José Water Company and Great Oaks Water Company.

³ To continue increasing solid waste diversion and support the Council-approved Zero Waste Strategic Plan, new solid waste management infrastructure and programs will be necessary in the coming decade. The private sector has invested over \$100 million in recycling facilities in San José since 2007 and this level of investment will need to continue.

⁴ The measurement for the Overall diversion category is based upon the State's guidelines, which use a per-capita standard. Moreover, the Overall measurement for the City includes solid-waste streams outside of the Department's collection, and includes construction, demolition, and self-haul categories. The remaining three categories are those directly within the City's collection process, and diversion in these are measured by total collected versus total recycled.

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 2: HEALTHY STREAMS, RIVERS, MARSH, AND BAY

Strategic Goals	CSA Performance Measures	2022-2023 Actual	2023-2024 Target	2023-2024 Estimate	2024-2025 Target	5-Year Goal
Manage stormwater for suitable discharge into creeks, rivers, and the Bay	1. % 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 ¹	N/A	65% ¹	65% ¹	65%	70%
	2. % of trash reduced from the storm sewer system. ²	96%	90%	113% ²	123% ²	100%
Manage wastewater for suitable discharge into the Bay	1. Mgd discharged to Bay during the average dry weather effluent flows (ADWEF) season ^{3/4}	60.6 mgd	<120 mgd	75.4 mgd	<120 mgd	<120 mgd
	2. % of time pollutant discharge requirements for wastewater NPDES permit are met or surpassed	100%	100%	100%	100%	100%
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 for beneficial purposes during the dry weather period ^{3/4}	14.8 mgd	16.6 mgd	18 mgd	18 mgd	18 mgd

¹ Data for this measure is collected through a biennial survey, last conducted by the Environmental Services Department in February 2024, with the results reflected in the 2023-2024 Estimate column. The next survey is planned to be completed in 2025-2026, and those results will be reported in the 2026-2027 Proposed Budget.

² The 100% or greater total represents the amount of credit given for implementing control actions.

³ In accordance with the NPDES permit, the maximum effluent to the Bay during the dry weather period is restricted to 120 mgd. These measures continue to be below this trigger point, which is set by the State to protect wildlife habitat. The RWF continues to consistently meet permit discharge requirements.

⁴ Dry weather period is defined as the lowest continuous three months average rainfall between May and October.

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES

OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 3: “CLEAN AND SUSTAINABLE” AIR, LAND, AND ENERGY

Strategic Goals	CSA Performance Measures	2022-2023 Actual	2023-2024 Target	2023-2024 Estimate	2024-2025 Target	5-Year Goal
Reduce, reuse, and recycle solid waste at home, work, and play ¹	1. % of residents rating the City's job of providing information on how to recycle as good or excellent ²	N/A ²	75% ²	75% ²	75%	75%
Promote energy efficiency and clean, renewable energy in the community	2. Citywide greenhouse gas (GHG) emissions ³	4,239,801	N/A ⁴	4,018,955	5,464,347	5,272,619

¹ San José has one of the highest diversion rates among large cities in the country. The structure of the City's commercial and residential programs facilitate effective sorting of garbage and recycling by residents and businesses. Customer outreach to neighborhoods, schools, and businesses will continue to help reduce recycle cart contamination and blight, as well as account for commercial customers.

² Data for this measure is collected through a biennial survey, last conducted by the Environmental Services Department in February 2024, with the results reflected in the 2023-2024 Estimate column. The next survey is planned to be completed in 2025-2026, and those results will be reported in the 2026-2027 Proposed Budget.

³ Actuals, Targets, Estimates, and Goals for this Performance Measure are measured in Metric Tons of Carbon Dioxide Equivalent (MT CO₂e).

⁴ Due to limited staffing and budget constraints, the Climate Smart program was unable to establish a 2023-2024 Target in the development of the 2023-2024 Adopted Operating Budget.

OUTCOME 4: SAFE, RELIABLE AND SUFFICIENT WATER SUPPLY

Strategic Goals	CSA Performance Measures	2022-2023 Actual	2023-2024 Target	2023-2024 Estimate	2024-2025 Target	5-Year Goal
Ensure availability of future water supplies.	1. Millions of gallons of recycled water delivered annually ^{1/2}	4,082	4,150	4,054	4,100	4,500
Public is educated regarding water conservation, and the safe and appropriate use of recycled water and water resources	1. % of Municipal Water System customers demonstrating water conservation knowledge ³	NA ³	95% ³	95% ³	95%	95%
	2. % of Municipal Water System customers with water saving fixtures in their home or property ³	NA	95% ³	95% ³	95%	95%
	3. % of residents who are in favor of using recycled water ^{2/3}	NA	90% ³	90% ³	95%	95%

¹ The South Bay Water Recycling Program (SBWR) delivers more than 10,000 acre feet per year of recycled water from the Water Pollution Control Plant to over 700 customers for reuse in irrigation, industrial cooling, and other beneficial purposes. SBWR supplies more than 75% of all recycled water used in Santa Clara County.

² Data reported is based on county-wide water savings from both indoor and outdoor water conservation programs, passive water savings (from behavioral, policies, and code changes), and recycled water use. The county-wide data is collected and provided by Valley Water.

³ Data for this measure is collected through a biennial survey, last conducted by the Environmental Services Department in February 2024, with the results reflected in the 2023-2024 Estimate column. The next survey is planned to be completed in 2025-2026, and those results will be reported in the 2026-2027 Proposed Budget.

CITY SERVICE AREA
ENVIRONMENTAL AND UTILITY SERVICES

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
ENERGY DEPARTMENT			
• Customer Program Staffing	2.00	5,393,582	0
• City Energy Resiliency Study		400,000	0
• Energy Department Accounting Staffing	1.00	141,078	0
• Vacant Positions Elimination	(1.00)	(215,878)	0
<i>Subtotal</i>	2.00	5,718,782	0
ENVIRONMENTAL SERVICES DEPARTMENT			
• Chemical Costs Increase (Regional Wastewater Facility and South Bay Water Recycling)		5,230,000	0
• Dewatered Biosolids Hauling Support (New Digested Sludge Dewatering Facility Implementation)		4,250,000	0
• Regional Wastewater Facility Capital Plan Update		2,500,000	0
• South Bay Water Recycling System Improvements		1,850,000	0
• Sanitary Sewer Flow Study		1,500,000	0
• Regulatory Compliance and Purified Water Program	3.00	729,933	580,381
• Solid Waste Contamination Reduction Staffing and Resources	1.00	563,560	0
• Municipal Regional Stormwater Permit Inspection Programs (Direct Discharge)	2.00	481,930	257,215
• Environmental Enforcement Vehicle Replacements		324,000	0
• Regional Wastewater Facility Capital Improvement Program Administration Staffing	1.00	300,580	0
• Climate Smart San José		200,000	200,000
• Fiscal Program Staffing	1.00	181,234	0
• PFAS Evaluation (Direct Discharge)		165,000	165,000
• Advanced Metering Infrastructure Staffing	1.00	160,390	0
• Environmental Innovation Center Facility Improvements		160,000	0
• Municipal Environmental Compliance Staffing	0.00	2	(109,250)
• Vacant Position Elimination	(5.00)	(1,092,449)	(71,593)
• Laboratory Administrative Staffing	(1.00)	(68,604)	0
<i>Subtotal</i>	3.00	17,435,576	1,021,753

CITY SERVICE AREA
ENVIRONMENTAL AND UTILITY SERVICES

PROPOSED BUDGET CHANGES

TRANSPORTATION DEPARTMENT

• Trash Capture Devices Maintenance (Direct Discharge)	5.00	1,348,702	0
• Sanitary Sewer Vehicle Replacement		1,000,000	0
• Sewer Lateral Replacment Grant		75,000	0
• Polychlorinated Biphenyls (PCB) Mitigation (Direct Discharge)		40,000	40,000
• Vacant Position Elimination	(1.00)	(124,204)	0
<i>Subtotal</i>	4.00	2,339,498	40,000

***Subtotal Departments* 9.00 25,493,856 1,061,753**

CITY-WIDE EXPENSES

• Clean Creeks and Healthy Watersheds		384,000	384,000
<i>Subtotal Other Changes</i>	0.00	384,000	384,000

Total Proposed Budget Changes 9.00 25,877,856 1,445,753
