

City Service Area

Environmental and Utility Services



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

Primary Partners
Community 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

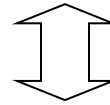
City Service Area Environmental and Utility Services SERVICE DELIVERY FRAMEWORK

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

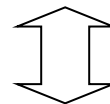
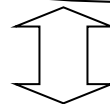
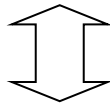
Mission:
Provide environmental leadership through policy development, program design, and reliable utility services.



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

Outcomes:

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



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

Community Energy Department

Core Services:

Providing Clean Energy to the Community

Community Energy Customer Support

Community 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

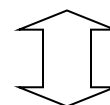
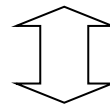
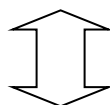
Core Services:

Sanitary Sewer Maintenance

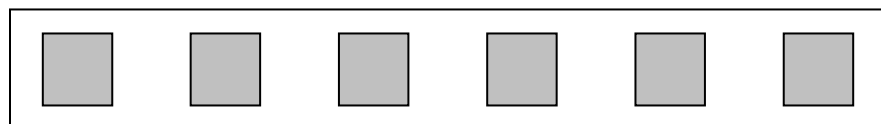
Storm Sewer Maintenance

CORE SERVICES
Primary deliverables of the organization

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

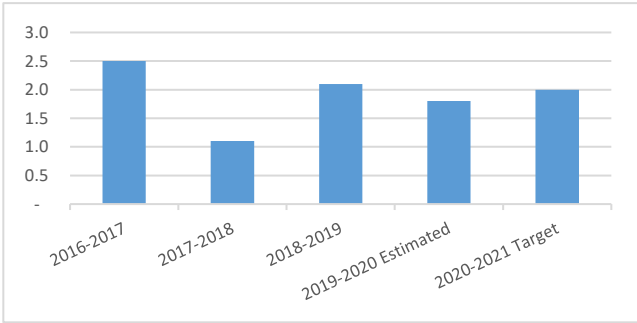


STRATEGIC SUPPORT
Organization-wide guidance and support to enable direct service delivery

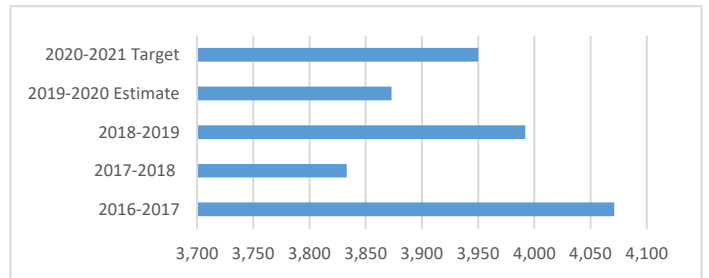


City Service Area Environmental and Utility Services DASHBOARD

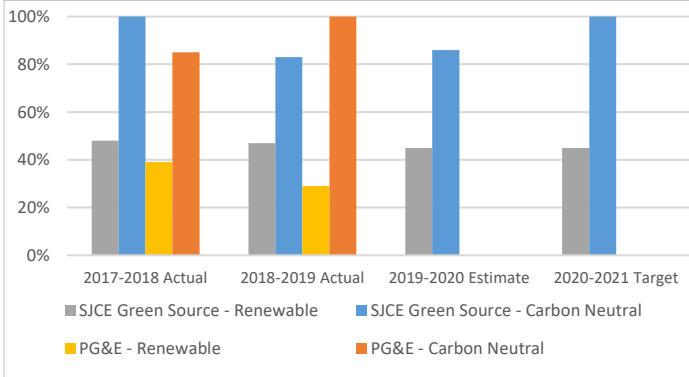
Number of Sanitary Sewer Overflows per 100 Miles of Sanitary Sewer Lines



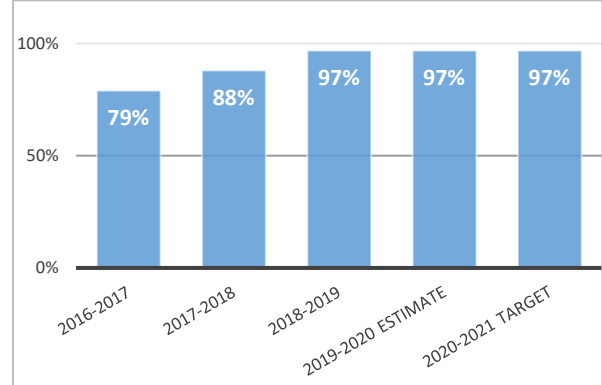
Millions of Gallons of Recycled Water Delivered Annually



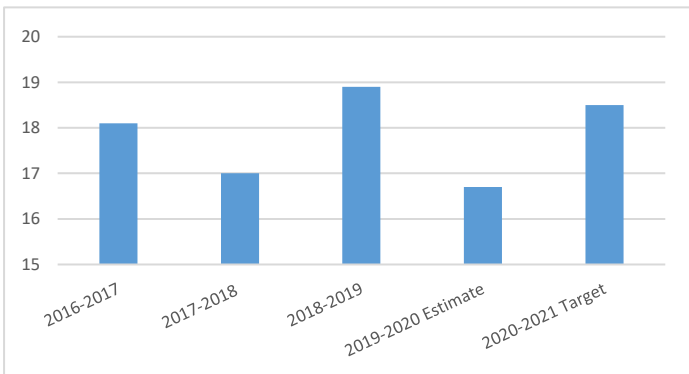
San Jose Clean Energy and PG&E Power Content



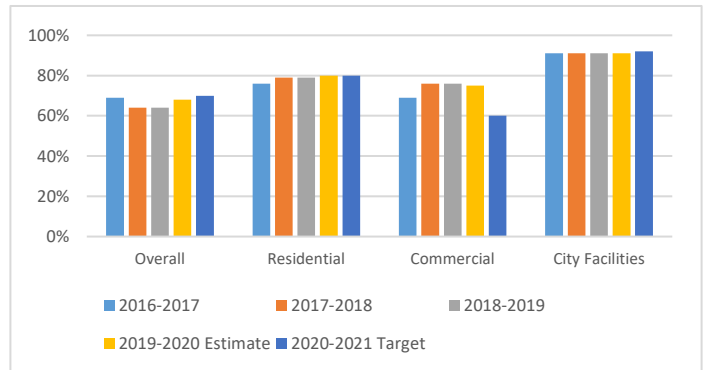
% of Trash Reduced from the Storm Sewer System



Millions of Gallons per Day Diverted from Flow to the Bay for Beneficial Purposes During the Dry Weather Period



% of Waste Diverted from Landfills



City Service Area
Environmental and Utility Services
BUDGET SUMMARY

Expected 2020-2021 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, recycle, 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, or programs that reduces 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.
- ❑ **San José Clean Energy** – Continue full operations of the San José Clean Energy program, including the final enrollment of residential and small commercial solar customers.

2020-2021 Key Budget Actions

- ❑ **Utility Rates**
 - **Sewer Service Rates** – An increase of 4.0% to fund the Regional Water Quality Control Board mandated Legacy Lagoons Remediation project, and for the continued rehabilitation and replacement of critical infrastructure and equipment at the San José / Santa Clara Water Pollution Control Plant (Plant) and the sanitary sewer collection system.
 - **Recycle Plus Rates** – A 9.0% increase in single family dwelling and a 5.0% increase in multi-family dwelling rates will maintain cost recovery as contract expenditures increase due to annual cost-of-living adjustments and negotiated hauler payments.
 - **Municipal Water and Storm Sewer Rates** – maintains current rates in 2020-2021.
- ❑ **Regional Wastewater Facility Legacy Lagoons Remediation** – Adds \$39.3 million in funding for Phase II of the remediation of 25 biosolids storage basins (lagoons) as ordered by the Water Quality Control Board.
- ❑ **Citywide Energy Resiliency** – Adds funding to support the City’s continuing efforts developing and implementing energy resiliency strategies and programs. The City will explore, develop, coordinate, and deliver a comprehensive package of strategies and programs aimed to improve energy resiliency at critical City-owned and community facilities, areas of new development, and for residents and businesses.
- ❑ **Storm Sewer Trash Capture Device Maintenance** - Provides one-time funding of \$152,000 to acquire an additional flatbed utility truck with a crane to transport crew members and “stop logs” used to block water inflow into large trash capture devices and pumps so the devices can be cleaned per regulatory requirements.
- ❑ **Sanitary Sewer Maintenance Program Augmentation – Graveyard Shift** - Adds one-time funding of \$37,000 to acquire one pickup truck with a radio for the Graveyard Shift.

**City Service Area
Environmental and Utility Services
BUDGET SUMMARY**

City Service Area Budget Summary**

	2018-2019 Actuals **	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Adopted
Dollars by Core Service *				
<i>Community Energy Department</i>				
Strategic Support - Other - Environmental & Utility Services	453,368	14,121,686	22,188,677	13,716,636
Strategic Support - Environmental & Utility Services	1,717,647	4,315,979	4,514,305	4,615,063
Providing Clean Energy to the Community	87,309,115	290,402,269	314,914,675	276,071,821
Community Energy Customer Support	3,566,443	8,134,725	8,283,293	8,625,390
Community Energy Community Programming	155,000	150,000	0	863,031
<i>Environmental Services Department</i>				
Strategic Support - Other - Environmental & Utility Services	7,191,999	19,728,747	20,506,812	20,895,032
Strategic Support - Environmental & Utility Services	13,223,331	16,059,468	13,621,818	13,811,838
Recycling & Garbage Services	130,767,231	154,055,688	162,011,175	160,771,020
Potable Water Delivery	44,007,056	44,007,889	43,079,974	43,847,539
Recycled Water Management	10,225,038	9,304,275	8,818,129	8,782,922
Wastewater Management	188,608,772	86,295,904	85,791,870	129,916,324
Stormwater Management	7,853,892	9,557,792	9,250,213	9,299,560
Sustainability and Environmental Health	4,495,229	7,710,552	5,725,805	6,478,383
<i>Transportation Department</i>				
Sanitary Sewer Maintenance	17,148,856	20,108,449	20,271,229	20,679,892
Storm Sewer Maintenance	6,997,776	7,740,853	7,818,714	8,112,059
Strategic Support - Other - Environmental & Utility Services	5,896,003	1,340,381	0	43,051
Strategic Support - Environmental & Utility Services	1,427,036	1,374,595	2,010,438	2,248,354
Total CSA	\$531,043,792	\$694,409,252	\$728,807,127	\$728,777,915
Authorized Positions	724.46	753.46	750.96	761.36

* 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 2018-2019 Actuals column reflect those included in the 2018-2019 Adopted Budget. 2018-2019 Actuals may not subtotal due to rounding.

City Service Area Environmental and Utility Services OVERVIEW

Service Delivery Accomplishments

- In September 2019, City Council approved the Green Stormwater Infrastructure Plan that describes how the City will incorporate multi-benefit green infrastructure to improve water quality and supplement current traditional storm drain infrastructure. Staff focused on refining the implementation strategy, developing a public outreach plan, and identifying funding. Staff continued to progress with the design and construction of the River Oaks project. Public meetings were conducted in March and May 2020, and the project is on track to complete the preliminary design and obtain California Environmental Quality Act clearance and permits this year.
- Climate Smart San José passed an award-winning Building Electrification Reach Code that includes a partial prohibition on natural gas connections for new construction; adopted multiple mobility plans to reduce emissions from the transportation sector; held an Electrification Expo to educate the public on ways to move away from fossil fuel use; and completed a pilot for low-income high school students that combined project-based learning around campus energy efficiency projects with civic engagement training.
- Maintained essential utility services during the Public Safety Power Shutdown (PSPS) and the COVID-19 pandemic shelter-in-place order. Solid waste contractors developed contingency plans for PSPS and uninterrupted service was provided; the Municipal Water System (Muni Water) lost power to approximately 30% of its service area. Muni Water staff utilized the opportunity to put into action years of staff planning and training, allowing Muni Water to continue to provide customers with clean, safe drinking water without service disruptions. During the COVID-19 pandemic, staff scheduling was adjusted for the Municipal Water System and the Plant to maintain continuous and uninterrupted services.
- Continued to work to reduce the number and impacts of Sanitary Sewer Overflows (SSOs). In 2019-2020, Transportation Department proactively cleaned approximately 800 miles of sewer lines and responded to 48% of sanitary calls within 30 minutes. The number of SSOs is estimated to align with the three-year average of 45 sanitary sewer overflows.
- In October 2019, City Council adopted a resolution approving the implementation of the California Electric Vehicle Infrastructure Project in San José, which included San José Clean Energy (SJCE) contributing \$4 million over the next 2 to 4 years as a condition for the California Energy Commission to disburse \$10 million to SJCE's program under a grant awarded to SJCE and other public entities.

Service Delivery Environment

- The Plant was reissued a new NPDES permit in April 2020 that governs pollutant removal at the facility with monitoring requirements remaining largely unchanged. Regional watershed permits, that apply to all wastewater treatment plants discharging to San Francisco Bay, were reissued in July 2019 (for PCBs and mercury in December 2017) and contain new monitoring requirements. The Title V air quality permit from the Bay Area Air Quality Management District was renewed and issued on March 20, 2017.

City Service Area Environmental and Utility Services OVERVIEW

- The City's sanitary sewer collection system pipes continue to age, and many have exceeded the standard life span for their type of material. The City's 17 sanitary sewer pump stations are an average of 31 years old, while the standard life of a pump station is up to 25 years.
- On November 19, 2015, the RWQCB adopted a new NPDES Stormwater Permit (Stormwater Permit) to regulate 76 municipalities in the San Francisco Bay Area. City staff, in conjunction with other regional stormwater agencies, are actively engaged in discussions regarding the requirements of the next Stormwater Permit currently scheduled to become effective July 1, 2021.
- An aging storm sewer infrastructure unsuitable for accommodating planned growth and increased regulatory interest in using "green infrastructure" approaches to address stormwater issues continue to drive the need for a multiyear master planning effort for the storm sewer system.
- San José Clean Energy (SJCE) is providing electric generation service to almost all of the residents, businesses, and schools in the city, which represents approximately 1 million residents. The base service, GreenSource, is 45% renewable and 86% carbon-free, and is priced (inclusive of added PG&E fees) at a 1% discount to PG&E's generation service. Customer opt-out of SJCE service has been less than 2%.

CSA Priorities/Key Services

- Operate and maintain the City's utilities, reliably and efficiently providing storm sewer, sanitary sewer, wastewater treatment, potable water, San José Clean Energy, and recycled water service.
- Continue to meet NPDES wastewater and stormwater permit compliance.
- Continue to implement critical capital improvement projects with an estimated value of \$1.4 billion over a ten-year period to rebuild and rehabilitate infrastructure at the Plant.
- Implement the Green Stormwater Infrastructure Plan to improve water quality.
- Make strategic investment to increase service levels and maintenance activity on the City's Sanitary Sewer Collection System in order to reduce the number and mitigate the impacts of SSOs.
- Develop and advance innovative strategies to create a more energy resilient City; advance community awareness of the Council-approved Climate Smart San José Plan; partner with other agencies and pursue grants to promote energy efficiency, building electrification, and clean, renewable energy in the community.

City Service Area Environmental and Utility Services OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 1: RELIABLE UTILITY INFRASTRUCTURE

Strategic Goals	CSA Performance Measures	2018-2019 Actual	2019-2020 Target	2019-2020 Estimate	2020-2021 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%	95%	95%	95%
	- Storm Sewer Inlets	99%	96%	98%	96%	99%
	- SJ Municipal Water	97%	98%	98%	98%	98%
	- South Bay Water Recycling	100%	100%	100%	100%	90%
	2. Ratio of Municipal Water System average residential water bill to weighted average residential water bill of the San José water retailers ²	79%	<100%	80%	<100%	<100%
	3. # of sanitary sewer overflows per 100 miles of sanitary sewer mains (annualized)	2.1	2.2	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	64%	70%	68%	70%	90%
	- Residential	79%	81%	80%	80%	90%
	- Commercial	76%	90%	75%	60%	90%
	- City Facilities	91%	92%	91%	92%	95%
	# of debris removals that address safety and obstructions in the public right-of-way (Priority 1 illegal dumping resources)	1,638	1,947	1,693	1,660	1,665
	Cubic yards of debris removed (Priority 1 illegal dumping requests)	2,932	3,494	2,915	2,880	2,995
# of debris removals that reduce neighborhood blight (Priority 2 illegal dumping requests)	20,561	25,000	17,000	26,000	30,000	
	Cubic yards of debris removed	22,306	37,000	18,000	23,000	30,000

¹ The % of utility assets in working condition for the 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	2018-2019 Actual	2019-2020 Target	2019-2020 Estimate	2020-2021 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	70%	59%	N/A	70%
	2. % of trash reduced from the storm sewer system.	96.8%	96.5%	96.8%	96.8%	100% ²
Manage wastewater for suitable discharge into the Bay	1. Mgd discharged to Bay during the average dry weather effluent flows (ADWEF) season ³	79.4 mgd	<120 mgd	80 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 ⁴	18.9 mgd	19.0 mgd	16.7 mgd	18.5 mgd	20.0 mgd

¹ Data for this measure is collected on a biennial basis via survey. The next surveys are scheduled for 2021-2022. No survey will be conducted in 2020-2021.

² The current stormwater permit refers to a goal of 100% trash load reduction or no adverse impact to receiving waters from trash by July 1, 2022.

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 Plant 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, which during the fiscal year report period is July to September.

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

Strategic Goals	CSA Performance Measures	2018-2019 Actual	2019-2020 Target	2019-2020 Estimate	2020-2021 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	60%	45%	N/A ²	75%
Promote energy efficiency and clean, renewable energy in the community	2. Annual reduction in citywide greenhouse gas (GHG) emissions ³	N/A ³	N/A ³	N/A ³	N/A ³	N/A ³

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 on a biennial basis via survey. The next survey is scheduled for 2021-2022. No survey will be conducted in 2020-2021.

³ This measure is new as of 2018-2019. The data collection methodology for this measure is under review and will be available in 2020-2021.

**City Service Area
Environmental and Utility Services
OVERVIEW**

Budget Dollars at Work: Performance Goals

OUTCOME 4: SAFE, RELIABLE, AND SUFFICIENT WATER SUPPLY

Strategic Goals	CSA Performance Measures	2018-2019 Actual	2019-2020 Target	2019-2020 Estimate	2020-2021 Target	5-Year Goal
Ensure availability of future water supplies.	1. Mgd of water conserved and recycled ^{1/2}	79	83	86	86	89
	2. Millions of gallons of recycled water delivered annually	3,992	3,915	3,873	3,950	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	N/A ³	91%	91%	N/A ³	95%
	2. % of Municipal Water System customers with water saving fixtures in their home or property ³	N/A ³	93%	91%	N/A ³	95%
	3. % of residents who are in favor of using recycled water ^{2/3}	N/A ³	85%	82%	N/A ³	95%

¹ The South Bay Water Recycling Program (SBWR) delivers more than 10,000 acre feet per year of recycled water from the 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 Starting in 2013-2014, 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 SCVWD.

³ Data for this measure is collected through the biennial City-Wide Community Survey. The next community survey will be conducted in spring 2021, and those results will be reported in the 2021-2022 Proposed Budget.