



**Community Advisory Group Meeting**  
**San Jose/Santa Clara Water Pollution Control Plant**  
**October 27, 2010**  
**6:00 – 8:00 p.m.**

**About the Community Advisory Group**

The Community Advisory Group (CAG) was formed in fall 2008 to provide ongoing feedback and a community perspective throughout the three-year Plant Master Plan process. CAG members were appointed by the Plant’s Technical Advisory Committee and are representative of all Plant service area cities – San José, Santa Clara, Milpitas, Cupertino, Campbell, Los Gatos, Monte Sereno, and Saratoga. Members were selected to reflect a range of backgrounds in education, environment, business, recreation, and community activism.

**Minutes - DRAFT**

**Attendees**

<b>Member</b>	<b>Representation</b>	<b>Present</b>	<b>Absent</b>
David Zwack	CAG Member, City of Campbell	X	
Bob Power	CAG Member, City of Cupertino	X	
Richard Yanda	CAG Member, Town of Los Gatos	X	
Dolores Hovey	CAG Member, City of Milpitas	X	
Patrick Wong	CAG Member, City of Milpitas		X
Dave Baxter	CAG Member, City of Monte Sereno		X
Carrie Jensen	CAG Member, City of San José	X	
Diana Foss	CAG Member, City of San José	X	
Robert Levy	CAG Member, City of San José	X	
Tony Santos	CAG Member, City of San José	X	
Gina Marin	CAG Member, City of Santa Clara	X	
Jim Alves	CAG Member, City of Santa Clara		X
<i>Vacant</i>	CAG Member, City of Saratoga		
Larry Ames	CAG Member, At-large	X	
Carl Cilker	CAG Member, At-large	X	
Donald Peoples	CAG Member, At-large	X	
Eileen McLaughlin	CAG Member, At-large	X	
Joseph McCarthy, Jr.	CAG Member, At-large		X
Michael Gross	CAG Member, At-large	X	

<b>Other Attendees</b>	<b>Representation</b>
Nicholas Dewar	Public Policy Collaboration, Facilitator
Samantha Robinson	CirclePoint, Facilitator
Kathleen Phalen	City of Milpitas
Leslie Stobbe	City of Milpitas
Kristen Yasukawa	City of San José, CAG Liaison
Paul Krutko	City of San José, City Manager's Office
Jennifer Garnett	City of San José, Communications Manager
John Stufflebean	City of San José, Environmental Services Director
Rosa Santiago	City of San José, Office of Councilmember Chu
Nanci Klein	City of San José, Office of Economic Development
Dale Ihrke	City of San José, Plant Manager
Kirsten Struve	City of San José, Project Manager
Matt Krupp	City of San José, Project Planner
Bhavani Yerrapotu	City of San José, Technical Services Manager
Nichol Bowersox	Cupertino Sanitary District
Bob Smith	Member of the public
Dean Stanford	Member of the public
Dr. Bob Gross	Member of the public
Larry Stites	Member of the public
Lonnie Gross	Member of the public
Melanie Carrido	Member of the public
Noel Eberhardt	Member of the public
Perry Mistry	Member of the public
Stephanie Miller	Member of the public
Will Sievert	Member of the public
Mike Rodriguez	Santa Clara Valley Water District

The purpose of this meeting was to discuss the technical impacts to the Plant land uses, including odor control, the future of the biosolids lagoons and drying beds, and associated costs and timing, and to attend to normal business.

### **Introductions**

Facilitator Nicholas Dewar and CAG members present were introduced. Nicholas led a brief discussion of the meeting outline and format.

### *Outcomes*

- The group agreed to the ground rules as necessary.

## **Agenda Review**

The group reviewed the October 27, 2010 meeting agenda at the beginning of the meeting and agreed to move forward. However, at approximately 7:40 p.m., the group reached a consensus to add an additional 30 minutes of discussion time. Members of the CAG also suggested and agreed to meet on November 4 to complete their discussion. At the request of some CAG members, staff agreed to provide a conference phone line at that meeting for those unable to attend in person.

### *Outcomes*

- The group agreed to extend the discussion of land use impacts by 30 minutes and end the meeting at 8:30 p.m.
- The group agreed to hold an additional CAG meeting on November 4.

## **Approval of September 30, 2010 CAG Meeting Summary**

The September 30, 2010 meeting summary was distributed to CAG prior to the meeting for individual review. At the meeting, CAG members were asked to discuss the summary and accept it as a document that accurately reflects the September 30, 2010 meeting.

### *Outcomes*

- Participants requested that the meeting summary include the annotated maps used during the discussion of land use locations at the September 30 meeting.
- View the final September 30 meeting summary at [rebuildtheplant.org](http://rebuildtheplant.org).

## **Regional Economic Potential of Plant Lands**

City of San José Chief Development Officer Paul Krutko spoke on behalf of the San José City Manager's Office and explained how the Plant lands fit into the regional economic development strategy and are a vital asset to the City of San José. Paul discussed the expected population and job growth in San José and indicated that the site offers great potential for needed economic development and additional job sites within the City. He said that the City Manager's office sees the greatest potential for development along the 237 bufferlands and suggested that a mix of retail, clean tech, manufacturing and/or office space would be explored.

A CAG member asked if there were any guarantees that the profits from leasing the land would be used to maintain the Plant. Paul clarified that the profits from leasing the land will be recommended to go back into the Plant to benefit all ratepayers, and the sales tax revenue will go to the City of San José. However, the city councils of San José and Santa Clara will make the final decision. Paul also indicated that, because the site would need additional infrastructure development (for access, utilities, etc.), the profitability of the leases and the city revenues that they produce may be reduced. Another CAG member questioned whether the necessary infrastructure would create an additional taxpayer impact, and Paul clarified that sewer rates would not pay for the improvements.

When asked by a CAG member if odors are a barrier to economic development, Paul clarified that the City Manager's Office would defer to the technical experts on whether the Plant should pursue odor control as a priority. He indicated that some types of economic development are less sensitive to odor issues, including clean tech and manufacturing, and that economic development opportunities are generally less sensitive to odor than residential development opportunities.

CAG members inquired about the number of jobs that would become available if the land was opened up for economic development. Nanci Klein from the City of San José Office of Economic Development explained that the general area north of Highway 237 had been slated for 30,000 new jobs in the San José Envision 2040 General Plan.

#### *Outcomes*

- For more information, contact Project Manager Kirsten Struve at [kirsten.struve@sanjoseca.gov](mailto:kirsten.struve@sanjoseca.gov) or 408-945-5180.

#### **Technical Impacts on Land Use**

Bhavani Yerrapotu, Technical Services Manager at the City of San José Environmental Services Department, gave a presentation on the timing and cost of Plant improvements and odor control. View the presentation slides at [rebuildtheplant.org](http://rebuildtheplant.org).

Bhavani explained the drivers for rebuilding the Plant:

- **Condition (Rehabilitation/Replacement)** – A *condition trigger* is assigned if the process or facility has reached the end of its economic useful life. This trigger is established based on the need to maintain that facility as operationally sufficient to meet mission critical reliability and performance requirements.
- **Regulatory Requirement** – A *regulatory trigger* is assigned when the need is driven by local, state or national regulatory requirements.
- **Economic Benefit** – An *economic benefit trigger* is assigned when a positive a reduction in life-cycle costs (considering capital and O&M) can be achieved.
- **Improved Performance Benefit** – An improved *performance benefit trigger* is assigned when there is a benefit in improved operations and maintenance performance related to overall reliability and/or reduced operational and safety related risks.
- **Increased Flows/Loads** – An *increased flow and load trigger* is assigned when the need is based on an increase in capacity to accommodate increases in flows or loads into the WPCP.
- **Policy Decision** – The *policy trigger* is assigned when the reason is based on a management and/or political decision from the policy-makers with the City.

Three different technical options, varying in timing and cost, were presented to CAG for discussion – a recommended option, a no pilot option, and a contract dewatering option.

### *Recommended option*

The recommended option includes implementing the 30-year Capital Improvement Program as proposed. The improvements would be complete between 2022-2025 and result in rate increases of:

- Approved rate increases: 6 percent annually to 2013
- Projected rate increases: 9 percent annually from 2014-2025

### *No pilot option*

The no pilot option includes implementing the 30-year Capital Improvement Program, but opting out of the use of pilot programs. The improvements would be complete 3-4 years sooner than the recommended option, but increase expenditures by \$57 million and result in rate increases of:

- Approved rate increases: 6 percent annually to 2013
- Projected rate increases: 10 percent annually from 2014 -2025

### *Contract dewatering option*

The contract dewatering option includes implementing the 30-year Capital Improvement Program and hiring a consultant to manage the biosolids. The improvements would be complete 10-12 years sooner than the recommended option, but increase expenditures by \$200 million and result in rate increases of:

- Immediate rate increases: 14 percent annually to 2013
- Projected rate increases: 10 percent annually from 2014 -2025

All rate projections referenced in the meeting were gross estimates developed to help facilitate the meeting discussion and were based on the \$17/month per household San José residential wastewater rate model, not including the collection system rates. Each tributary agency uses a different rate model for their customers. Project costs include a two percent escalation.

**CORRECTION: The rate information provided here is *for comparison purposes only*. The rates *do not* reflect actual or proposed sanitary sewer rate increases. Detailed revenue required from all of the partner agencies to fund the recommended Plant Master Plan improvements will be provided in early 2011.**

Following the presentation, CAG was asked to discuss the following questions:

1. Would you be willing to pay more for accelerating the projects related to odor control and biosolids? (This question was also asked at the May 2010 community workshops)
2. What values or tradeoffs are most important to you when considering the timing of Plant odor/biosolids improvements and why?

### Odor mitigation

CAG members asked if there had been any study to identify which specific locations had odor impacts as a high concern. Bhavani explained that, based on wind patterns, complaints received, and technical knowledge of the consultants, a brief study had been conducted on

the locations where odor impacts are felt most. Odor from remote Plant locations is also being studied. Bhavani explained that based on the categorization of odor complaints received, the large majority of odor complaints are attributed to the nearby landfill. However, a CAG member questioned the accuracy of the odor complaint data because it relies on residents to self-determine the odor source.

One CAG member noted that the process of storing and transporting biosolids between sites, as well as the storage of biosolids at a neighboring landfill site, affects the apparent source of odors and may create an unclear pattern of odor source information. However, CAG members and staff clarified that all odor complaints are quickly investigated. When a CAG member inquired about how other facilities in the area control their odors, staff explained that City of Milpitas works closely with the landfill on odor reduction.

When asked, Bhavani clarified that staff will study which elements of the proposal will be most effective at reducing odor for the least cost. Participants questioned the value in paying to reduce Plant odor, particularly if other sites in the area (including the landfill and the former salt ponds) will continue to create odor impacts. CAG members noted that, even with the no pilot option, other sources of odor will continue to exist. The project team indicated that although odor sources at other sites are beyond the control of the Plant, efforts to manage odor are in place at some sites. One CAG member noted that it would be beneficial to have regional cooperation and oversight of the cumulative efforts to reduce odors, and that no such cooperation seems in place.

A CAG member asked how the new odor technologies will treat the gases captured at each part of the treatment process. The consultant team clarified that gases treatment will depend on the source of the odor, but that some odor sources within the Plant can use the same treatment technologies.

Regarding the timing of the odor control projects, a CAG member asked if the most odorous areas will be prioritized, and staff confirmed. A CAG member added that accelerating odor control at the Plant will not be very impactful to the region unless all other odor sources also accelerate their odor control plans.

Several CAG members noted that neighboring property owners carry a large burden in property owner costs and impacts due to odor, and that the Plant has an obligation to be a good neighbor. The no pilot option would reduce their impacts faster and is therefore preferable to them.

#### Economic benefit

After questions from the CAG, staff clarified that odor control is considered an integral part of the design, not an "add-on" technology. The CAG participants asked about the relative cost of reducing odor against the relative benefits of economic land use. Staff explained that the economic land use benefits (e.g. lease revenue) would not cover the cost of odor control

technologies, but that controlling odor is driven by a number of factors, including policy direction and meeting regulatory requirements.

A CAG member inquired about the reasoning behind shorter term solutions when pushing out the lease of land will save money. Another CAG member raised the concern that not all costs are included in the numbers presented. Hidden costs, such as the cost of being unable to develop neighboring properties, should be included.

#### New land uses

One CAG member noted that the no pilot option would only be preferred if it created land for environmental uses such as habitat or recreational uses, but not for economic development. Otherwise the no pilot option would not be worth the additional cost.

One CAG member noted that the no pilot option should be explored if there is an upswing in the economy, as this plan is most beneficial when tied to development and growth.

Several CAG members noted that they appreciated that a no pilot option is being studied.

#### Flexibility

Several CAG members expressed that the no pilot option would create less flexibility in biosolids disposal and use, as several emerging technologies that are worth considering will require some time to mature. One CAG member noted that the current gasification feasibility study on energy collection could show an economic benefit once completed. Staff noted that other Plants that currently use gasification, which could be explored under this option, are still running a net-negative energy balance. CAG members noted that creating some surplus energy would be preferable to disposal.

Members of the CAG asked if staff had any insight on regulatory uncertainties. Staff noted that biosolids disposal and sludge classification could potentially be impacted by regulatory changes. The consultant team emphasized that most other plants have many biosolids disposal options to accommodate changing regulations.

#### Feasibility

One CAG member noted that the accelerated option would require additional feasibility studies, as it may require transportation of materials and therefore create new challenges and costs. A CAG member also noted that the landfill is not currently permitted to accept the solids after contract dewatering as they are only 25 percent solid.

### Cost and rate impacts

Participants had questions regarding the ratepayer impacts of the plan. Staff clarified that in 2025, rates are projected, based on preliminary estimates that will be further refined, to increase to approximately \$56.95/month (from a current \$17/month based on San José residential wastewater rate structure) for the average household within the system, which would not include additional costs for sewer collection system improvements by 2025. All numbers presented by staff include bond financing; however timing of the bonds is uncertain and will be included in a financing plan in 2012.

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CAG members expressed concern that citizens who do not live near the Plant may not understand that the odor control measures offer region-wide benefits. CAG members suggested that staff emphasize other Plant Master Plan benefits (including energy benefits, policy drivers, and regulatory changes) to show non-neighbors the benefit of paying additional service fees for renewing the facility.

One CAG member noted that the recommended option is preferred given the slower economic climate and likelihood of minimal demand to lease the Plant lands in the near future.

Some CAG members noted that neighboring property owners may have purchased their property at a lower price due to anticipated odor impacts, and that this should be considered along with property owner requests for the more expensive no pilot option. When asked, staff clarified that odor has not increased since the Plant was built, but actions have been taken to reduce odor.

Several CAG members noted that the recommended option had fewer funding uncertainties. CAG members also noted that bonds may be more secure with the recommended option.

Several CAG members saw no reason to go faster than the recommended approach due to impacts on rates and noted that the additional increases in fees required by the no pilot or contract dewatering option would not be tolerated by most citizens.

CAG members mentioned that the decision should take a cue from development growth, considering revenue from connection fees.

### Other

A CAG member asked how much actual capacity will be needed to manage the demand for treatment in 2040. Staff explained that the current facility can manage expected demand growth, but that improvements are needed. Staff said that the current average flow is 110

million gallons per day (MGD), but the expected average demand will be 187 MGD at the end of the 30-year planning period, with a peak demand of 450 MGD.

Staff noted that contract dewatering may require a separate environmental clearance process (CEQA).

A few CAG members expressed the opinion that solar drying seems to be the most energy-efficient process. When asked, staff explained that solar processes cost approximately \$3M a year in operations cost, but the new processes will likely cost between \$10-12M a year in operations.

Prior to the meeting, CAG Member Joey McCarthy submitted written questions for discussion. The group decided to review and discuss Joey's questions at the November 4 meeting.

#### *Outcomes*

- The CAG agreed to discuss the topic further at an additional CAG meeting on November 4.
- The presentation slides will be available at *rebuildtheplant.org*.
- For more information, contact Project Manager Kirsten Struve at *kirsten.struve@sanjoseca.gov* or 408-945-5180.

#### **Meeting Review**

The group reviewed the meeting process to identify areas for improvement. The following points were discussed:

Although they appreciated the presentations, several CAG members expressed concern that there was insufficient time for discussion. A CAG member suggested that staff plan enough time for discussion at upcoming meetings and was concerned that the presentation brought up new issues, such as the cost of infrastructure that had not been discussed previously. Other CAG members requested to discuss traffic and circulation at an upcoming meeting. One CAG member requested additional information on a comparison of the Plant's energy consumption levels using the current extensive footprint and the proposed compact footprint.

CAG members expressed appreciation for the information from the presentations and requested electronic copies. They also appreciated the flexibility to add more time to the meeting and continue the discussion as needed.

#### **Public Comment**

The public also participated in the meeting with comments and questions for the presenters. All members of the public who desired to were able to speak.

Joe McCarthy, representing McCarthy Ranch, noted that they owned their land since before the Plant was built. They did not have the opportunity to weigh the economic benefits and

impacts of odor to their property location, as the odor source came to them. Joe clarified that the Plant is clearly a source of odor on his property, and that this odor does create clear and identifiable economic impacts for his property. He stated that he felt staff did not fairly consider the no pilot option as a viable alternative. He also noted that the technology being used today is outdated and that the Plant is required to contain odor within its property line.

Fremont resident Dean Stanford offered information on a proposed state-funded recreational vehicle park for the Plant lands. He noted that the current land use policy allows for dual uses of the bufferlands. Dean handed out written materials on his proposals.

Will Sievert, a representative of the Bayside R/C Club, indicated that his organization is interested in using the Plant site for recreational model airplane uses.

Perry Mistry is interested in seeing the Plant lands being explored for large-scale renewable power generation. He noted that PG&E is a large stakeholder in this process and that ARRA funding could be available to reduce costs. He also noted that geothermal power plants should be explored and that further study should be done on feasibility in this site area.

Stephanie Miller spoke on behalf of the Irvine Company, a company that manages commercial office space in Milpitas near the Plant. Stephanie emphasized the impacts odor has on the Irvine Company, citing a recent contract that was lost and that their property is not included as a destination for brokers showing commercial property to prospective tenants. She also noted that they receive many complaints and suggestions from tenants about odor.

South Bay Soaring Society President Bob Smith shared his vision for using the Plant site as a world-class recreational flying and radio-control vehicle facility.

Noel Eberhardt, a member of the South Bay Soaring Society, advocated the need for a location to promote model aviation education. An aviation student was present and displayed a model he designed after a few months of study.

#### Adjournment

The CAG meeting adjourned at 8:30 p.m.

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