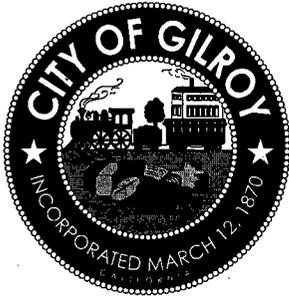


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City of Gilroy



CITY OF SAN JOSE COMMUNITY DEVELOPMENT DEPARTMENT
DEVELOPMENT SERVICES 7351 Rosanna Street, Gilroy, CA 95020

Planning Division	(408) 846-0440	FAX: (408) 846-0429
Engineering Division	(408) 846-0450	FAX: (408) 846-0429
Building, Life & Environmental Safety Division	(408) 846-0430	FAX: (408) 846-0429
Housing & Community Development	(408) 846-0290	FAX: (408) 846-0429

June 18, 2007

Mr. Darryl Boyd
City of San Jose
Department of Planning, Building & Code Enforcement
200 East Santa Clara Street
San Jose, CA 95113-1905

Subject: Coyote Valley Specific Plan DEIR Comments

Dear Mr. Boyd:

Thank you for allowing the City of Gilroy an opportunity to review the Coyote Valley Specific Plan (CVSP) Draft Environmental Impact Report. After careful review of this document, we have identified the following areas that need additional analysis:

Traffic Issues (contact Don Dey at 846-0450, Don.Dey@ci.gilroy.ca.us)

PROJECT DESCRIPTION

Development Size

The actual number of jobs and housing units being proposed is not clear. The introduction to the CVSP TIA refers to 50,000 jobs and 25,000 dwelling units, while the project trip estimates refer to 57,060 jobs and 25,550 residential units. Table 2.0-2 in Section 2.0 of the DEIR cites 50,000 industry driving jobs, an additional 5,000 non-industry jobs and 26,400 total housing units. Lastly, the footnote to this table indicates that round numbers in the DEIR reflect the "program level of the EIR."

Table 2.0-3 lists a total maximum of 26,394 dwelling units, which corresponds to the previous table, and includes a maximum building area of 15,025,342 square feet. The document should clearly state the maximum development levels anticipated as part of the project and indicate if certain analyses (e.g. the TIA) included the analysis of higher levels. The TIA does explicitly state that the already approved Coyote Valley Research Park (CVRP) with 20,000 jobs will be absorbed as part of the development should the CVSP project be approved as currently proposed. The CVRP development was originally intended to be a new Cisco R&D/office campus and can be built in its entirety without additional City of San Jose approvals.

Project Roadway Improvements

The proposed project includes development of an entirely new roadway system within Coyote Valley plus a new Caltrain rail station and a free internal transit circulator. This local transit system is identified as a fixed-guideway bus rapid transit (BRT) operation. The only external roadway improvements that are specifically identified as part of the project are a new interchange at Coyote Valley Parkway at US 101 and an improved connection to Coyote Creek Golf Course Drive. All other improvements are within the plan area and included arterial interchanges and new roadways to serve proposed land uses. (Note: The May 16, 2007 *South County Circulation Study Update* indicates that the new interchange is a Post-2030 improvement).

Partial Project Size

The TIA also included a partial buildout of CVSP with 20,000 jobs and 10,000 dwelling units. This same project size was included in both near-term and long-term analyses. For the near-term analysis, the Partial CVSP Buildout analysis did not include the new Coyote Valley Parkway/US 101 interchange, the improved connection to Coyote Creek Golf Course Drive, and several arterial interchanges on Monterey Road. This analysis does not address any non-automobile modes, so it is not clear if the proposed Caltrain station or the internal transit circulator are part of the Partial CVSP project. This needs to be clarified to determine if the trip generation for this scenario is appropriate.

STUDY SCENARIOS

The impacts of the proposed project were analyzed under both near-term and long-term conditions. The long-term analysis was based on the City of San Jose General Plan analysis methodology, as well as an analysis of 2030 conditions using various land use data sets. Each scenario is described below.

Near-Term Analysis

The near-term analysis was completed in accordance with the standard Valley Transportation Authority (VTA) methodology of adding trips from already approved developments to existing conditions, and then adding project-generated trips to the Background Condition volumes. We did note that the Existing Condition level of service (LOS) for some intersections in the TIA does not correspond to current LOS observed in the field and published in several recent studies. For example, the CVSP TIA cites LOS C for Existing Conditions at the Tenth Street/Chestnut Avenue and SR 152/Camino Arroyo intersections during the PM peak hour, while the calculated and observed LOS for these locations is LOS E and F, respectively. Under Background Conditions, operations at these several other intersections are worse than illustrated in the CVSP TIA under the Background/CVRP scenario. Any discrepancies should be resolved prior to finalizing the TIA and corresponding DEIR.

Project trips were estimated by inputting CVSP land uses (57,060 jobs/25,550 dwelling units according to the TIA) into the Year 2005 base year model to determine the project trip generation, trip distribution and assignment. We have verified these land use inputs to the 2005 model. Intersection, roadway segment and freeway operations were analyzed based on this near-term analysis. While this development scenario is not possible within several years given the likely buildout timeframe of at least 30 years, the near-term analysis provides decision-makers and the public with a "snapshot" of what adding CVSP would do to today's roadway infrastructure. Use of the model reflects the change in travel patterns that would occur with the addition such a large project. The TIA explicitly states that the CVRP with 20,000 jobs was included as a background project, so that the net number of new jobs added with the CVSP is actually roughly 30,000.

While including this project as part of the Background Conditions analysis minimizes the relative change in traffic volumes with development of the entire CVSP, the Project Conditions analysis does accurately represent the addition of the entire project. Even if the CVRP was excluded from the list of approved projects, the impacts and mitigation measures under near-term Project Conditions would not change.

Long-Term Analyses

The City of San Jose General Plan analysis was conducted to determine how such a substantial change to the General Plan (i.e., the addition of the project) would affect the City's overall transportation network. This analysis was conducted for only the addition of the CVSP, and then with all pending General Plan applications to determine the cumulative impacts of the project per City guidelines. Per Section 6.0 of the EIR (Cumulative Impacts), the major projects included in the cumulative analysis are the Evergreen-East Hills Vision Strategy, the Berryessa Flea Market project, and the iStar project all comprising development or intensified development on roughly 4,140 acres. The DEIR should indicate the level of development included for the Vision North San Jose project under this scenario, which ultimately will add approximately 26 million square feet of commercial development and 32,000 dwelling units at buildout. The Year 2030 analysis was conducted to identify long-term traffic operating conditions with CVSP plus additional anticipated development in southern Santa Clara, Monterey, San Benito, and Santa Cruz Counties. Two land use scenarios were included in the CVSP analysis: 1) 2030 ABAG constrained land use for the counties listed above (which only includes partial buildout of CVSP), and 2) buildout land uses including 2030 growth for the counties listed above and full development of CVSP. This analysis only addressed freeway and roadway segment volumes and did not analyze intersection operations. While using this approach is helpful from an overall planning perspective, it does not help other adjacent jurisdictions, or San Jose for that matter, determine specific improvements needed at each of their intersections that may be affected by project-generated and cumulative traffic volumes.

KEY ANALYSIS METHODOLOGIES AND ASSUMPTIONS

The CVSP TIA includes several key technical assumptions and methodologies that have a substantial effect on the study findings. Each of these key study elements is described below.

Trip Generation

As noted above, the VTA travel demand model was used to generate trip generation for the proposed project. The project land uses were input and the model estimated the project's total trip generation, trip internalization, and number of transit, bicycle and walk trips. According to the TIA, the project is estimated to generate a total of 209,991 daily trips, 18,282 total AM peak hour trips, and 21,247 PM peak hour trips. Since the project will include a variety of housing, employment, supporting commercial uses, schools, and other community uses, many of the trips generated will occur between uses within the specific plan area. The TIA estimates that the trip internalization will be approximately 30 percent and 35 percent during the AM and PM peak hours, respectively. Of all daily trips, roughly 40 percent would occur within the CVSP area. The resulting net number of trips assigned to the external roadway network in the rest of San Jose, Morgan Hill, Gilroy and other jurisdictions is 12,777 during the AM peak hour and 13,847 during the PM peak hour. Based on our experience with similar types of studies, we consider the level of internalization (30 to 40 percent) reasonable for a project provided all of the uses are developed as proposed. We verified the trip generation from the model after reviewing files and data provided by Hexagon and the VTA. Regarding the total trip generation, we concur that the most appropriate method of estimating vehicle trips for a project of this magnitude is the use of a validated traffic model such as the VTA model. This helps to account for local trip

generation rates (which are more applicable than standard industry rates published by the Institute of Transportation Engineers (ITE)), as well as trip internalization.

Other methods of verifying trip internalization is comparing the amount of retail square footage to the number of households, as well as the total number of employees per household. In general, the number of retail employees should be approximately 0.20 to 0.25 for every household. Based on 25,000 households, this should result in roughly 5,000 to 6,250 retail employees, of which 5,000 was used in the travel demand model. Thus, the area is expected to be appropriately served by retail uses. From a jobs-housing perspective, a well-balanced community should include approximately 1.25 employees for every household, resulting in a total of 31,250 employees for the CVSP-proposed 25,000 households. The difference between the proposed employment level of 50,000 industry-driving jobs and the "ideal" number of 31,250 indicates that CVSP will import workers. Thus, the net trip generation of roughly 13,000 to 14,000 peak hour trips accounts for a reasonable level of importing of workers.

The net new trips on the external roadway network were assigned to the study intersections, roadway segments, and freeway links and analyzed using the respective methods (TRAFFIX, estimated segment capacities, and VTA freeway segment capacities).

Trip Distribution

The distribution of external trips estimated by the travel demand model is approximately 70 percent to the north of the site and 30 percent to the south of the site. We verified this information from Hexagon's base year model run with the CVSP project in place. This split of trips is generally consistent with existing travel patterns, but does not necessarily represent future patterns. With significant increases in employment in Monterey County, San Benito County, and the cities of Morgan Hill and Gilroy, the future distribution of trips is expected to more closely approximate a 65-35 north-south split based on traffic forecasts from the 2030 model and the 2030 regional model maintained by the Association of Monterey Bay Area Governments (AMBAG). The traffic analysis should be revised to reflect the 65-35 north-south split.

SIGNIFICANT IMPACTS

The TIA identified impacts under near term and long-term conditions, the latter of which included the City of San Jose General Plan analysis and the 2030 analysis using South County Circulation Study data. Near-term impacts were studied for intersections, freeway segments, and roadway segments. Long-term operations analyzed screenlines, and freeway and roadway segments only. Impacts under each scenario are described below.

Near-Term Operations with CVSP

The proposed project is not expected to result in any near-term significant impacts to any study roadway in the City of Gilroy. The TIA refers to the Monterey Road/Masten Avenue-Fitzgerald Avenue intersection as being in the City, but it is maintained by Santa Clara County. The addition of project traffic will exacerbate the need for traffic signals at two City intersections and will cause signal warrants to be met at three additional locations. CVSP will trigger the need or exacerbate the need for three signals on Masten Avenue in Santa Clara County immediately north of Gilroy. The DEIR analysis indicates that approximately 120 project trips or approximately one percent of CVSP traffic would use SR 152 east of Camino Arroyo project during the peak hours. The SR 152/Camino Arroyo intersection is projected to operate at LOS B or C under near-term conditions with CVSP buildout.

No freeway or other major arterial segments in Gilroy are expected to be significantly impacted under near-term conditions based on the VTA's CMP methodology. It is not clear why other roadway segments such as Pacheco Pass Highway (SR 152) east of US 101 and SR 25 are included in the Year 2030 analysis but were not addressed under near-term conditions. The EIR needs to be revised to address these segments under near-term conditions.

2030 Operations with CVSP

Only freeway and roadway segments were analyzed under 2030 conditions. Conditions in 2030 were analyzed under two land use scenarios: 1) constrained land use projections from ABAG with partial development of CVSP, and 2) 2030 buildout land uses identified by all jurisdictions. These scenarios are consistent with model runs used in the South County Circulation Study. The key issue with the Year 2030 analysis is that it is included as an appendix and is not referred to until the last paragraph of the Conclusions chapter of the TIA. The DEIR does not include any reference to the Year 2030 analysis in Section 4.2 (Transportation and Traffic) or in Section 6.3.2 (Cumulative Transportation and Traffic Impacts).

Under Year 2030 Conditions, the TIA identifies that US 101 north of Tenth Street/Pacheco Pass Hwy (SR 152) will operate at LOS E or F during the AM and/or PM peak hours. These operating levels occur under one or both of the constrained or buildout land use scenarios. Similarly, Monterey Road is projected to operate unacceptably from First Street (SR 152) to north of Masten Avenue. The analysis did not include Monterey Road south of First Street as a study segment. Since southbound US 101 is projected to operate at LOS F during the PM peak hour under buildout conditions, we reasonably assume that Monterey Road between First Street and Tenth Street would operate at LOS E or F due to traffic delays and subsequent diversion. The EIR needs to provide mitigation measures for this impact.

The 2030 analysis also showed that SR 152 east of Wellington Boulevard [Note: this street is actually named Cameron Boulevard; the EIR needs to be revised to reflect the correct name.] to Casa de Fruta is projected to operate at LOS E or F during the AM and/or PM peak hours under either land use scenario. CVSP traffic is projected to comprise between 0.7 and 2.0 percent of all future vehicle traffic. The EIR needs to be revised to present the proportion of project traffic relative to the growth in volume over existing or background conditions. This information would help illustrate the effect of CVSP compared to growth in Morgan Hill, Gilroy, and the rest of the region. All of the cumulative impacts and potential mitigation should be discussed in the EIR.

San Jose General Plan Analysis

The information in Section 6.0 only refers to impact thresholds used by the City of San Jose for their General Plan analysis and provides limited information to the public or decision-makers in other jurisdictions as to the magnitude of impacts outside the City. Changes in cordon line and screenline volumes are presented but specific changes to facilities are not identified. In addition, roadway segments listed as operating at LOS E or F in the Year 2030 analysis (Appendix G to the TIA) are not shown as congested link sets in the Long-Term Cumulative Impact Summary (Table 6.0-4 in the DEIR). This inconsistency should be explained in the text.

MITIGATION MEASURES

Project Buildout

The TIA and DEIR only identify specific mitigation measures under near-term conditions. No mitigation measures are proposed for signalized intersections, freeway segments, or roadway segments in Gilroy because no significant impacts were identified. In the DEIR, the project proposes to pay a fair share for installing signals at five City and three County intersections in and around Gilroy. For proposed intersection improvements in other jurisdictions such as Morgan Hill, the mitigation measure text does not explicitly commit to fund even a fair-share of the improvement. CEQA requires that project-level (i.e., near-term) impacts be fully mitigated by the project or else identified as significant and unavoidable. The EIR must be revised to mitigate the project impacts.

Although the project will result in significant impacts according to the City of San Jose General Plan analysis and the Year 2030 analysis, no physical improvements are proposed for facilities outside the CVSP area or address future project impacts. In Section 6.3.2.8, the DEIR lists the beneficial attributes of the project and the resulting lower vehicle trip generation for the project including the mix of uses, proximity to rail transit, and provision of an internal transit system among others. This section also lists the three other major approved and proposed developments in San Jose (North San Jose, Downtown Strategy 2000, and Evergreen) and the fact that each includes a “comprehensive package of roadway improvements.” This phrase is missing from the last bulleted item in this section describing CVSP.

Regarding impacts to freeway segments, the TIA indicates that physical mitigation would require widening that may be constrained by right-of-way acquisition and substantial cost for a single development. This latter reference makes sense for a small single-use project, but is unreasonable given the size of the proposed project, which will be the size of Mountain View at buildout. The CVSP must include a package of improvements similar to North San Jose and Downtown projects listed above with an appropriate impact fee. The TIA indicates that the improvements identified in the on-going South County Circulation Study could be used to help develop a regional funding plan. In short, the project makes no commitment to provide funding for any regional improvements including widening of the freeway. More importantly, the DEIR includes no reference to committed funding for any freeway improvements in any of the mitigation measures. The South County study is referenced in Section 4.2.5.4, but only indicates that the project “could” be required to make a fair share contribution towards improvements if a program is established. This approach certainly opens the project to legal challenges over funding mitigation in other jurisdictions similar to the issues the City of San Jose recently dealt with in the North San Jose environmental review process.

The City of San Jose is taking this approach in part to address the fact that growth in southern Santa Clara County will occur in all jurisdictions, not just San Jose. According to the Year 2030 analysis, the travel demand model assumed that Morgan Hill and Gilroy ultimately plan the addition of approximately 70,000 jobs compared to the 50,000+ jobs included in the CVSP. Conversely, the cities anticipate approximately 22,000 new households compared to the 25,000 new units in CVSP. The approach is reasonable in identifying the need for contributions from other jurisdictions to accommodate regional growth. However, the EIR must identify specific cumulative mitigation measures and a corresponding funding mechanism to mitigate the impacts of the CVSP development.

Project and Improvement Phasing

As noted previously, the proposed project is a large, multi-faceted development that is expected to take decades to fully build out. In addition, the San Jose General Plan includes a trigger for development of housing only after 5,000 jobs have been created in the CVSP area and existing City services can be maintained based on a five-year economic forecast. Since the trigger does not limit housing after the 5,000-job level, some level of additional environmental analysis of other development scenarios needs to be included to inform the public. For example, the vehicle trip internalization rate of nearly 40 percent relies on full development of residential, employment and other community-serving uses. However, the internalization rate would be significantly lower if the pace of job creation is substantially lower than the development of residential units. At the extreme, the project could develop 25,000 homes, but only 5,000 jobs because no limitation on residential development is proposed. This scenario would result in a much higher number of vehicle trips and subsequently additional or worse transportation impacts. The same situation would occur if the proposed expansion of Caltrain service does not occur in time to serve the residential development.

While predicting specific development levels for each use may not be practical from the City of San Jose's perspective, the CVSP should tie mitigation to development levels to ensure timely implementation of new capacity with the production of new vehicle trips. The vision North San Jose project cited above was divided into four development phases and included various roadway improvements for each phase. A similar plan should be prepared for CVSP and included in the DEIR.

SUMMARY

Based on the recent legal decision regarding the North San Jose project, we believe that the City of San Jose would have a difficult time arguing that the current CVSP environmental documentation provides a complete evaluation of all of the transportation impacts and mitigation measures. While we consider the overall technical approach reasonable with several exceptions, the document falls short in two key areas:

- Identifying the impact of exacerbating excessive congestion in the US 101 corridor and the resulting diversion to Monterey Road and Santa Teresa Boulevard (among other local facilities); and
- Mitigation proposed outside the CVSP area and San Jose. Specifically, no physical improvements for significant freeway impacts are identified in the TIA or DEIR.

The documentation defers to future improvements identified in the on-going South County Circulation Study, and no commitment of funding is provided for any regional improvement. In addition, no phasing plan is provided that would link future mitigation with specific levels of development to ensure timely application of transportation improvements. The City of San Jose has set a precedent with other major studies by establishing comprehensive roadway improvement programs and funding mechanisms for improvements in San Jose and in other jurisdictions. The DEIR does not clearly state which external improvements will be funded, and the technical assumptions rely on transit and project design to help alleviate future congestion on regional facilities. If excessive congestion occurs on US 101 even similar to that of the late 1990s and early 2000's, diversion to Monterey Road and Santa Teresa Boulevard will occur at a higher level than identified in the transportation analysis and other mitigation will be required. While the City of San Jose is correct that substantial additional growth planned in Gilroy and Morgan Hill will contribute to congestion in the US 101 corridor, processing of CVSP as a specific project at this time requires that the DEIR address all cumulative impacts and identify mitigation measures and funding to minimize impacts. At a minimum, the CVSP project

could fund ramp metering through the corridor, auxiliary lanes between interchanges, and other improvements to reduce future congestion in the US 101 corridor.

Land Use/Planning/CEQA Issues (contact Melissa Durkin at 846-0440, Melissa.Durkin@ci.gilroy.ca.us)

HOUSING AND JOBS

In Section 7.0, "Growth Inducing Impacts," the DEIR states that "the project as proposed would not allow enough new housing to fully serve all of the new jobs [...] This housing could be located in San Jose or other jurisdictions, including Morgan Hill and Gilroy" (525). However, the EIR makes it clear that San Jose does not intend to construct this housing within its City limits, due to its desire to balance jobs and housing. Therefore, additional pressure will be placed on nearby cities, including Gilroy, to provide housing for the new jobs created as part of the CVSP implementation. However, the DEIR does not analyze this as a growth-inducing impact. Contrary to the DEIR's statement that "the projected new residential development in surrounding communities is consistent with the adopted plans for the other jurisdictions," the City of Gilroy has not planned its growth to accommodate the City of San Jose's residential housing needs (525). Since San Jose does not intend to provide housing to accommodate the new employees that the CVSP will generate, the DEIR needs to be revised to fully analyze the residential growth-inducing impacts of the CVSP on surrounding communities.

AIR QUALITY

This project's proposed air quality mitigation measures will be minimally effective. The DEIR needs to require additional mitigation measures and/or project modifications to reduce the level of air pollutants generated.

The prevailing winds in this area blow southward, and the DEIR shows that this project will significantly impact air quality in cities to the south of San Jose. Therefore, the DEIR needs to include a mitigation measure requiring that air quality monitoring equipment be installed south (downwind) of the Metcalf Energy Center, as the City of San Jose has previously agreed to do.

ALTERNATIVES ANALYSIS

The DEIR needs to include an alternative that balances jobs and housing within the CVSP area. However, balancing jobs and housing alone is not enough; the CVSP also needs to ensure that the jobs and housing are constructed simultaneously, to take maximum advantage of internalized trips.

DEIR TECHNICAL ASPECTS

The DEIR needs to be revised to address the following issues:

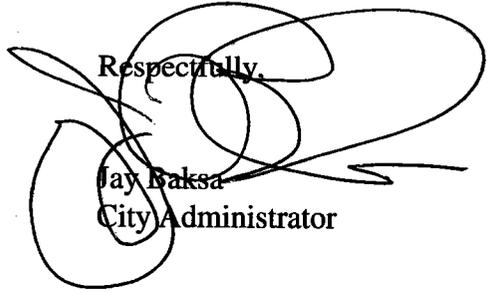
1. The DEIR does not contain adequate specificity or analysis to use this as a project-level EIR. DEIR section 1.5.2 needs to be revised to state that this is a program-level EIR and to remove references to all projects that require a project-level EIR.

2. According to the City of San Jose's web site, the *Coyote Valley Specific Plan* is in its "initial draft" stages and is subject to change. In addition, as noted in the "Traffic Issues" section of this letter, the DEIR and the Traffic Impact Analysis provide different figures for housing and job generation. Further, DEIR page 8 states that "the 25,000 units and 50,000 jobs are both minimums." The CVSP project must be defined and stable prior to preparation of an environmental review. This DEIR needs to be suspended until the City finalizes the Specific Plan document and identifies the maximum number of housing units and jobs the CVSP area will generate.
3. The CVSP lacks the program of implementation measures—including regulations, programs, public works projects, and financing measures—required by California Government Code section 65451 (a) (4), and therefore should be identified and processed as an Area Plan.
4. The City of San Jose anticipates using this EIR as a project-level document, yet many of the mitigation measures are deferred until actual development is proposed. Moreover, many of the mitigation measures lack specificity; lack a time frame for implementation; may be voided through statements of overriding consideration; and do not identify a responsible party for implementation. The DEIR needs to be revised to provide specificity, time frames, and implementing parties for all mitigation measures, and needs to propose mitigation measures that will feasibly mitigate project impacts.

South County Regional Wastewater Authority (contact Saeid Vaziry at 848-0480, Saeid.Vaziry@ci.gilroy.ca.us)

Please see the attached letter from the South County Regional Wastewater Authority. The City of Gilroy concurs with the comments in this letter and incorporates them into our comments by reference.

Once again, thank you for the opportunity to comment on this very important, regionally-significant project. Please send me a copy of your response to these comments once they are complete.

Respectfully,

Jay Baksa
City Administrator



**SOUTH COUNTY REGIONAL
WASTEWATER AUTHORITY**

1500 Southside Drive
Gilroy, California 95020-7042
Telephone (408) 848-0480
Facsimile (408) 842-0873
scrwaemail@ci.gilroy.ca.us

June 7, 2007

City of San Jose
801 North First Street, Room 400
San Jose, CA 95110-1795

ATTN: Darryl Boyd

SUBJECT: COMMENTS ON THE DRAFT EIR FOR THE COYOTE VALLEY
SPECIFIC PLAN PROJECT FOR THE CITY OF SAN JOSE, DATED
MARCH 2007

The South County Regional Wastewater Authority (SCRWA) is a California joint powers agency which owns and manages municipal wastewater facilities, including reclamation, for the Cities of Gilroy and Morgan Hill. SCRWA operates a wastewater treatment, disposal, and water recycling facility. Selected portions of the above-referenced Draft EIR have been reviewed by the SCRWA staff and technical consultants and we offer the following comments related to water supply systems and impacts.

The comments are by Sections 4.8, 4.11, 4.16 and Appendices J, L, and M of the Draft EIR.

The Coyote Valley Specific Plan (CVSP) EIR proposes that a significant part of the water supply for the development in the Coyote Valley will consist of recycled water, to be used for irrigation, groundwater recharge, or to maintain the water level in a new lake (Coyote Lake). In Section 4.11.2.3, an agency called the "South County Water Recycling Agency" (presumably SCRWA) is identified as a potential supplier of recycled water. However, the idea of using South County recycled water seems to be a late-stage addition to the EIR intended to show that water supply impacts will not be significant. The lack of prior coordination with SCRWA before the idea was published in the EIR indicates that it should not really be considered to be a component on the project, which detracts from the credibility of related impact assessments.

Plans for distribution of SCRWA recycled water are proceeding in accordance with the Recycled Water Master Plan which does not include export of water to the Coyote Valley. Extension of the distribution to CVSP would require approval of a Master Plan amendment by the City Councils of Morgan Hill and Gilroy as well as by the Santa Clara Valley Water District (SCVWD). While SCRWA strongly supports the expansion of recycled water use, a Master Plan amendment would not be considered without addressing relevant issues, including the following.

Recycled Water Supply and Demand

The project description should state that only recycled water in excess of South County recycled water demands would be available for use and should further recognize that water would be available in winter more than in summer. Existing recycled water customers and local needs would be expected to take priority over the exporting of recycled water out of the Llagas groundwater basin. The EIR should consider existing recycled water delivery contracts and commitments along with total plant capacity and current flows.

Llagas Groundwater Basin Impacts

Pumping SCRWA recycled water to the CVSP would transfer water from the southerly-flowing Llagas groundwater basin to the northerly-flowing Coyote and Santa Clara basins, which will reduce the groundwater resource available to the south. The EIR needs to consider the potential impacts of this interbasin water transfer on the water resources in the Llagas groundwater basin and the Pajaro Valley, including changes in both water levels and quality. Removal of a substantial volume of water will change the overall water balance in the Llagas basin, which may reduce groundwater available for pumping to meet local agricultural or potable demands as well as groundwater flows that may recharge the Bolsa Groundwater Subbasin or the Pajaro Valley. Lower groundwater elevations may increase power required for pumping or contribute to land subsidence. Exporting of recycled water may affect concentrations of inorganic salts, nitrate, or other groundwater constituents.

Required Facility Upgrades

The SCRWA recycled water system has limitations on capacity that would limit delivery of water in the near term (i.e. the next five years). Delivery to the CVSP area would require new distribution facilities (e.g. pipelines, pump stations). Reservoirs may be needed to balance peak and average demands. If these facilities are required for the CVSP development, they need to be planned and paid for as part of this project. An adequate environmental impact analysis cannot be done without a clear and complete description of the project.

Reverse Osmosis Reject Water Impacts

The EIR states that all the recycled water used for the CVSP will first be treated in an "advanced recycle water treatment plant (ARWTP), which will include reverse osmosis (RO). The EIR should explain clearly that RO does not simply eliminate salt; it separates the incoming feed wastewater into a clean water product stream and a reject, brackish water or "brine" stream consisting of a portion of the water and most of the unwanted constituents (primarily inorganic salts) that were in the original feed. To this end, Section 4.11.2.3 notes that a "loss" of 30

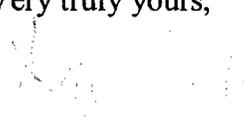
percent of the 14,700 afy incoming recycled water supply will occur as a result of the advanced wastewater treatment process. Figure 4.11-1 diagrams this 30 percent loss (the RO reject stream) as a box receiving 4,400 afy of flow. The EIR needs to state clearly where the RO reject water goes from this box, and properly evaluate the impacts.

The RO reject cannot be discharged to Coyote Lake, surface waters, or storm drains, nor can it be used for irrigation or allowed to percolate. Reject water flow is not included in wastewater flow estimates presented in section 4.11.2.2 and is not considered in the evaluation of impacts on the San Jose / Santa Clara Water Pollution Control Plant (SJ/SC WPCP). In section 4.11.4, Impact Util-2 states that there will be no impact on SJ/SC WPCP. On the other hand, Section 4.16.2.3 states that consideration is being given to discharge the reject through the SJ/SC WPCP. On page 426, the EIR points out that the salt in the reject might be considered beneficial if discharged to the salt-deficient southern end of San Francisco Bay. However, if 4,400 afy of RO reject derived from treatment of 14,700 afy of recycled water is mixed with the wastewater entering the SJ/SC WPCP, a mass-balance calculation will show that an 8% to 10% increase in the salt concentration in the South Bay Water Recycling Project (SBWRP) recycled water will occur, which would be unacceptable to the other users of the system.

The EIR fails to identify an acceptable (feasible) disposal mechanism for RO reject, without which the alternative of "breaking the percolation prohibition constraint" (Appendix J, page 3-14) may be selected instead. Of more concern to SCRWA would be a proposal to send the RO reject south. Because SCRWA disposes of treated wastewater by percolation, it would not be acceptable if the ARWTP were to draw feed water from SCRWA and discharge the reject back to SCRWA.

Accordingly, the SCRWA requests that, in its final EIR, the City adequately and completely address the issues raised herein. We appreciate the opportunity to review this Draft EIR, and wish to receive any subsequent documents. Please add us to the list of addresses for all correspondence.

Very truly yours,


Saeid Vaziry, P.E.
Chief Engineer

cc: Jim Ashcraft, City of Morgan Hill
Tracy Hemmeter, Santa Clara Valley Water District
Rick Smelser, City of Gilroy
Melissa Durkin, City of Gilroy