

CORRECTED
VERSION

STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 96-031

APPROVAL OF A STATE REVOLVING FUND (SRF) LOAN
FOR CITY OF SAN JOSE
SOUTH BAY WATER RECYCLING PROJECT, PHASE 1
SRF LOAN PROJECT NO. C-06-4220-110

WHEREAS:

1. The State Water Resources Control Board, on February 16, 1995, adopted the "Policy for Implementing the State Revolving Fund (SRF) for Construction of Wastewater Treatment Facilities";
2. The State Water Resources Control Board, on September 21, 1995, adopted the FFY 1996 SRF Loan Program Priority List which included the City of San Jose's (City) South Bay Water Recycling Project, Priority Class B;
3. The Division of Clean Water Programs (Division) has approved the project report, environmental documents, and the draft revenue program for the City's project;
4. The City is a signatory to the "Memorandum of Understanding Regarding Urban Water Conservation in California"; and
5. The City certified an EIR (State Clearinghouse No. 92013071) and prepared an Addendum which have been reviewed and considered, and it has been determined that:
 - (a) As stated in the EIR, the project may result in significant and unavoidable impacts with respect to: (1) air quality - the potential of six construction sites actively laying pipes at the same time may result in NO_x levels exceeding Bay Area Air Quality Management District threshold of significance even with proposed mitigation measures; (2) short-term construction noise - noise barriers would not be feasible as mitigation measures since they would block access to driveways; and (3) growth inducement - water and sewer capacity may become constraints to growth in the future and the project would slightly reduce these constraints and could thereby be slightly growth inducing.

The SWRCB hereby adopts the following statement of overriding considerations to address the unmitigable impacts that may potentially occur from approval of the project:

Implementation of the wastewater treatment facilities improvement project would result in the following benefits: (1) water conservation, (2) additional water supply, and (3) reduction in discharge to the South Bay.

In balancing the project benefits against the potential significant impacts regarding air quality, short-term noise, and growth inducement, the SWRCB finds that the public benefits of the project outweigh the unavoidable impacts and, therefore, determines that the impacts are acceptable;

- (b) Changes or alterations have been required in, or incorporated into the proposed project which avoid or reduce to less than significant levels the other potentially significant environmental effects identified in the EIR with respect to: (1) groundwater impacts which will be mitigated by screening trench dewatering effluent, obtaining and complying with a RWQCB permit for disposal of dewatering effluent, sealing abandoned wells in accordance with state and local guidelines, requiring hydrogeologic assessments for groundwater recharge with reclaimed water, monitoring water users, implementing a groundwater monitoring study, and modifying the reclamation program as necessary (including, but not limited to, blending reclaimed water with potable water, changing irrigation practices, reducing fertilizer application, and/or providing extra treatment); (2) surface water impacts which will be mitigated by using moderate slope cuts to reduce sedimentation from destabilized creek banks, requiring a storm water pollution prevention plan outlining revegetation practices and physical erosion control measures, using storm drainage systems, prohibiting use of reclaimed water during wet weather, monitoring reclaimed water application rates, and conducting inspections for reclaimed water user compliance; (3) flooding impacts which will be mitigated by prohibiting construction in levees from October 15 to April 15; (4) hazardous materials impacts which will be mitigated by monitoring for subsurface contamination, evaluating, storing, treating, and properly disposing of contaminated materials, and preparing a Risk Management and Prevention Program; and (5) cultural resources impacts which will be mitigated by monitoring, archeological testing when necessary, conducting salvage recovery programs as recommended, and complying with the September 1995 Memorandum of Agreement for compliance with the National Historic Preservation Act; and
- (c) With respect to other potentially significant environmental impacts identified in the environmental document, appropriate changes or alterations are not within the responsibility and jurisdiction of the SWRCB. Such other changes or alterations have been adopted or should be adopted by other agencies.

THEREFORE BE IT RESOLVED THAT

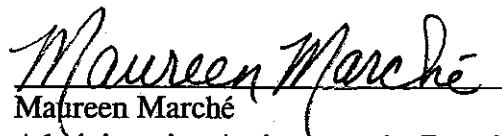
The State Water Resources Control Board:

1. Approves a SRF loan of \$5 million to the City of San Jose for the construction of South Bay Water Recycling Facilities, Project No. C-06-4220-110, with a repayment period of twenty (20) years, and the first repayment to be due one (1) year after the completion of construction; and

2. Will withdraw this preliminary SRF loan commitment if project construction has not started by July 1, 1996. The Division may approve up to a ninety (90) day extension for good cause.

CERTIFICATION

The undersigned, Administrative Assistant to the Board, does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on May 1, 1996.


Maureen Marché
Administrative Assistant to the Board