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I1-008
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July 24, 1997

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Kate Hansel
CALFED Bay-Delta Program
1416 Ninth Street, Suite 1155
Sacramento, CA 95814

Dear Ms Hansel:

I am pleased to submit the City of San Jose's Inquiry Proposal to develop an Ecosystem Assessment and Prioritization Plan for the Santa Clara Basin Watershed in response to your Request for Proposals. This proposal is submitted in cooperation with the Core Group members of the Santa Clara Basin Watershed Management Initiative.

The Santa Clara Basin Watershed, including the portion of the South San Francisco Bay to which the watershed drains, is large, unique and complex. The San Francisco Regional Water Quality Control Board has acknowledged the significance of the Santa Clara Basin Watershed by selecting it for the Region's urban watershed pilot study.

Since the summer of 1996, the Regional Board initiated the Santa Clara Basin Watershed Management Initiative (Watershed Initiative). The local agencies, environmental and community organizations embraced this opportunity to take local stewardship of the watershed and have committed to develop a watershed management plan for the South San Francisco Bay and Santa Clara Basin that integrates the following issues: watershed protection and enhancement, habitat and water quality enhancement, water rights and water supply reliability, flood control, regulatory compliance, land use and public awareness and involvement. An initial framework for the plan has been developed. The stakeholders committed to this process include local and state agencies, environmental and public interest groups and business and industry trade groups.

A basin-wide assessment of the condition of the Santa Clara Basin watershed does not currently exist, although a great deal of information exists in a variety of local, regional, state agencies, and profit and non-profit organizations. This assessment is needed to prioritize which watershed conditions should be addressed by protective and/or restorative measures. An assessment of the current state of the watershed will assist planners and decision-makers in developing policies and committing fiscal resources that clearly address the needs of the watershed and will result in an Ecosystem Assessment And Prioritization Plan.

I hope that you will look favorably upon our proposal. If you have any questions, please contact me or Mary Tucker at 408-277-5533.

Louis N. Garcia
Director
Environmental Services Department



CALFED INQUIRY PROPOSAL

a. Project Title and Applicant Name

• **ECOSYSTEM ASSESSMENT AND PRIORITIZATION PLAN FOR THE SANTA CLARA BASIN WATERSHED**

City of San Jose - Environmental Services Department
in cooperation with the Santa Clara Basin Watershed Management Initiative

City of San Jose - Environmental Services
Department
Primary Contact: Mary Tucker,
Environmental Program Manager
408-277-5533 408-277-3606 (fax)

Santa Clara Basin Watershed Management
Initiative
Erika Lovejoy, Program Manager
408-945-3000

b. Project Description and Primary Biological/Ecological Objectives

The City of San Jose, in partnership with the Core Group members of the Santa Clara Basin Watershed Management Initiative (WMI), proposes to conduct a comprehensive ecosystem assessment of water quality, species, habitat, land uses and stressors of concern within the watershed. Results from this assessment will be the primary tool used to develop a comprehensive watershed management and prioritization plan. Once the priority issues and/or sources of pollution are identified, the Watershed Management and Prioritization Plan will determine implementation measures to address those priorities within the watershed.

The WMI Core Group members include local, state and federal agencies, environmental and public interest groups and business and industry trade groups. The Watershed Management Initiative has been in existence for over a year (attachment A).

The Santa Clara Basin Watershed, including the portion of the South San Francisco Bay to which the watershed drains, is large, unique and complex (Attachment B). The San Francisco Bay Regional Water Quality Control Board (Regional Board) acknowledged the significance of the Santa Clara Basin Watershed by selecting it for the Region's urban watershed pilot study.

c. Approach/Tasks/Schedule

A basin-wide assessment of the condition of the Santa Clara Basin watershed does not currently exist, although a great deal of information exists in a variety of local, regional, state agencies, and profit and non-profit organizations. This assessment is needed to prioritize which watershed conditions should be addressed by protective and/or restorative measures. An assessment of the current state of the watershed will assist planners and decision-makers in developing policies and committing fiscal resources that clearly address the needs of the watershed and will result in an Ecosystem Assessment And Prioritization Plan.

Proposed Tasks:

1. Prepare initial inventory of watershed characteristics from existing data
2. Conduct an institutional inventory report
3. Identify and address crucial data gaps
4. Assess the condition of the watershed using existing data
5. Develop and implement a watershed data management system
6. Implement a Quality Control Program
7. Develop recommendations for immediate and long term activities
8. Prepare "State of the Basin" Report

Development of the Ecosystem Assessment And Prioritization Plan is anticipated to take two to three years.

d. Justification for Project and Funding by CALFED

This project will contribute to the CALFED solution by assessing the condition of CALFED priority species populations and habitats within the South Bay and by developing mechanisms for their improvement. Several of CALFED's designated priority species and habitats are documented to exist within the Santa Clara Basin (see Attachment C for greater detail). Steelhead trout runs are presently documented in Alameda, Penitencia, Lower Coyote, Permanente, San Francisquito, and Stevens Creeks, and the Guadalupe River. Chinook Salmon are known to migrate up the Guadalupe River and to a lesser extent, Los Gatos Creek to spawn. Other fish species such as splittail, longfin smelt and striped bass have recently been found within the South San Francisco Bay, south of the Dumbarton Bridge. The Ecosystem Assessment and Prioritization Plan for the Santa Clara Basin Watershed will identify priority habitats and stressors of concern relating to these and other species.

The Lower South San Francisco Bay, within the Santa Clara Basin has been designated as an impaired waterbody under section 303(d) of the Clean Water Act. Concentrations of certain toxic pollutants exceed water quality criteria in this poorly flushed portion of the bay, and aquatic and riparian habitats are in various states of degradation. Urbanization and its resulting impacts to riparian habitat has contributed to the degradation of some fish runs and drastic reductions in others.

The results of this project will provide information that can be used to directly benefit steelhead trout and chinook salmon by assessing existing habitat conditions so mechanisms for improvement can be developed. Other fish species that are known to utilize the South Bay will benefit by improved water quality after implementation of the identified mechanisms.

e. Budget Costs and Third Party Impacts

Preliminary budget costs, based on similar assessments, are estimated to be on the order of one to one and a half million dollars (\$1-1.5M). Third Party impacts are undetermined at this time.

f. Applicant Qualifications

The City of San Jose - Environmental Services Department, is well known for its environmental programs and is well qualified to coordinate the preparation of this assessment.

g. Monitoring and Data Evaluation

A workplan has already been developed for the project by the WMI. A comprehensive assessment of the existing watershed conditions will be conducted by 1) identifying data needs, 2) gathering information from existing sources, 3) coordinating with ongoing monitoring programs and 4) conducting monitoring where data gaps exist. Development of the data management system is included in the workplan for the project. Data collection, management, and evaluation will be conducted in complete coordination with and in many cases, directly by the WMI Core Group members. A technical advisory committee will be convened to conduct a detailed review of the monitoring and data evaluation process.

h. Local Support/Coordination with other Programs/Compatibility with CALFED Objectives

The Santa Clara Basin Watershed Initiative effort was initiated by the Regional Water Quality Control Board and is being led by a group of representatives from twenty different agencies and organizations who have taken on the role of steering and guiding this effort. As such they have committed to devoting significant time and resources to the development of the watershed plan. The objective of this project is stated within the mission statement adopted by the group: "The Goal of this watershed management effort is an ongoing process of managing activities and natural processes of our watershed in a practical manner which maximizes the benefits and minimizes the adverse impacts on the environment for the benefit of the community and recognizes the need for improvement in our quality of life. The process will provide an encompassing and integrated plan, based on broad input, with clear priorities that will allow for adjustment and flexibility based on results and data." This mission statement clearly supports, and in many ways, mirrors the objectives of the CALFED Program.

SANTA CLARA BASIN WATERSHED MANAGEMENT INITIATIVE

Project Description

The Santa Clara Basin Watershed, including the portion of the South San Francisco Bay to which the watershed drains, is large, unique and complex. The San Francisco Regional Water Quality Control Board (Regional Board) acknowledged the significance of the Santa Clara Basin Watershed by selecting it for the Region's urban watershed pilot study.

The Lower South San Francisco Bay has been designated as an impaired waterbody under section 303(d) of the Clean Water Act. Concentrations of certain toxic pollutants exceed water quality criteria in this poorly flushed portion of the bay, and aquatic and riparian habitats are in various states of degradation.

In the summer of 1996, the Regional Board initiated the Santa Clara Basin Watershed Management Initiative (Watershed Initiative). The local agencies, environmental and community organizations embraced this opportunity to take local stewardship of the watershed and have committed to develop a watershed management plan for the South San Francisco Bay and Santa Clara Basin that integrates the following issues: watershed protection and enhancement, habitat and water quality enhancement, water rights and water supply reliability, flood control, regulatory compliance, land use and public awareness and involvement. An initial framework for the plan has been developed. The stakeholders committed to this process include local and state agencies, environmental and public interest groups and business and industry trade groups.

A key element of the Watershed Initiative will be to develop a State of the Watershed Report and comprehensive watershed management plan. The Watershed Report and Plan will integrate existing programs and identify what needs to be done to reduce and prevent pollution. The comprehensive stakeholder process will be used to reach agreement on the plan, its priorities and long term implementation. Several of the local agencies have committed funds to provide project management for this effort from Fiscal Year 1997 through 1998. Funds from the State Water Resources Control Board will be used to augment and extend these funds for continued watershed plan development and implementation, outreach and communication efforts from 1998-1999, with an emphasis on the preparation of the plan, confirming and obtaining stakeholder support for implementation.

By using a comprehensive approach, the plan will ensure integration of existing programs and identify the needs for additional efforts. The plan will be based on sound science with broad stakeholder involvement. It will consider economic issues and direct resources to priority problems as identified by the stakeholders in this process. The watershed management plan will establish a mechanism for implementation of integrated watershed programs.

Geographical Location

The geographical boundaries of the planning effort will be those areas of Santa Clara County that drain to the Lower South San Francisco Bay. The Santa Clara Basin is located south of the Lower South Bay, bounded by the Diablo Mountains on the east, the Santa Cruz mountains on the southwest, and the Coyote Valley on the southeast. The planning area has a population of approximately 1.3 million, and is mostly urbanized, with some agricultural uses in the rural upper watershed areas. The Santa Clara Valley is also known as Silicon Valley, due to the preponderance of computer-related light industry in the northern portion of the valley.

Objectives and Core Planning Group

The objective of this project is stated within the mission statement adopted by the Core Organizing Group for the Santa Clara Basin Watershed Management Initiative: "The Goal of this watershed management effort is an ongoing process of managing activities and natural processes of our watershed in a practical manner which maximizes the benefits and minimizes the adverse impacts on the environment for the benefit of the community and recognizes the quality of life and our diversity. The process will provide an encompassing and integrated plan, based on broad input, with clear priorities that will allow for adjustment and flexibility based on results and data."

The Watershed Initiative effort is being led by a group of representatives from twenty different agencies and organizations entitled the Core Group, who have taken on the role of steering and guiding this effort. The following persons, and their respective agencies, have all committed to belong to the Core Organizing Group of the Santa Clara Basin Watershed Management Initiative. As such they have committed to devoting significant time and resources to the development of the watershed plan.

<u>Agency Name</u>	<u>Contact Person</u>	<u>Phone</u>
San Jose/Santa Clara POTW	Mary Ellen Dick, Dan Bruinsma	408-945-3070 408-277-5533
Palo Alto POTW	Phil Bobel	415-329-2285
Sunnyvale POTW	Helen Farnham	408-730-7272
Santa Clara Valley Water District	Jim Fiedler, Pam John	408-265-2607
San Jose Chamber of Commerce	Jim Tucker	408-291-5262
Santa Clara Valley Manufacturers Group	Elizabeth Zimmermann/ Craig Stone	408-263-2612
Home Builders Association	Mark Lazzarini	408-977-1490
Department of Fish and Game	Deborah Johnston	408-649-7141
League of Women Voters	Ann Coombs	415-941-2684
San Francisco Estuary Institute	Michael Rigney	510-231-9540
Santa Clara Valley Audubon Society	Craig Breon	408-252-3748
CLEAN South Bay	Trish Mulvey	415-326-0252
Regional Water Quality Control Board	Tom Mumley	510-286-0962
Santa Clara County - Environmental Resources Agency	Muriel Fulford	408-299-2871
Santa Clara County Urban Runoff Pollution Prevention Program	Jason Christie	408-265-2607
Santa Clara Cattlemen's Association	Mike Miller	408-274-2359
USDA Natural Resources Conservation District	Jeff Rodriguez	408-636-7643
Guadalupe-Coyote Resource Conservation District	Nancy Bernardi	408-288-5888
Santa Clara County Farm Bureau	Nancy Richardson	408-776-1684
U.S. EPA - Region 9	Luisa Valiela	415-744-1991
<i>Acting Facilitator (City of San Jose - Environmental Services Department)</i>	<i>Mary Tucker</i>	<i>408-277-2993</i>

A listing of over 250 additional stakeholders, agencies and interested parties has been prepared and contacted to ascertain their interest and potential involvement in the Watershed Initiative. Members of the Core Group have agreed to act as a liaison to their respective sector (e.g. public, environmental, business) and provide information to those entities who have expressed an interest in further participation. This listing will be used for further public education and outreach activities.

The following activities have been completed as part of the initiating phase of the Santa Clara Basin Watershed Management Initiative:

- Identification of Need, and Creation of a Working Problem Definition
- Definition of the Planning Area
- Identification of cognizant jurisdictions and significant private parties
- Gathering of initial concerns, issues and positions of significant parties through a stakeholder survey
- Creation of an initial organization
- Establishment of a process plan and schedule
- Establishment of credibility and representation methods for concerned parties
- Initial design of the planning phase: process and schedule
- Identification of needed facilitators, analysts, project management, and domain experts
- Initial identification of potential technical and research needs
- Team Building and Skills Development within the Core Group

Current Subgroups of the Santa Clara Basin Watershed Management Initiative include the following:

<u>SUBGROUP</u>	<u>MISSION/INITIAL WORK STATEMENT</u>
Planning, Interests and Timeline	Provide guidance and/or recommendations to the Core Group on the formation of subgroups and planning activities and their relationship to stakeholder interests and the timeline of the planning phase.
Bay Modeling and Monitoring	The overall objectives of the modeling effort are to: <ul style="list-style-type: none"> • utilize an existing technically sound water quality model as a tool to investigate and evaluate the potential water quality impacts of various south bay water quality management options; • develop technically supportable permit limits (concentration & mass); • develop the technical support for attainable water quality objectives including expected attainment dates; • develop a technically supportable first phase Total Maximum Daily Loading along with a plan to refine the estimates.
Watershed Assessment	Provide a solid scientific foundation for watershed planning and land use decisions. Identify existing data resources, assemble available data, evaluate the quality of existing data, identify data gaps, develop and implement strategies for data acquisition and management and implement data interpretations which will lead to effective planning decisions.

Resources and Finances	Research, Identify and Develop resources (both personnel and monetary) for the Watershed Initiative.
Geographic Information Systems	Resource Group on Geographic Information systems and their application within the watershed planning effort.
Land Use	Identify and address land use planning interests and issues that need to be considered within the watershed plan
Outreach	Identify, coordinate and initiate effective outreach programs
Flood Management	Identify and integrate flood management issues as a part of the watershed planning process
Communication	Ensure effective communication across all stakeholders, core group, subgroups and key decision-makers.

An Education & Outreach Subgroup has formed and is developing a targeted work plan that will identify needs and opportunities. These efforts will be integrated with existing pollution prevention and water quality program outreach efforts. In addition, a separate Communication Subgroup has formed that will ensure good internal communication amongst subgroups, committees and other key stakeholders. This subgroup will also establish mechanisms and develop materials for targeted decision-makers and other interested parties.

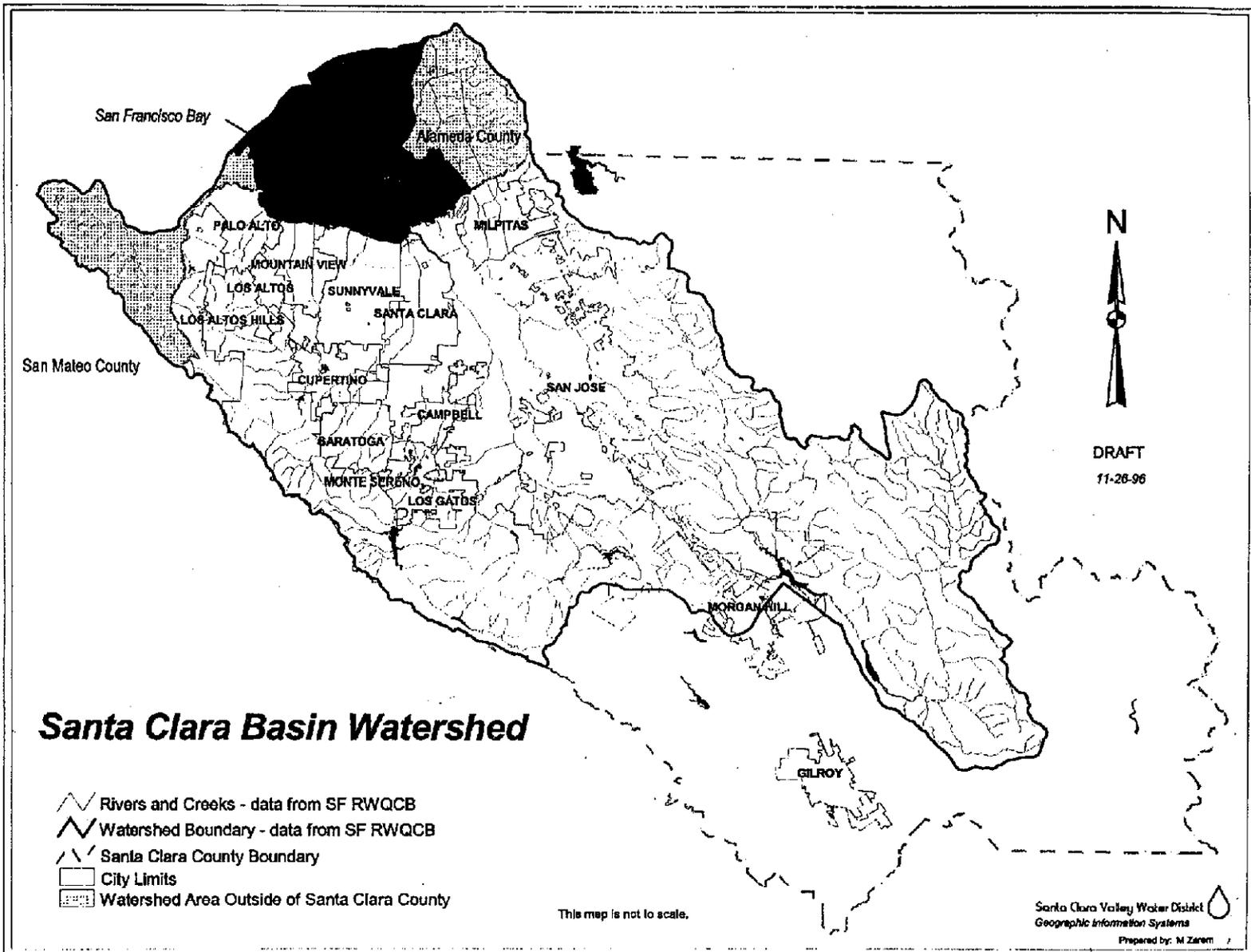
Some pilot projects involving volunteer monitoring groups have already been undertaken by some of the participating agencies, such as the Coyote Creek Riparian Station and Streamkeepers. Linkages amongst these groups have been identified and potential joint projects for assessment, tracking, integration, evaluation and expansion are being considered.

Proposed Key Elements and Milestones for the Watershed Plan

The key elements and associated milestones for the development of the Santa Clara Basin Watershed Management Plan include:

<u>ACTIVITY</u>	<u>MILESTONES/EVALUATION METHODS</u>
• Ongoing Project Administration	- Quarterly Progress Reports - Establishment of key committees and associated workplans and evaluation strategies
• Public Outreach and Education	- Numbers of persons reached through newsletters and activities - Quarterly Newsletters
• Technical Research and Watershed Plan Activities	- Final Draft watershed plan framework/outline. Anticipated date: 9/97 Preparation of the preliminary State of the Watershed Report: Anticipated Date: 9/98 - Preparation of the final State of the Watershed Report and Implementation Plan. Anticipated date: 9/99
• Financial Planning Efforts	- Amount of support awarded - Linkages and joint projects established and funded

1-007203



Attachment B

1-007203

Priority Species Distribution in the Santa Clara Basin

Scientists have characterized streams tributary to the San Francisco Bay as an extension of the Central Valley subsystem of the Sacramento-San Joaquin River Drainage because of the similarity of fish species. The primary difference is the fact that Bay Area streams flow directly into the saline waters of the bay, preventing movement of purely freshwater species between streams. (USACOE 1997) However, this explains the similarity between anadromous species in the overall Bay-Delta system. Both past and recent studies have identified the existence of several Bay-Delta priority fish species within the Santa Clara Basin watershed. The following is a preliminary look at the available data on these species.

Steelhead

Historical studies show that steelhead were once common in Bay Area streams, but urbanization and its resulting impacts to riparian habitat has contributed to the extinction of some runs and drastic reductions in others. (USACOE 1997) More recent studies show that although populations have decreased, steelhead are still found in many South Bay Creeks. Steelhead trout runs are presently documented in Alameda, Penitencia, Lower Coyote, Permanente, San Francisquito, and Stevens Creeks, and the Guadalupe River. (Leidy 1984, Leidy 1997, USEPA 1997, USACOE 1997) Steelhead "landlocked" by dams are found in southern reservoirs such as San Antonio and Coyote. These fish continue to migrate out of the reservoirs and spawn in tributary streams. In general, "...steelhead adults and juveniles may be found foraging in and migrating through, estuarine subtidal and riverine tidal habitats within all areas of the estuary" (USEPA 1997).

Salmon

Although highly modified, the Guadalupe River provides habitat for chinook salmon, as well as steelhead. Chinook Salmon are known to migrate up the Guadalupe River and to a lesser extent, Los Gatos Creek, to spawn (USACOE 1997; Leidy, Pers. Com.). Several impediments along the Guadalupe River have been identified, but a more thorough assessment needs to be performed to determine the extent of habitat impairment. An initial assessment shows that this habitat could be improved by increasing riparian vegetation and removing obstructions. Introduced species have been identified as another major impact to local fish (USACOE 1997). Recent sampling by the California Department of Fish and Game (CDFG) has also found chinook salmon south of the Dumbarton Bridge, within the South San Francisco Bay, as further evidence of migration patterns from South Bay Streams to the ocean (Hieb 1997).

Longfin Smelt

CDFG recently collected samples of longfin smelt at their sampling stations both north and south of the Dumbarton Bridge in the South San Francisco Bay (Hieb 1997). This species is not known to exist in any South Bay tributaries, but may be impacted by toxics and other water quality problems associated with migrating through the South Bay.

Splittail

There are several historical accounts of splittail existence in Coyote Creek, however this species has not been collected in the drainage since the early part of the century (Leidy,

1984). Scientists believe conditions are suitable to successfully reestablish populations in the lower Coyote Creek area (Leidy, pers comm, 1997). This notion, as well as other population improvement projects, will be investigated through the Santa Clara Basin Watershed Management Initiative (WMI) Ecosystem and Habitat Assessment. The comprehensive watershed planning approach being used by the WMI, as well as strong stakeholder involvement, will increase the likelihood of success of implementation efforts in this area.

References Cited

Hieb, Kathy. Associate Biologist. 1997. California Department of Fish and Game. Raw data and personal communication.

Leidy, Rob. 1984. Distribution and Ecology of Stream Fishes in the San Francisco Bay Drainage. Hilgardia, V 52, No. 8.

Leidy, Rob. United States Environmental Protection Agency. "Raw data for the update of Distribution and Ecology of Stream Fishes in the San Francisco Bay Drainage" and personal communication.

McEwan, D. And T.A. Jackson. 1996. Steelhead Restoration and Management Plan for California. California Department of Fish and Game, Inland Fisheries Division, Sacramento, CA.

U.S. Army Corps of Engineers and the Santa Clara Valley Water District. January 1997. Draft Environmental Impact Report/Environmental Impact Statement for the Upper Guadalupe River Flood Control Project. Vol. I.

United States Environmental Protection Agency. 1997. Correspondence to National Marine Fisheries Service. Subject: Steelhead in San Francisco Estuary Streams.