

**UTILITIES ADVISORY COMMISSION
SPECIAL MEETING
NOTICE OF PREPARATION OF AN ENVIRONMENTAL IMPACT REPORT FOR THE
CITY OF PALO ALTO UTILITIES 8-HOUR EMERGENCY WATER SUPPLY PROJECT
DRAFT MINUTES**

The Public Scoping Meeting took place on March 8, 2006 and was called to order at 10:05 a.m. by the Utilities Advisory Commissioner, Chairman George Bechtel.

Chairman Bechtel called the meeting to order. In attendance were John Melton, Dick Rosenbaum, and George Bechtel. Also present were Bern Beecham.

Chairman Bechtel introduced the sole item on the UAC agenda as a scoping session for the Draft Environmental Impact Report on the City's emergency water supply project. The City of Palo Alto does not have enough water to meet normal and emergency demands if the Hetch Hetchy Aqueduct, operated by the San Francisco Public Utilities Commission shuts down for an extended period of time. In January 2000, the SFPUC released a study which showed that the regional water system it operates could be shut down for up to 60 days in the event of a major earthquake. The City needs to locate a site and construct a 2.5 million gallon underground water reservoir and pump station in Palo Alto to address this deficiency. Several emergency supply wells must be sited and constructed, and one of the City's existing pump stations must be upgraded to complete the project. The project is described in more detail in the Notice of Preparation (NOP), which can be found on the City's website. There were a number of copies at the back of the room.

The meeting's purpose was to hear public comments on what should be studied in the Environmental Impact Report that the City is preparing for this project. That EIR will provide the public and the City Council with information regarding the project's potential environmental impacts and how they may be mitigated or addressed. After the draft EIR has been prepared by the City and reviewed by the public and the Council and other interested agencies, the Council will then decide how and if to proceed with this project.

The purpose of the hearing was not to decide whether or where a reservoir should be built, but to gather information that will help the City prepare a complete and useful EIR.

Individual questions and comments on the scope of the EIR and any written or emailed comments received before the close of the public comment period on March 13th, will be used by the City staff and the City's consultant as they go forward with the draft EIR.

Assistant City Manager and Interim Utilities Director, Emily Harrison would introduce the project then Carollo Engineers will make a brief presentation.

No voting or decision making would occur at this meeting.

Chairman Bechtel turned the meeting over to Emily Harrison.

Harrison began by providing a background on how and why the Utilities Department has developed the projects to be studied in the DEIR.

Each time the City updates its Comprehensive Plan, the Water Utility integrates the guiding principles of the Plan into the long-range Water Capital Improvement Program. Staff used the 1998 – 2010 Comprehensive Plan to review the adequacy of the City's water infrastructure in all geographic areas of the City. In 1997, due to water treatment problems on the SFPUC system, the California Department of Health Services (DHS) directed the City of Palo Alto to prepare a technical report which provided an evaluation of the storage capacity of the water supply system, identified pressure zones in the system with less than eight hours of supply at maximum day demand plus fire storage, and provide a plan and schedule to provide this level of supply for all zones of the Palo Alto system. In 1999 the Water Wells, Regional Storage, and Distribution System Study (Study) was prepared to meet this DHS requirement. The Study was prepared with the intent of maximizing the utilization of all existing water production wells and storage facilities to meet Palo Alto's future goals while satisfying public water system emergency supply recommendations made by the DHS. The Utilities Advisory Commission extensively reviewed the Study recommendations, reviewed additional alternatives and recommended the Study projects to the City Council.

More recently, the Commission reviewed, and the Council adopted, the 2005 Urban Water Management Plan, which lays out the City's estimates of water demand and its plans to provide that water. The Urban Water Management Plan projects no increase in total water consumption in the City over the next 25 years but it does identify a deficiency in the City's existing water supply system if there is a temporary shutoff of water from the Hetch Hetchy. This project is intended to correct that deficiency. In looking at options, the City will consider providing facilities that would allow for drought year supplementation of the Hetch Hetchy water with limited local ground water pumping. No decision has been made about whether such pumping would be desirable; it is clear that the local supply is quite limited, especially in an extended drought.

Eight potential well and seven potential reservoir sites were developed from the Study. The City has held public meetings to solicit input from the community. Participants expressed a preference for El Camino Park and Heritage Park for the reservoir, and also proposed for consideration of constructing the reservoir in a parking lot at Stanford Shopping Center. El Camino Park, Eleanor Pardee Park, Heritage Park, and Middlefield Road were preferred well sites.

As an intermediate step in the planning process, the project team took a preliminary look at the reservoir and well sites identified in 1999, doing field recognizance and looking at existing data.

In response to input from the March 2005 meetings and further engineering and environmental work, staff eliminated six (6) of the 1999 Study reservoir sites due to significant environmental sites or prohibitive project expenses and identified 3 additional potential reservoir sites for inclusion in the EIR:

- 1) a site on Stanford property somewhere in the area which is bounded by El Camino Real on the north, Palm Drive on the east and Arboretum on the south and Sand Hill Road on the west;
- 2) a parking lot on the Town and Country Village property; and
- 3) The Palo Alto High School property.

The following sites were selected for considerations in the DEIR:

New Well Sites

El Camino Park
Eleanor Pardee Park
Library/ Community Center
Heritage Park
Middlefield Well Site
Downtown Parking Lots
California Avenue Parking Lots

New Reservoir and Well Sites

El Camino Park
A site on the West side of El Camino Real near Quarry Road
Town and Country Parking Lot

New Reservoir and Well Site Considered and Removed from project sites

Palo Alto High School.

The proposed Palo Alto High School site, which City staff envisioned as a mutual benefit to the School District as well as the City, was to be pursued only if the District wanted the City to consider the site for a reservoir. On December 12, 2005, Council authorized the City Manager to enter into discussions with the Palo Alto Unified School District about the potential to the reservoir. However, the District has recently informed staff that they do not want the Palo Alto High School site to be studied in the City's emergency water supply project DEIR.

In sum, reservoir and well sites included in the DEIR are going to meet all of the emergency water supply needs identified in the Urban Water Management Plan, the City's Comprehensive Plan goals and the minimum DHS recommendations for a stand alone Palo Alto emergency water supply system.

Dave Kraska, from Carollo and Associates made a presentation on the project. The benefit of this project will be to provide a reliable emergency water supply for Palo Alto.

There are 9 major pressure zones, with 95% of water demand is in zones 1, 2, 3, 4. 4.0MG of reservoir capacity. Almost all (6.5%) reservoirs in the City are in the foothills. The City receives 100% of its potable water from SFPUC

Kraska reviewed the project schedule which includes 2.5 years for the preliminary design, final design and construction. Rehabilitation of the existing wells will begin in July of 2009. They are the City's key emergency supply right now.

Bern Beecham stated in some focus studies, there has been a lot of discussion on what "8-Hour" means and he asked Kraska to clarify the term. Kraska said in an emergency condition we have the normal demand (meet normal needs) and also fire demands that will be occurring. The 8-Hour supply is to cover the maximum day water supply over that period. If there were fires in the areas under emergency conditions we would have to use the reservoirs. The idea would be to have wells to meet the demands if the reservoirs went dry. In reality, our system could be shut down for up to 60 days.

Roger Cwiak said the projects considered would provide approximately 11 million gallons per day if the City needed emergency water for a longer term. Harrison added if we were in an extended emergency we would not be at normal supply, we would go into restricted supply. There is a much longer supply provided than 8 hours. We would be looking more at days or possible months of water supply. Beecham confirmed the minimum from a regulatory standpoint is 8 hours but the intention of staff is to be more than just an 8 hour supply.

Beecham said the project has two main objectives; to provide high volume with higher pressure for fire and to provide wells, which will provide a longer range low flow to provide a minimum of water for a longer period.

Commissioner Rosenbaum asked if the DHS 8-Hour requirement is to provide a normal 8 hours. Cwiak replied that the DHS system recommendation is to provide the maximum day demand for 8 hours plus the maximum fire flow in each pressure zone.

Rosenbaum asked how to determine the fire requirements for water. Cwiak said the ISO (Insurance Services Offices), sets a specific fire flow demand in each pressure zone based on the use, materials of construction, distances between and heights of buildings. The City needs to store 2.4 million gallons to fight fires in Pressure Area 3. The City would need to build 6 wells with a capacity of 1000 gpm (gallons per minute) in that area to supply the fire flow plus the normal demand. Building 6 wells in this small geographic

area is not practical. The engineering analysis on the project alternatives has lead us to believe that building a reservoir is the most economical emergency water supply solution for this portion of the distribution system. Rosenbaum said the title 8-Hour is misleading. Harrison said a better title would be "Emergency Water Supply"; the 8-Hour has been an unfortunate addition to the title of this project.

Kraska said after completing the analysis, Carollo recommends the City develop 2.5 MG of storage and also develop 11,000 gpm of reliable well capacity by construction of 3 new wells and rehabilitate Hale, Rinconada, Peers, Matadero, and Fernando Wells. Carollo also recommends an upgrade to the Mayfield Reservoir Pump Station.

Kraska showed photos of what the sites look like and said the existing wells should be rehabilitated. The new well sites would allow the City flexibility to accomplish this project (need 3 of 7).

Potential new reservoir sites to be studied include El Camino Park (preferred), Town and Country Shopping Center parking lot, and Parking lot near Stanford Shopping Center.

Kraska briefly described the CEQA process which is mainly to:

- disclose impacts
- Identify alternative and mitigation to reduce significant effects to degree feasible.
- Identify impacts that cannot be mitigated or avoided
- Enhance public participation
- Foster interagency coordination

Issues to be addressed in the EIR include:

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|--------------------------|----------------------------------|----------------------------------|
| ○ aesthetics | ○ geology and soils | ○ transportation/traffic |
| ○ agricultural resources | ○ hazards and hazardous material | ○ utilities and service systems |
| ○ air quality/noise | ○ water quality | ○ cumulative |
| ○ biological resources | ○ land use | ○ growth inducement alternatives |
| ○ cultural resources | ○ drainage | |
| | ○ recreation | |

Key issues include short term construction-related effects such as noise, dust, traffic, erosion, identification of BMPs, and performance standards. Recreational impacts, well operational impacts, and aesthetics/visual resources will also be issues.

Kraska told the public how to participate today or before March 13, 2006 at the close of the scoping. The public was advised to contact Jim Flannigan.

Kraska passed the meeting back to the UAC Chairman, George Bechtel and the UAC commissioners.

Chairman Bechtel opened the scoping session to the general public. He asked if there were any neighboring agencies there.

Public Comments

Mr. Patrick Muffler, Chair of Barron Park Emergency Association. He noted he has been studying a map of the proposed well sites where he sees the eastern part of Palo Alto (referred to as South Palo Alto) and western area (Barron Park) are blank. Are the proposed wells going to be adequate to address the emergency needs for the areas that are blank on this map?

Cwiak said the City is proposing to rehab five existing wells; two of these wells in or near Barron Park. The Matadero Well is in Barron Park on Matadero Avenue at Tippawingo. The next closest well to Barron Park is the Fernando well on Fernando Avenue adjacent to Boulware Park. The two rehabilitated wells, the three additional rehabilitated wells at Peers Park, Rinconada Park, and Hale Avenue and three new wells will be able to provide about 11,000 gallons per minute to the whole City to use.

Mr. John Benza remarked he didn't see any cost projections for this project. The City has in excess of 2.5m gallons of gray water per day. Many other communities use the gray water for fire fighting purposes. Maybe the transportation through pumping trucks (not at the time of emergency but before) would be more cost effective. Cost of construction is extremely high and not inexpensive. Drinking water is a critical factor. He suggested having some type of incentive program for suppliers of commercial bottled

drinking water, to have storage for us and then the City have contracts to buy with them in exchange for something favorable like land use.

Mr. Michael Madvau questioned the scope of the project asking if there are elements of the project in addition to what may be buried underground. Also, regarding the pumping apparatus and the feeds to those pumps, are we going to be operating off the main grid or local electrical generators? What will we see when the project is done, wholly buried tanks or other apparatus above ground?

Cwiak said the project has not been designed yet but we do plan to leave as small a footprint as possible. The project plans for emergency generations to supply power to the well and pump station

Mr. Water Harrington from Casa Olga said he didn't want to comment on the NOP but instead wants to ask about the decline in his area of water pressure and volume. He asked if there any plans associated with this project or independently to rectify this decrease in supply. The pressure now is half of what it was previously when it was 60 pounds and now 30. He said he is not aware of any plan to correct that problem.

Chairman Bechtel said the City staff will look at the problem.

Harrison said she did receive a letter yesterday from Mr. Harrington and this was the first time we've been aware of this problem. City hall is in the same area and we will look into this.

Chairman Bechtel closed the public hearing and asked for Commission comments and questions.

Rosenbaum said he is interested in the reservoir sites. He understands Stanford has raised objections to the parking lot, and the Town & Country discussion in the past has been to use that area for housing, and so he keeps coming back to Heritage Park. What is the problem at Heritage Park?

Harrison said El Camino Park is the optimal site. The City has had meetings with Stanford University and believes it is a very viable site for the reservoir. Harrison said we are optimistic we will be able to come to an agreement with Stanford.

Cwiak said Heritage Park would be more expensive to build, may have more restrictions due site constraints due to ground water elevation, necessary facilities on the site surface, increased operational and pumping expenses, and construction of additional pipelines to Pressure Area 3.

Rosenbaum said the virtue is the customers at Heritage Park are sitting on the property. It could potentially eliminate a considerable cost to Utilities.

Harrison said it has been a standard policy that the utilities pay rent for any land they use, including park land. Rosenbaum asked if the potential savings in land cost more than compensate for the additional cost to transport the water. Harrison said we don't have all the information at this point.

Rosenbaum asked why are we eliminating Heritage Park?

Cwiak said from an engineering viewpoint, it is a very difficult site to build on. It would need a deeper reservoir and need to be constrained around 4 sides of the site during construction, more restrictions on what would be needed would come to the surface but we could include this site in the EIR.

Cwiak said from an engineering viewpoint, it is a very difficult site to build on. The site is small and the reservoir would need to be deeper. The site is constrained on all 4 sides. Additional shoring expenses would be incurred during construction. There are more restrictions on the surface structures on the site when the project is completed.

Rosenbaum thanked him.

Rosenbaum thanked him.

Melton asked about the Stanford parking lot, where on the parking lot? Harrison said it's an area that's been identified rather than a site. You have both parking and housing constraints at this site.

Wynne Furth said this is a big area; we are looking at environmental and engineering constraints to see what the optimal site would be.

Melton asked about the driver on the siting of the reservoir, first having water for fire suppression as the main driver, and the driver on the size of reservoir is the hospitals. We have Stanford Hospital and clinic – are these the main factors in siting the reservoir, i.e. proximity to those two medical facilities? Cwiak said the study looked at the entire system in Palo Alto to analyze all of the emergency supply needs of the City. The Study made the best use of all of the City's existing water infrastructure and developed a set of projects that could be used to meet the entire City's emergency water supply needs. When we did that, we identified an area of Palo Alto that has a high demand and looked at how we can provide this emergency water in the most efficient and economical manner. This set of proposed projects provides that emergency supply and fire protection water and is cost effective.

Harrison said emergency water could be for fire, drought, or seismic events that could cut us off from Hetch Hetchy. This would meet all those demands. We are talking about broader emergency provisions. This is sized for fire supply but it is also emergency supply.

Bechtel said it was insurance; one way to sell it to people is to look at the value of their property. Does the EIR talk about financial impact of property loss due to fire? A density map which shows value of property to show people why this would be advantageous to the City? Harrison said that may not be in the EIR but it's critical to have the public aware of these facts.

Bechtel suggested changing the title of the project to "Emergency" and dropping the 8-hour.

Beecham said in our discussion today, it's not the engineering or the cost, it is someone kicking off the EIR process. Some of these issues have been talked about at the Council level. To build a separate system, we can't pump the water from the creek into a potable water system. It has to meet state standards for consumption. We don't have a separate fire distribution system. How expensive would it be to create a parallel system? Cwiak guessed it would be something comparable to the current water system, i.e. millions of dollars. We'd have to create an entire distribution system just to provide the fire supply. Any proposed solution that does not include the existing water distributions system will be more expensive. You need a reliable pump station, reservoir, water supply and distribution system to provide an emergency water supply. Any alternate proposal to provide this level of fire protection will have to include all of the elements of the current proposal; a reservoir, pump station, supply source or method, emergency power, plus a distribution system to delivery the water. Any proposal that does not include providing potable water during the defined emergency period does not provide the same level of reliability for emergency water supply to the residents of the City. Beecham said the cost of getting gray water is prohibitive.

Cwiak said we had a situation in the recent past when the Department of Health Services wanted us to turn our system off. Not an earthquake – we were unable to turn our system off. There are other needs of an emergency water supply beyond a catastrophic event.

In reference to Mr. Harrington's comments about pressure in the system, Cwiak said he is not aware of anywhere in the system this happens by intent. Cwiak said we will look into this situation to find what is causing the reduction in distribution for Mr. Harrington.

Chairman Bechtel adjourned the meeting at 11:23 a.m.

Respectfully submitted,

Dee Zichowic
City of Palo Alto Utilities

APPROVED 4/29/06