

TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER DEPARTMENT: UTILITIES

DATE: MARCH 5, 2007 CMR: 161:07

SUBJECT: CERTIFICATION OF THE ADEQUACY OF THE EMERGENCY WATER SUPPLY AND STORAGE PROJECT ENVIRONMENTAL IMPACT REPORT (EIR), APPROVAL OF STAFF'S RECOMMENDATION FOR THE PREFERRED RESERVOIR AND WELL SITES; AND PARK IMPROVEMENT ORDINANCES FOR EL CAMINO, ELEANOR PARDEE, TIMOTHY HOPKINS, RINCONADA, AND PEERS PARKS

RECOMMENDATION

Staff recommends that Council:

1. Adopt Resolution certifying the adequacy of the EIR with a statement of overriding consideration, adopting the Mitigation Monitoring and Reporting Plan, and adopting the EIR findings,
2. Adopt Resolution approving the Project and designating the sites for the Emergency Water Supply and Storage Project,
3. Approve Park Improvement Ordinances for El Camino, Eleanor Pardee, Timothy Hopkins, Rinconada and Peers Parks,
4. Direct the City Attorney to return with language for an advisory measure for approval of placement of the reservoir underneath El Camino Park, and
5. Direct the City Attorney and City Clerk to take appropriate steps to place an advisory measure on the ballot for November 7, 2007, for approval of placement of the reservoir underneath El Camino Park.

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BACKGROUND

The projects which constitute the Emergency Water Supply and Storage Project were identified in the 1999 Water Wells, Regional Storage, and Distribution System Study (1999 Study) by Carollo Engineers. The 1999 Study evaluated 8 potential reservoir sites, which were rated with input from Utilities, Planning and Real Estate staff. The 1999 Study also reviewed 142 City-owned properties and identified 40 properties that might be suitable for well construction. These 40 properties were field inspected to assess suitability to support a well construction project. From that review, eight general locations were selected as feasible sites for new wells.

Subsequent to the 1999 Study, the UAC and City staff undertook a series of steps to confirm the recommendations of the 1999 Study. For a two-year period, the UAC conducted a detailed review of the 1999 Study project assumptions, findings and recommendations. The UAC requested additional study of alternative emergency supply recommendations and reservoir and well locations. In May 2000, the UAC requested that staff complete a Long-Term Water Supply Study report. The report reviewed the City's long-term water supply options including using a well to supplement emergency water supplies during a drought. This report concluded that the City could use up to 1500-acre feet of groundwater per year. In November 2001, a report on Alternative Emergency Water Supply Solutions was also completed at the UAC's request. This report reviewed alternate emergency water supply methods, larger storage reservoir options and system connections to the Santa Clara Valley Water District (SCVWD). All of the options reviewed in that report proved to be more expensive and had potentially larger environmental impacts than the 1999 Study projects. In fall 2003, the City drilled test borings at El Camino Park and Heritage Park. The test borings verified the groundwater production potential of these proposed emergency water supply well sites. The SCVWD and the United States Geological Survey, in a joint project with the City, also test bored adjacent to Eleanor Pardee Park to assess this site for groundwater production data. In February and March 2005, the City held two focus group sessions to present and discuss the Emergency Water Supply and Storage Project. Staff invited residents, representatives from neighborhood associations and local businesses to participate in these sessions. At the end of each session, participants were asked to rate proposed alternative reservoir and well locations, and/or suggest additional locations for consideration. The focus group participants suggested several parking lot sites that were ultimately included as proposed project alternatives.

On December 13, 2004, the City Council held a study session on emergency preparedness issues, including the Emergency Water Supply and Storage Project. In conjunction with the UAC actions and consistent with the Council study session discussions on emergency preparedness issues, Council authorized preparation of an Environmental Impact Report (EIR) for the Emergency Water Supply and Storage Project on January 30, 2006 (CMR:124:06). A Notice of Preparation (NOP) and Draft Project Description were issued in February of 2006. The UAC held a project scoping public meeting on March 8, 2006 as required by CEQA. On November 2, 2006 the City mailed a Notice of Availability (NOA) to approximately 5,000 residents, businesses and other stakeholders, and advertised the NOA in local papers. The Draft Environmental Impact Report (DEIR) was circulated on November 8, 2006 for public review and

comment. On November 29, 2006 the Planning and Transportation Commission held the first of two public hearings as required by the California Environmental Quality Act (CEQA). Comments were due on December 22, 2006 at the end of the 45 day comment period. The City received written and oral comments from 17 stakeholders. Staff reviewed the results of the DEIR and public comments and selected the preferred reservoir and well sites, considering engineering and environmental/ community factors. The Final Environmental Impact Report (FEIR) with responses to the public comments was circulated on February 8, 2007.

The Planning and Transportation Commission held a second public hearing for the FEIR on February 14, 2007 to make a recommendation to the City Council on the adequacy of the FEIR and on the Commission's preferred project. The Commission unanimously supported certification of the FEIR, the staff-recommended reservoir and well site locations, the upgrade to the Mayfield pump station and rehabilitation of up to five existing well sites. The Commission also included in its motion a preference for the Eleanor Pardee Park well site if the facility is constructed underground and it conforms to FEMA regulations. The Commission supported the Middlefield location as its second alternative well site. The Commission did identify some issues regarding the project to convey to Council. The Commission was concerned that any groundwater/well use to address water shortages resulting from a drought could deplete the available groundwater storage and consideration should be given to ensure sufficient groundwater reserves remain for catastrophic emergency use. The Commission also recommended future negotiations with Stanford for the El Camino Park site consider anticipated future growth at Stanford medical facility and shopping center. Finally, the Commission was concerned with whether use of park sites for either wells or the reservoir conformed to the City's Parkland Dedication Ordinance.

DISCUSSION

The EIR evaluated four potential sites for a 2.5 million gallon reservoir, pump station and well: El Camino Park, Stanford Shopping Center North (in front of Macy's men's store), Stanford Shopping Center South (southeast side of Quarry Road adjacent to the existing Quarry Road Electric Substation), and Town and Country Shopping Center (rear parking lot). Ten potential sites were evaluated for up to three new wells. The other existing sites evaluated in the EIR for well and pump station facilities were: Hale, Rinconada, Peers Park, Matadero and Fernando well sites, and the Mayfield Pump Station site. The EIR also evaluated alternatives to a reservoir and wells project, including interties with neighboring communities, connection with Santa Clara Valley Water District supplies, desalination, and the "no project" alternative. These project alternatives either do not meet the criteria established for a stand-alone emergency water supply, cause greater environment affects, or are prohibitively expensive.

El Camino Park Reservoir and Well Site

The preferred site for the 2.5 million gallon water storage reservoir is El Camino Park. The site was chosen as the preferred site for the following reasons. The site is close to the Lytton Pump Station which supplies emergency water, primarily to the area within the city limits southwest of Stanford Shopping Center bounded by El Camino Real, Quarry Road and San Francisquito

Creek and the University Avenue downtown area. This area has been identified as needing additional emergency water supply for fire suppression. The site has also been verified by test well drilling as a viable site for a water production well. Historically, the highest producing well sites have been in north Palo Alto near San Francisquito Creek. El Camino Park is the closest site to this creek. It is desirable to locate one of the new wells with the new reservoir as the water from this well can be blended with the water in the reservoir, eliminating the need to add water treatment to one well for use during a severe drought. Also, having one well site co-located with the reservoir reduces the number of separate construction sites.

Environmental factors distinguishing this site are that it would not impact parking, although construction activities would temporarily disrupt park recreation use. Impacts to ornamental trees in El Camino Park would be mitigated to less than significant.

There is an existing fenced pump site at El Camino Park known as Lytton Station. Lytton Station will be modified by constructing below grade pump station and well facilities, replacing the existing above-grade structure with a similarly sized structure and replacing and upgrading the existing turnout and pumping equipment. The construction will require the temporary closure of all or a part of the park for up to a two-year period.

There will be extensive underground construction, including the installation of underground pipes connecting the underground reservoir to the pump station/well facility. Underground reservoir, pump station and well facilities will have access hatches and/or vent structures, typically about 50 square feet each in area, installed within the existing fenced area of the Lytton Station, or landscaped into the park lands so as not to diminish park usage. Such facilities will not alter the existing location and square footage of the existing athletic fields. Upon completion of construction, the park will be restored and improved with new facilities. There will be no reduction in park area and no part of the park will be used for a non-park usage, other than that which is already occupied by the Lytton Station.

Eleanor Pardee Park Well Site

Eleanor Pardee Park site was test drilled for water production by the Santa Clara Valley Water District and United States Geological Survey. The results from the test drilling indicated that the park has a high likelihood of having a relatively high water production rate. The location of this potential well site is in the west corner of the park, away from the grassy areas that have high recreational use.

Library/Community Gardens Well Site

This site is in north Palo Alto, though not as near San Francisquito Creek as several of the other potential well sites, is approximately 1500 feet from the existing Rinconada well, which has a good production rate.

POTENTIALLY SIGNIFICANT AND MITIGABLE IMPACTS

The following is a summary of the more significant potential impacts that would be reduced to less than significant by the mitigation measures listed.

Recreation Resources Impacts: Construction of some proposed project facilities would temporarily disrupt access to or enjoyment of existing recreation facilities. Mitigation measures include a public notification program and rescheduling park use.

Visual Quality: Light and glare from well drilling activities would require 24 hour activities over 3 weeks. Mitigation measures include regulations for nighttime lighting for construction such that no light source is directly visible from neighboring residential areas.

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Hydrology and Water Quality: Potential temporary lowering of groundwater levels during pumping. Mitigation measures include an aquifer test following construction to verify the basin's response to pumping, and limiting emergency demand pumping to 1,500 acre-feet in any one year. Also, potential interference with nearby wells may reduce their production capacity. Mitigation measures include not locating new wells closer than 500 feet from existing emergency wells and avoiding groundwater table drawdown of greater than 40 feet during pumping.

Cultural Resources

The Hale Well pump house is a tile-roofed building and identified as an historic property eligible for the National Register. Any alteration to the existing structure could result in a significant impact. Mitigation measures include review of project actions by the Historic Resources Board and rehabilitation in accordance with the Department of the Interior's standards and guidelines for protecting historic structures.

SIGNIFICANT IMPACTS THAT CANNOT BE FULLY MITIGATED

Noise and Vibration

Construction of proposed facilities and well drilling activities would generate temporary noise levels above existing ambient conditions, resulting in City Municipal Code violations. The drill rig would operate 24 hours a day for a period of up to three weeks per well site, making all nighttime drilling potentially a violation of the Municipal Code relating to regulated hours for construction. The drilling equipment will need to be continuously operated once it starts boring a new well to keep the drilled hole from collapsing. The following mitigation measures would reduce noise levels from construction, but impacts would continue to be significant for most project sites.

- Siting project facilities at least 100 feet from property lines adjacent to sensitive receptors, if sufficient space is available.
- Installation of engineered sound wall or noise blanket during 24-hour construction activities.

- Notification of construction schedule to all residents and other sensitive receptors within 1,000 feet of construction sites.
- Compliance with Municipal Code noise requirements, with the exception of well drilling and testing.

RESOURCE IMPACT

Staff has proposed a new Emergency Water Supply Capital Improvement Project WS-08002 for Council consideration as part of the FY08-012 Capital Improvement Program Budget approval process. To partially fund this project, staff will close out the following Water Fund project WS-01008, WS-01010, WS-01011, WS-01012, WS-01014, WS-02004, WS-02005, WS-02006, WS-02007, WS-02008, WS-04004 and return approximately \$8.5 Million to Water Fund reserves. If WS-08002 is approved, it is expected that this project will be funded through a combination of reserves and debt financing. Staff is in the process of evaluating all current Utility Revenue Bonds (including water) for potential savings through refinancing and at the possibility of issuing new bonds for utility capital improvements. Approximately \$1.5 million was spent on the Emergency Water Supply Project to perform tasks associated with the preparation of the project EIR. Staff's preliminary estimate of the cost of acquiring a property interest in El Camino Park is \$8,100,000. About 2/3 of this amount would be allocated to the City due to the City's interest in the leasehold of El Camino Park. Total project costs are estimated at \$40.15 million (for three new wells, five rehabilitated wells, a new reservoir and pump station, rebuilding Mayfield Pump Station and acquiring a property interest).

POLICY IMPLICATIONS

In accordance with the Municipal Code, a Park Improvement Ordinance is required for the El Camino Park, Eleanor Pardee Park, Peers Park, Rinconada Park and Hopkins Park.

Park Improvement Ordinances

Section 22.08.005 of the Palo Alto Municipal Code requires that: “[b]efore any substantial building, construction, reconstruction or development is commenced or approved, upon or with respect to any land held by the city for park purposes, either by the city or by a lessee, licensee or permittee thereof, the council shall first cause to be prepared and by ordinance approve and adopt a plan therefore.” The City Charter at VII creates the Park Improvement Ordinance requirement as follows: “No substantial building, construction, reconstruction or development upon or with respect to any lands so dedicated shall be made except pursuant to ordinance subject to referendum.” The project includes construction at a series of parks. Thus, the Council will need to pass five Park Improvement Ordinances to approve the construction. While these Park Improvement Ordinances are subject to referendum, the Council passes them under the authority contained within the ordinance mentioned above and there is no procedure or requirement for a vote of the people.

El Camino Park

The City Charter at Article VIII states the requirements for a vote of the people when parkland is no longer used for that purpose: "No land heretofore or hereafter dedicated for such purposes shall be sold or otherwise disposed of, nor shall its use be abandoned or discontinued except pursuant to majority vote of the electorate." As El Camino Park will remain a park and no portion will be dedicated for purposes other than park use, an election is not a requirement.

However, the City Attorney recommends that an advisory vote of the people be sought in order to approve of the temporary use of the park for construction as well as the underground placement of the reservoir and related structures. While this is not legally necessary, it will permit the voters to determine if this is an acceptable interim use of the park. The City Attorney recommends against a formal mandatory vote under Article VIII of the Charter as these circumstances are not covered by the Charter provision and this would set an unnecessary precedent.

PROJECT SCHEDULE

Staff anticipates that the Emergency Water Supply and Storage Projects will be completed within the 2008-2012 timeframe of the FY08-012 Capital Improvement Program Budget.

ENVIRONMENTAL REVIEW

An EIR was prepared in accordance with CEQA for the Project. The EIR identified the potential impact and provided mitigation measures for all but two impacts, construction impacts for any reservoir and well site and loss of parking for a well at the California Avenue parking lot site. The Planning and Transportation Commission recommended that the City Council certify the EIR; the EIR is considered complete and adequate and in compliance with CEQA.

ATTACHMENTS

- A:** UAC Memorandum dated February 12, 2007
- B:** PTC Staff Report dated February 14, 2007
- C:** PTC draft minutes from February 14, 2007 2nd Public Hearing
- D:** Park Improvement Ordinance for El Camino Park
- E:** Park Improvement Ordinance for Eleanor Pardee Park
- F:** Park Improvement Ordinance for Timothy Hopkins Park
- G:** Park Improvement Ordinance for Rinconada Park
- H:** Park Improvement Ordinance for Peers Park
- I:** Resolution certifying the adequacy of the EIR with a statement of overriding consideration, adopting the Mitigation Monitoring and Reporting Plan, and adopting the EIR findings
- J:** Resolution approving the Project and designating the sites for the Emergency Water Supply and Storage Project

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