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>> Councilmember Liccardo: We can't wait around all day. I guess we should get started. Meeting will be called to order. Good afternoon. Why don't we do a little self-roll. Councilmember Rocha.

>> Councilmember Rocha: Here.

>> Councilmember Liccardo: Vice chair Herrera.

>> Councilmember Herrera: Here.

>> Councilmember Liccardo: Councilmember Campos.

>> Councilmember Campos: Here.

>> Councilmember Liccardo: I'm Sam Liccardo. We're all here. Consent calendar, water conservation plan progress report. Unless we have a request to pull that off of consent, we do have a request to speak from David Wall. David.

>> David Wall: Beautiful day to be stuck in this room from an environmental standpoint but nevertheless --

>> Councilmember Liccardo: We prefer to think of it as scheduled for this room.

>> David Wall: Very good, we all love it here. Water conservation has an unintended consequence with it you should look into. Always keep it in your mind. As water conservation takes its effect, and it's a good thing, but it reduces your flow of liquids to move sewage to the plant. In other words, it concentrates it. With addition of using reclaimed water on a vast scale for residential toilet-flushing, and what have you, that's another area of salt. So what we need to look into, very soon if not already, is one, a very vigorous and no-nonsense approach to salt management. Like water softeners, that's a tough one to ban. And another thing you really have to grapple with is

a sewer hookup moratorium. Because you're running out of water. It won't entice people to live here if they have to go around and smell like their Europeans to put it in Tony Estramera's terms. Thank you.

>> Mayor Reed: Moving on --

>> Motion.

>> Second.

>> Councilmember Liccardo: All in favor? That passes unanimously. Reports to committee, D-1 is the update on deferred maintenance and infrastructure backlog. Welcome Dave.

>> Thank you. Going to get things queued up here. So Hans and I are here to present on the annual deferred maintenance and infrastructure backlog report. Done this for a few years now. In the beginning I want to thank all the different departments in the CMO, for helping us put together this report, it takes a lot of effort. Many of them are in attendance to help out with questions should the committee have detailed questions. This report builds on what we've done in past years. In some ways it's kind of a big leap forward from the standpoint that we have been able to not just only identify what the needs are, but document the asset quantities of the different asset types. And also to try to begin to lay out a strategy for addressing the needs in each asset type. Many of the assets are in different time lines and different paths to figuring that all out. Some assets have a strategy for funding and we have not included them in the needs category. Others don't currently have a strategy and will be doing study work in some categories to get there. This report also includes some definitions, definitions for one time unfunded needs and ongoing needs to help bring a little more clarity to the report and consistency between the different asset types in terms of our terminology. Is this slide compares last year's needs to this year's needs. Our current one time unfunded need is estimated to be around \$754,000. Of that, \$44,000 is in the General Fund.

>> Councilmember Liccardo: I think you meant million.

>> Sorry, I did mean million.

>> Councilmember Liccardo: We were hoping but you're right.

>> You'll see that some of the needs have remained the same. That's mostly because either no new information was done or we're confident in the number. Some needs have decreased and that's because of investments we're placing in the CIP or refinement in numbers. Oat needs have gone up, and that's because of transportation infrastructure and Hans will be spending some time on that at the end of the program. Next slide helps describe how the different needs stack up. Obviously, transportation infrastructure is the biggest need. This is important not only because it's the biggest need but also because historic funding has come from the General Fund. And its needs are growing. And will continue to grow. Sanitary is the second biggest funding need. This is less of a concern at this time because we to have some funding that come annually through a different source than the General Fund. And then third-ranking is technology. And this is a growing concern for the city because its funding source has typically also been the General Fund other than certain capital projects that will address the problem as we go along. Next I'm going to highlight a few programs before turning it over to Hans. In the building program, I want to recognize that the bond programs, City Hall and even the convention center, help offset deferred maintenance. We have many new facilities with modern technology which is a good thing. However we still have many older buildings in our inventory and even the newer buildings will need investment in the near future. So our plan and this actually fits well with the consolidation of Public Works and general services is to spend some time studying this and develop a better plan for how we address future needs. It is somewhat of a moving target in the building program especially when we are talking about or proposing to close facilities so we have to kind of factor all that in but certainly something will be focused in on this next year, the Mayor's Budget Message also identified the fact that we need to work with entities that operate our facilities, to work with them on lowering their subsidies and also coming up with a sustainable plan for each one of those buildings. In the parks program, I want to highlight the fact that PRNS is really directed the CIP and will continue to do so toward addressing infrastructure backlog. Last year they formed a special team within their department, and have done a lot of good project work. Very notable is their strategy to reduce turf acreage which goes towards reduction costs in their

program. To date they've reduced about four acres of turf citywide. In the proposed budget PRNS will be asking for some funding to do some more detailed study work on all park-type assets. Sanitary program, we in the proposed budget show an increased transfer. This will help reduce the backlog. The focus of these additional dollars will be mostly on the collection system in the neighborhoods, 6 and 8-inch pipes, this is where we have most of our sanitary overflows. Our focus in that area will definitely reduce the backlog and most notably reduce the number of spills that we might see in the future. And the last program before we get to transportation I want to highlight is in the area of technology. As I mentioned this is an area of growing concern. Really where the needs are, are almost system-wide. But in terms of modernizing the overall infrastructure, especially the large enterprise systems like FMS and HR payroll, our budget applications, all of those systems are nearing their end of cycle life. Refreshing infrastructure out in our remote facilities is a need. And along the way we need to be integrating more information security into these systems. Vijay will be available to answer any questions you have but older systems obviously are more prone to security breaches. So the challenge in this program is to come up with funding for addressing these needs, recognizing that technology tends to have a shorter cycle, replacement time. And O&M cost and last productivity cost can quickly get to the point where there's more than the actual investment for replacing the infrastructure. Next I'm going to pass it on to Hans to talk in detail about our pavement condition.

>> Hans Larsen: Thank you, Dave, Mr. Chair, members of the committee. I'm going to focus my remarks on the city's paved streets. It's a portion of our transportation infrastructure, but it's the largest part of the City's infrastructure. And it's clearly the largest part of the backlog that we have. It is an issue of concern in that as you saw in the earlier charts, it's an area in which the backlog is growing. The conditions of our pavement, of our pavement across the city is declining. And unfortunately, I think the opportunities to address this, particularly in the near term, are quite bleak. And that's because really, the issues that while we've advocated for increased revenues at the federal level, state level, the local level, given the sort of the budget issues really across the country and it really creates some very limited opportunities in the near term to correct this. So I'll talk about where we are in terms of the funding. But wanted to highlight for the committee where we're in terms of the condition of our paved streets. This is a slide that you've seen before. Just to remind members of the committee that were on the council last year, we had a whole half-day study session on the pavement maintenance

issue. And we talked at that time about some of the key concerns, in that we have an aging infrastructure, a lot of our streets were built in the '50s, '60s and '70s they're past their useful life and they need major rehabilitation to extend their use and life. We have issues with lack of investment, in terms of preventative maintenance and an increase in cost for pavement maintenance work and just an overall lack of investment in this particular area and that's leading to the decline. This chart indicates where we are in terms of funding and we're about in the middle of this slide. Fiscal year 10-11 so we're looking a few years back, few years forward. And what the colors indicate, red is the amount of local investment that we put in pavement maintenance, and we've received in the past few years that's declined significantly. Yellow indicates an area in which we've had some improvement in terms of increased level of state gas tax funding for pavement maintenance that comes to cities. You have seen that yellow bar increase, this was initiated juries prior -- as part of the prop 42 program. And then the green bars indicated you can see the past couple years we had a significant increase investment from state and federal grant sources. That was primarily due to the federal recovery act providing federal stimulus moneys that came to us for pavement maintenance, as well as the state voters approved prop 1B which provide pavement maintenance funding. Those programs have been concluded, we've seen the benefits of those, and so now we're seeing a decline in the amount of investment for pavement maintenance. The -- let's see, the increases, if there's any sort of good news to my presentation here, it's that there's been some increases in grant or regional sources. Because last year, the voters approved measure B in Santa Clara County. And that enacted a \$10 vehicle registration fee annually, and that is expected to provide \$5 million a year to the City of San José. A little bit of a bright spot in terms of one I think voters recognizing the need for additional investment, but looking at the level of funding, it is extremely modest in terms of what we need. I think the other thing I want to point out is that while the scale goes up to 40, \$45 million, as we reported to council at the study session, where we are now in terms of kind of the age of our infrastructure and the level of investment that we need to reduce the backlog that we have, and bring our streets up to what's considered a good condition, we should be investing about \$100 million a year for the next ten years. So you can see the past funding doesn't even come up to half of that. So that kind of highlights sort of the mismatch between the level of funding and the needs that we have. You've also seen this chart here. This indicates the pavement deterioration curve. And it projects that for the next ten years, if we don't have any increase in currently-available revenues we will see the conditions of our streets decline significantly from what's rated in the fair condition now, to a poor condition within ten years. About 20% of our streets right now are

considered in poor condition. The conditions are so bad that we bypass them in terms of maintenance because the cost is so high. Without any increased funding, by the year 2020 the numbers of streets that are in poor condition will increase from 20% to 54%. So more than half of our streets will be rated as in poor condition. The backlog, we are on a course of having that grow. Unless there's additional revenue, today we're reporting the backlog of streets that are essentially in poor condition that need major repair or rehabilitation the cost is \$560 million and by 2020 it will take almost \$1 billion, \$860 million to be able to recover from the deferred maintenance of our pavement system. So these numbers are in millions. And if you assume that you know we're close to a million people in San José sort of to translate this almost on a per-person level, these are the dollar amounts it would take in terms of per-person investment. So say, for example, by the year 2020, it would take every man, woman and child in San José it would cost about \$860 million to basically recover from the backlog we have, it's almost four times more than what it would cost if we're able to fix the problem here today. We're kinds of referring to this, this cost-per-resident as the pavement residence CPR program, cost per resident program. So we are trying to resuscitate this here. Let me touch on where we are from a funding perspective. And what our strategy has been, and this is part of our legislative priorities and guidelines, is really to seek increased investment for pavement maintenance, really at all levels, federal, state, regional and local. And as I indicated, the opportunities particularly at the state and federal level are very difficult given the budget environment. And that could be said as well locally. There has been a lot of attention on this issue, and the need, as a state and a country, to be able to invest in our transportation infrastructure. So there's no lack of knowledge of the issue and information about what it would take, there just is a lack of sort of the ability to finance it. It's been recommended at the federal level that the gas tax should be increased by 40 cents. It's 18 cents today. That gas tax level has stayed the same since 1993. So it's close to 20 years that the gas tax hasn't changed at the federal level. And one of the concerns with the gas tax, particularly now, is that as gas prices are rising and people are switching and for good reason to higher mileage vehicles, hybrids, electric vehicles, that we are actually seeing a reduction in gasoline consumption. And so we are relying on a source of revenue for transportation infrastructure and pavement in one that is actually in decline. And so that's another important policy issue in which there have been some proposals of trying to shift from a gas tax to perhaps a vehicle mileage tax. There's been talk about with electric vehicles, they don't use any gasoline. But they do use the system. And so there's actually some states that are considering an electric vehicle tax in order to provide some revenue for providing for the transportation infrastructure. At the

state level it's been identified that California ranks second worst in the country in terms of its road infrastructure. The league of California cities has produced a report on the topic about needing to invest in our roads and bridges. But frankly the budget issues the state is dealing with really are preventing any kind of serious attention on the infrastructure investment topic. At the regional level, MTC has the ability to implement a 10 cent gas tax increase in the Bay Area, but most of the talk right now is about dedicating that towards propping up the transit services within the Bay Area. And so again, we're seeing the investing in the existing infrastructure, particularly roads, as taking a back seat to obviously some other important needs that we have in the region. At a local level, as we reported to the council at the study session, the biggest constraint we have to develop local solutions is really the limits that we have on going to voters that require us to exceed a two-thirds approval which is very difficult. The past polling we've done on this indicate a level of support around 58%. But certainly in these budget times, difficult times, it's difficult to make the case for increasing taxes in any way. One thing, though, that we are holding some hope for is an opportunity to reduce the two-thirds requirement. And there is legislation that has been proposed at the state level that would allow local agencies to put forth before the voters investments in things like transportation infrastructure that would require a -- just a 55% approval. And so that legislation is ACA 4, assembly constitutional amendment 4. And this is a piece of legislation we are tracking closely. It's something that our legislative guidelines would support. There is a hearing on this bill next week in the assembly local government committee. And so we are working with Roxann Miller to provide some advocacy on behalf of this effort. Lastly, in terms of follow-up we are working with the attorney's office on an info memo to the council in terms of funding opportunities which is a follow-up to the study session that we had last October. We will be providing the council with an information memo on our pavement maintenance program for this summer. We'll be coming to council over the next couple of months for a series of contracts for the various projects that we have planned so we'll provide the council on a little more detail on the work we have upcoming. So that concludes my remarks on the pavement and Dave and I and others are here to answer any questions that you have on this larger topic. Thank you.

>> Councilmember Liccardo: Thank you, Hans, thank you Dave. Questions, comments. Councilmember Campos.

>> Councilmember Campos: So if we can go back to the street backlog so we can better understand this. So we're talking about streets that are -- I mean in really, really bad shape. You're talking about just leaving them, not even -- not even filling potholes where there's gaping holes, I mean wouldn't that constitute a safety issue?

>> Hans Larsen: Yeah, I think what we want to distinguish is that probably the difference between smooth streets and streets that are free of potholes. We continue to have funding to fill potholes so that we don't have an unsafe situation within our streets. So if there's a large pothole we'll come in and patch it. But it's not going to be a smooth patch. And so what we -- what we're trending towards is just a lot of bumpy roads around San José. They'll be safe streets but they're not smooth streets or a comfortable street. But I would have to tell you, as more of our streets become deteriorated, the ability to in a timely manner be able to fill the potholes especially after heavy rains becomes more challenging and it takes more of our funding resources to just do sort of quick fixes as opposed to investing in preventative maintenance which has more long term benefits.

>> Councilmember Campos: Okay. I have some more but I'll -- here we go. Getting back to -- getting back to the storm sewer capital improvement budget, can you talk about what -- or if our recently annexed areas have been included in this -- in the plan because I mean there's a number of areas that have just gotten annexed and I know there's -- I think there's one in Councilmember Rocha's district that will probably I think get annexed, maybe, you never know.

>> Councilmember Rocha: Maybe.

>> Councilmember Campos: But we need to think ahead. In terms of whether or not you know, new -- as areas that have not been under the jurisdiction of the city that they're getting their fair treatment you know given that I think one of the benefits that we've always been touting of county pockets is you'll get better service out of the city. So can you explain that?

>> Sure. The short answer is, yes. From the standpoint that we now have funding in the storm capital budget to do some analysis on what our infrastructure needs are. And so that will include areas that are annexed into the

city. Now, that's not funding necessarily to fix the problem. But at least we're heading down the right direction in terms of being able to kind of quantify what that area is and yes, the annexed areas will be factored into that.

>> Councilmember Campos: I think those are my questions for now. Thank you.

>> Councilmember Liccardo: Thank you. Councilmember Herrera.

>> Councilmember Herrera: Thank you, chair. Can you talk about in terms of the pavement maintenance situation what the cost is to residents in terms of their vehicle maintenance? I know that was part of the -- one of the reports I read that there's a substantial cost being incurred to people maintaining their cars because of these roads.

>> Hans Larsen: Yes, some of the national studies that have come out have indicated that there is a significant cost to have bumpy streets, rough roads. And for roadways in the San José metro area, and this includes driving on freeways, expressways, as well as local streets, it's been assessed that the cost of bumpy roads is about -- averages over \$700 a year for increased wear and tear and blown tires, bent rims and things of that nature.

>> Councilmember Herrera: So if we were able to finance getting the streets fixed, the average car owner could save that much every year?

>> Hans Larsen: That's the point that's being made is that the actual investment to have smooth streets is less than what the cost is, and the consequence of having bumpy roads. I think you probably for near half that cost, you could have better conditions on your freeways, and local streets.

>> Councilmember Herrera: So that was my next question. So what kind of an assessment do you think if there was the ability to do some sort of revenue generation, what do you think that would look like?

>> Hans Larsen: Well, so what we've identified as a target to eliminate the backlog and to improve the conditions of our streets from the current level of fair to good, it's about \$1 billion investment over ten years. So roughly, \$100 million a year. And so how you kind of arrive at that, and that's really from all sources. So that would be federal, state and local sources. So it's not certainly something we would look at trying to generate here entirely locally. But one of the points we made at the study session is about two-thirds of the streets that we have are local streets. There's the neighborhood streets, the subdivisions and most of the state and federal dollars that we get are intended to be used on the major street system. So of that, you know, sort of funding challenge that we have, you could break it up and saying about a third of it, you can make a case has some regional responsibility from whether county wide, state, or federal sources. But about two-thirds of it is something that we need to look to ourselves to find a solution for.

>> Councilmember Herrera: And so that would -- when you are saying two-thirds of it would you think that local revenue would be the bulk of money that would pay for that?

>> Hans Larsen: That is sort of our advice to look at some local solutions that represent about two-thirds of that.

>> Councilmember Herrera: So 75 million of that would be local revenue?

>> Hans Larsen: 60, 65 million.

>> Councilmember Herrera: And how much of that, looking at some kind of revenue source, would that be -- what do you think would be the most practical or the one that would be --

>> Hans Larsen: I think given the constraints that are out there the source that we've identified is probably the best opportunity would be some kind of parcel tax. And that's a measure that we've used for projects done in the decade of investment for libraries and parks and recreation facilities and public safety. You know I think if you look at it for -- you know we have -- we're able to address some of our needs with the storm and sanitary sewer system because we have ability to use sort of the property taxes, and we have some local discretion to be able to adjust

the rates of those. That's a big part of why we're able to manage dealing with infrastructure needs in that area. Unfortunately, in the area of transportation infrastructure, we don't have that same ability.

>> Councilmember Herrera: Right, and are there other areas in the maintenance and infrastructure that we would be looking at, raising revenue, other than pavement maintenance, is that the main one we're looking at? Because obviously we don't want to go back to the well, multiple times, and I think parcel tax is a great vehicle but it's also being looked at by a variety of sources, schools and all kinds of folks are looking at parcel tax to meet the needs so --

>> Hans Larsen: Well I think in terms of the overall transportation infrastructure there are other components other than pavement. Clearly pavement is the largest and most costly piece of it. But we do have backlogs in the area of sidewalks, curbs and gutters and we have ambitious goals with our Green Vision to plant more trees within the city. We have deferred maintenance in terms of our street lights and traffic signal systems. So there are a lot of things under the transportation umbrella that could also be addressed as part of a larger transportation infrastructure package.

>> Councilmember Herrera: Okay, well I would be very supportive of you know looking at that legislation that we're talking about, to somehow make this happen. Because I think the voters and the residents here are going to be very unhappy with the increasing cost this is going to mean down the roads if our streets, if the majority of our streets become poor condition and we have to essentially start from scratch and replace all of them. This is going to put a huge burden on us in the future. I would support efforts to try to get this resolved. I had one other question on the street lights. I know we have some kind of funding to begin to change these to LED which is great. Do we look at areas in the city where there might be reason to prioritize some of those lights? And I mean even I was at an opening of a face lift we just did, RDA just did out in East San José. And there's three or four lights that are right adjacent to that area which happens to be a gang hot spot, and one of them has been changed to LED. And the question to me was, if we could get those other three changed, that would greatly improve the area, if we can get that changed to LED. Do we look at projects like that, where two or three lights could maybe help in this whole situation in the community of providing a better -- a safer environment?

>> Hans Larsen: Certainly safety is one of the criteria in which that we used in determining where we put lights, as well as where we do our retrofit program, from the current lights that we have to LEDs. We're also going to be coming out very soon with an info memo to council identifying the locations in which we're proposing to do the street light conversion. We have about \$2 million of funding from grant sources that will allow us to change out over 2,000 lights across the city. There is a number of criteria we're looking at. One is to maximize the operating savings that we get, and generally where we're able to do that is on the major street system where we have the higher wattage lights. That's where we'll get the most operating savings. But we are looking at factors of safety, corridors of economic significance. And so we'll have a report come to council fairly soon on where we're planning to locate those.

>> Councilmember Herrera: I was just very impressed that three street lights could make a difference. That might save police cost, it might save any number of costs in terms of maintaining that area. So if there's other areas like that in the city where we could change a couple of street lights and make a big difference, I think we should look at those. And back to one more thing on pavement maintenance. Do we also look at economic -- potential economic interests when we're prioritizing those projects too?

>> Hans Larsen: I think as that generally we have managed the system from the perspective of with the dollars that we have, we have a computerized pavement management system that gives us advice on where the best place to put those maintenance dollars that allows the dollars to be used the most effectively. As we have a declining amount of money to work with, probably over the next year, we think this is an important policy issue to take a look at. Obviously we're not going to be able to prevent the deterioration of a large number of our streets. And so that raises the question, are there some streets in the city that are more important to take care of than others? And so we expect that that's going to be something that we'll need to have some policy discussions with the council on. Whether it's streets of economic significance, the City of San Francisco gives priority to streets where the transit lines run, where they have bike ways and so there's a number of different factors out there we'll want to have a further discussion with council on how we use our limited resource.

>> Councilmember Herrera: Thank you, Hans. I think that will have to be a very important discussion because we'll have to be strategic on how we use those resources. Thank you very much for this report. My last question is our Muni water doesn't appear to have any backlog in maintenance, so that's good. There are a couple of our facilities that don't have any backlog.

>> Right, in terms of backlog without a funding. So that the ones in the chart that says none that means there's a dedicated funding source to meet the backlog.

>> Councilmember Herrera: Right which is good and hopefully as we move forward on these things we create as we're going to be doing with our convention center fund a sinking fund that will take care of these things in the future. That's very important. Thank you very much for your report.

>> Councilmember Liccardo: Okay, Councilmember Rocha.

>> Councilmember Rocha: Thank you. Thank you for the report. I have a few questions and some of them are clarification purposes if you don't mind and right in the beginning in the executive summary. The difference between the cost from 754 million and then it lists in the parentheses the \$450 million in General Fund. Can you explain a little bit the differential between the two?

>> Absolutely. And there is actually an attachment --

>> Councilmember Rocha: Later in the -- I got it.

>> -- that helps with that. What we try to do is distinguish, many of the programs have dedicated sources of funding at least dedicated or historic, anyways. And so what we wanted to do is then identify the potential impact to the General Fund from the programs that historically have relied on the General Fund to meet their needs. And so that's what we're attempting to do. Obviously, if our strategies work, we hopefully can get to a point where

we're not relying on the General Fund to meet the needs of many of these programs but it's just to provide a perspective.

>> Councilmember Rocha: So then the other dollars are state federal grants. Any private included in that?

>>> I don't believe we've included any private investments.

>> Councilmember Rocha: Okay. The business plan or the master plan that's related to the facilities, that's on page 2, I'm curious about the workload and staff time and cost that it takes for this work which is good work and necessary work. But I'm just wondering how we continue to justify these costs. Because as Hans mentioned this presentation on the pavement side of it has been done before. So we continue to put a lot of work into this analysis but yet know we have no dedicated funding source to do the work. Can you explain to me the justification I guess in your mind of why you are investing that much time and resources into something that at least in the immediate future I haven't heard anybody talking about how to tackle this stuff immediately.

>> Right, and when it comes to the building facilities, I think we've relied on our investments for new buildings to kind of carry us through. What we're proposing here is, over the next year, is to kind of re-look at our building asset inventory and as I mentioned earlier, it's somewhat of a moving target right now. We're talking about facility closures. How do we treat a facility closure? Are we going to invest in that closed facility, to keep it in a decent condition for eventually reopening? Are we going to give up on it? So there's a lot of things in play on the building side that we are not currently able to kind of quantify in terms of our needs to move forward with. But in this next year we will be going forward with that process. We plan to use existing staff to do this analysis and we haven't currently proposed any additional funding to do this work.

>> Councilmember Rocha: Okay. I know it's a hard question, and in a way not a -- probably fair question and I'm sorry, but not knowing the answer to that really in terms of I'm trying to understand pushing resources towards things we are actually going to be working on, not things that we hope to work on. And I know that's not a fair

representation, but I'm sorry, that's the reason I asked the question, so I wanted to be clear on that. Do you have a follow-up?

>> Yeah, it is important that we understand the issues with each one of these asset types, because it does drive a lot of decision-making. And certainly you can help or direct or use the capital program for example to meet needs, and solve problems. And so you need to kind of understand what the issues are to be able to ask those right questions.

>> Councilmember Rocha: Thank you, well put. Another question. The cost that I saw listed to this point on the 200,000 on page 2 and the \$440,000 study on page 7, are those one in the same, two different facilities we're focusing on, is there a chance to use those same dollars and piggyback on each other?

>> Trying to catch up with you.

>> Councilmember Rocha: The page -- on page 2, the \$200,000 mentioned, where did that one go?

>> I think that was an estimate that we had and I'm assuming page 4, it was the parks. Matt can help me with that. But I the parks item is in the proposed budget.

>> Councilmember Rocha: Yep, it's 200 on page 5, yes. I'm sorry, it's 200K on page 5, second paragraph.

>> Matt Cano: Thanks. Matt Cano, division manager, parks, recreation, neighborhood services. On the page 7, that's the 440,000 for parks. That does need to be spent on parks infrastructure, it is money that is dedicated for parks. We'll be using that. We haven't fully scoped out the scope of that study but that's important not only knowing what our backlog is moving forward but to help us prioritize, for example, in council district 9 next year once we complete that study we'll know what our most urgent needs are for replacement of infrastructure, underground, irrigation, et cetera, so we can invest our money the most wisely.

>> Councilmember Rocha: So we expect to use in-house staff for these, in our office, we're not hiring outside consultants for those dollars?

>> Correct.

>> Councilmember Rocha: Okay, thank you.

>> So just to add on, as Matt mentioned, in the parks program, it is in the proposed budget. What you see on page 5, the 200,000, we have not proposed anything yet in the budget. Linking back to what I said previously about the moving target we want to figure out what we're doing before we propose anything.

>> Councilmember Rocha: Thank you. Another clarification question, the 915,000 quoted in the \$750 million, forgive me, I'm not getting the differentials. What's the difference between the two numbers we have listed, what is not included, what is included, and why the difference between the two?

>> Trying to catch up with you.

>> Councilmember Rocha: Okay. I see the 754 listed as one-time unfunded needs and we talk about this bigger amount of \$900 million. What's included and not included to get the cost difference?

>> So in the background section there we were identifying some of the information that we have previously reported to the council. I think what you're seeing in this report is some solidification of the numbers representing kind of a clearer picture, not that this report necessarily answers all questions. At each year we're kind of getting more confident with the numbers that are in the report and our strategy for addressing the backlog. And so I think I wouldn't want to say that the one time needs have dropped from 915 to 754, purely because of investment. A lot of it's because of clarification, refinement of our analysis.

>> Councilmember Rocha: Got you, okay thank you. In the fleet section, where it talks about our fleet, I have heard some mention on the county side of them moving towards more of a lease arrangement as opposed to purchasing new vehicles. It helps with the cost and -- up-front cost and also helps the long term maintenance. Is that something we're looking at?

>> Well, it is one of the overall strategies. By the way, Randy Turner deputy director of Public Works. It is one of the strategies that we look at when we consider replacing a vehicle. We're putting a little more emphasis on doing analysis of new business models, because the leasing companies have come forward with some fairly price-competitive models for standard vehicles, but not so much for duty platform vehicles. So it is something that falls into our considerations.

>> Councilmember Rocha: Okay, I'm going to voice my encouragement of pursuing that and moving away from the analysis time and moving maybe towards an RFP so we could get a sense of what that would be. I understand the difference between the vehicles, obviously, the maintenance vehicles or the public safety vehicles, that we couldn't move that direction but I think just the basic other fleet vehicles would be a great move for us. Let's see here. And the on page 9 the storm sewer section, the connection fee, delayed pending the master plan. Is this something that we see as a priority and we're trying to move quickly towards or is this more of a hold right now pattern?

>> Well, the master planning is a priority. Holding off on adjusting the connection fees is something that we feel comfortable doing at this point. We need to understand what the needs are. The priorities for both storm and sanitary would be driven -- sanitary, as I mentioned, in terms of decreasing sewer, over flows on the sanitary and storm side relative to make sure that our programs are in position to support future development is really where the priority is. And when it comes to master planning, that's an important ingredient to successful development.

>> Councilmember Rocha: Thank you. I'm going to close on the roads discussion, and this one's been beat up plenty. I also have some streets in district 9 that are beyond, I guess, the maintenance portion and I think some of them are well documented and I've had residents actually near my house, residents and friends that are very

vogue am about the concern for that and I understand that's not exclusive to this one street that is an issue dealing with citywide. Moving towards a solution sooner rather than later, I'm sure I'm preaching to the choir on that one. I'm looking at where does the leadership come from and I'm assuming that's the mayor and the council at some point and I'm hoping if that is the case that we do make a decision and I'd like to be involved in that. So as we look at that, I'm curious about your approach and your opinion of residential -- when you use the term parcel tax, let's use that as an example. Residential versus the arterial, where in some cases the San José resident willing to tax themselves for an arterial where people are usually driving through, and maybe not the San José residents, and they may be going to work from anywhere in the county, and how we can deal with that, and I'll ask the following questions. At least on that concept have you given that some thought or is that just too detailed and it's not something you can address in a parcel tax?

>> Hans Larsen: Well I think certainly with a parcel tax what the program that it is that it covers, whether it's all arterials, it's all local streets or it's a blending of the two, there's certainly flexibility to put together programming in different ways.

>> Councilmember Rocha: So for example using this parcel tax we could theoretically maybe language that these dollars are spent on residential streets not arterial streets used for commuting, is that something you could do that as you prioritize? San José is full of a lot of businesses. Not to single out that one but tough to justify a resident in any district to pay a parcel tax to fund improvements in more employment area.

>> Yes, certainly putting together some kind of tax program, looking at what appeals to the property owners, residents, in terms of where they want to put their investments, if the desire is to invest in the streets right in front of them that could be one case. I think one could argue too is every resident in San José is using the arterial streets to move around the community. So I think part of my earlier comments on the issue of setting priorities for our streets, which ones strategically are most important, I think the case in terms of where you have bumpy roads and vehicles damaged as you're on facilities that have higher speeds, having those in smoother condition provides perhaps a larger benefit than more the lower-speed streets. But certainly you know from a neighborhood perspective, the street in front of their house is an important part of their community, and the level of pride and

upkeep that they have there. So we certainly understand and respect the value that people place on having a nice street within their neighborhoods.

>> Councilmember Rocha: And to the point from one of my colleagues, as well, a safety issue, in terms of it provides additional (inaudible) and all sorts of things, are there different, in your experience, different opportunities for levels of tax? I guess residential tax or I'm sorry residential level or industrial level or an office or a public use or nonprofit open space on how you would measure those teams?

>> Hans Larsen: Yes, certainly. There, if you're looking at a parcel tax --

>> Councilmember Rocha: I don't know.

>> Hans Larsen: They can be -- have a different tax rate depending on the kind of use. So whether it's single family, multifamily, whether it's commercial or industrial, as you put one together there could be varying rates for those. I think the idea is going back to some of the discussions we had with council at the study session. There was some interest in looking at you know can we create these assessments districts for different parts of the city, have a different rate, maybe some of them want it, some of them don't. The concern for that is, that there is a lot of individual administration for having lots of different districts around the city. I think staff would recommend trying to find perhaps a citywide solution, similar to what we can did with the parks and libraries and Public Safety facilities with their parcel tax program. It would probably be the easiest to implement and provide the most effective use of the dollars.

>> Councilmember Rocha: Okay. Thank you, thank you for all your time on the questions.

>> Councilmember Liccardo: To explore further on the issues that Don raised, parcel tax for special use would essentially be a two-thirds standard, isn't that right?

>> Yes.

>> Councilmember Liccardo: Okay, so if we were to reduce it from two-thirds with this constitutional amendment that would also have to go to the voters in California.

>> Hans Larsen: The constitutional amendment?

>> Councilmember Liccardo: Yes.

>> Hans Larsen: Yes.

>> Councilmember Liccardo: Is that a bare majority or a two-thirds?

>> Hans Larsen: From the way I understand it the constitutional amendment would need two-thirds approval before the legislature and the governor but if it came before the voters it would only need a simple majority to put it in place.

>> Councilmember Liccardo: Recognizing the budget challenges the governor has with just a small number of members of the opposing party, I think we'll be challenged down the parcel tax rouse. I'm hopeful that we'll consider a user fee based option. And we've got a lot of investment going on right now in express lanes throughout the valley. MTC is very interested in this, VTA has already participated in one in southbound 680, or as you know, I don't need to tell you, Hans, 238-880, we have got another one rolling over this year. We hope that 85-101, there's going to be express lanes throughout this valley. And obviously, requiring people to support FasTrak guys. To fund transportation, maintenance and capital. And hopefully, also, have a sort of a green-friendly fee this will encourage alternative uses of transportation. And I wondered whether or not this couldn't be rolled out to within the city, that is, that you would essentially charge a user fee for those who use their car on any city street on any given day, simply have the FasTrak transponder in every intersection, so if you are using your car on a particular day, you pay a 25 cent fee or whatever it might be. Those who don't want to take their car don't pay the fee. I was looking at a bottom of the energy guess of how many people we have in our, you could easily

generate somewhere on the order of \$50 million a year. Is this kind of -- are folks looking seriously at all around user fees for automobile uses in cities anywhere in the country?

>> Hans Larsen: I think -- so the examples that you cited were the VTA's is developing express lane systems or user fees, it's -- really, the examples that I've heard of both nationally and around the world, really focus on kind of more of a freeway-type environment because of the level of technology that you need for detection and all of that. I think it would be very difficult to provide that level of infrastructure, at more of a local street level. The places that have done them, there's the examples I think in London and some other cities where they essentially create a congestion pricing zone. And that they are able to deploy sort of the technology at a cordoned area coming around a city or across a bridge or something like that.

>> Councilmember Liccardo: Right.

>> Hans Larsen: So that has been the model that's kind of most feasible in kind of more the near term just given the technology.

>> Councilmember Liccardo: But primarily for managing congestion in the central downtown area.

>> Hans Larsen: Right, right.

>> Councilmember Liccardo: I just wondered if there was any revenue generation strategy being applied more broadly.

>> You don't mind if I add a comment. Kevin O'Connor, deputy director with the Department of Transportation. The California vehicle code actually prohibits local municipalities from charging user fees for the right to use a roadway. So that was a hurdle that we had discussed in the study session in October about the challenge with a user fee on a local roadway. It's the CVC --

>> Councilmember Liccardo: So we can charge on an expressway, but we couldn't charge on a local street?

>> Yes. The CVC prevents local municipalities from charging users the right -- or charging residents the right to use a roadway within the municipality.

>> Mollie Dent: I know that San Francisco was looking at something like that, and I think they were looking at something in the area of congestion management. And I think it didn't go anywhere for them either.

>> So I think as Hans had discussed earlier, we are bringing forward an info memo to the council here in the near future that will describe some of the legal challenges related to fees and different revenue options to just be clear on what we can and cannot do.

>> Councilmember Liccardo: Okay, fair enough. It seems as though in terms of getting to two-thirds approval in the legislature and the voters of the state may be an easier path for us to hit the local pricing than it would be for us to get to a lower standard for a parcel tax. I mean, I know we've got to do this one way or the other but -- thanks Kevin.

>> Sure.

>> Councilmember Liccardo: The other question I had is I'm sure there will be all kinds of personal concerns around this, Mollie, so I throw this out there with some reluctance. But commercial advertising on street pavement. Sure State Farm would love to see their emblem right there on a well paved street somewhere in our downtown in case anybody gets in an accident, they know who to call. Is that something that we would ever consider, would that create such a hornet's nest of problems --

>> Political problem, did you say?

>> Hans Larsen: You might refer that to Mollie there.

>> Councilmember Liccardo: "Don Rocha for city council."

>> Mollie Dent: So in answer to your question in order, yeah, it is something you might want to consider and yes it would also kill a hornet's nest of problems.

>> Councilmember Liccardo: That's all the questions I have. Thank you.

>> I think one of the things that you could find, if you apply paint to pavement, it becomes a slick surface. That was something that you would look to, to overcoming, just a thought.

>> Councilmember Liccardo: I just have one final question, sorry. I know we're refining the elements as we move along. I was pleased to see the one-time unfunded need number drop but I know there's a lot of factors going on there that are moving around. But the ongoing need moved from 45 million to 145 million. Almost entirely, the gain seems to be attributed to streets. I'm wondering why such a large movement?

>> Hans Larsen: I think, Councilmember Liccardo, that movement really came -- when the Department of Transportation was doing the preparation for the study session with council in October, I really took a very rigorous look in terms of what the backlog is and what the real ongoing needs for a preventative maintenance program. I think if you go back a couple of years we were reporting on, we need to be spending somewhere in the order of 40, \$45 million a year to have a good preventative maintenance program. As we sort of updated the work we did in this regard and really recognizing the amount of deterioration of our streets and really the end of the kind of current useful life that they have, that we really have an annual need in the order more of \$100 million. And so it was kind of a big shift based on a much more rigorous analysis in terms of where we are in terms of pavement is what's driving that increase in the number from previous years' reports to the one we have now.

>> Councilmember Liccardo: Okay, so there sounds as though -- let me try to ask the same question in a different way then. What exactly is it about our streets that we didn't know in '07 that we know now.

>> Hans Larsen: Well I think what we have, if you look at the previous projections for pavement maintenance, really projected to providing a timely sealing to the streets. Sort of changing your oil in your car, you do it on a regular basis and you extend the life of it. But there comes a point in time in which your infrastructure or your vehicle, you can't just keep changing the oil and expect to it last another 100,000 miles. You really need to rebuild your engine or do an overhaul. And that's really where we're at. Is that it's not a matter of just sealing our streets at this point, but really what most of our streets need, is an extra lift of pavement, you know, about two inches. Our streets need resurfacing with a significant amount of pavement over the top of it to extend the useful life, not just the sealing to seal the cracks and keep the water out. So we're really, when you are at this point where roads are 40, 50, 60 years old, you ready need a structural overlay to extend the life. That's really kind of the big point of where we're at, is that we need that level of rehabilitation, not just a basic preventative maintenance.

>> Councilmember Liccardo: Rose, you have questions?

>> Councilmember Herrera: I just wanted to say, it's pretty obvious that just for the people listening in at home, so would we ever have money in our general fund to pay for this if we don't find some other revenue source? I mean, do we anticipate that in reality any money coming in that is going to pay for this backlog any time soon? Where are we at with it realistically? I mean, it looks like we're going to need some additional resources.

>> Hans Larsen: I think we will. With the budget coming out essentially, there is no city General Fund money going into pavement maintenance. There is a payment shift from General Fund to capital, where we have \$1 million of city General Fund money that's going into pavement maintenance. Given the other demands we have for Police and Fire, parks, and maintenance and other city services, council could make a policy decision that say, we really need to put more into streets when we have so many other needs. So kind of in my opinion is we really need to look at some other new funding sources for this.

>> Councilmember Herrera: And this is in addition to our \$115 million to \$116 million unfunded deficit that we have now. Hmm that's correct.

>> Councilmember Herrera: So with that motion to approve the report.

>> Councilmember Liccardo: Okay, we have no comments from members of the public. All in favor, opposed, that passes unanimously. Moving on to item D2, storm water management plans for 2009-2014.

>> John Stufflebean: John Stufflebean, director of environmental services. Unfortunately, Melody Tovar, who was going to give the presentation, is out sick today, so I'm pinch hitting. But I have here Eileen Marshall who is going to help us in case any questions come up that are difficult. So.

>> We'll see about that.

>> Councilmember Liccardo: Didn't want to handle that yourself John?

>> John Stufflebean: Elaine is our expert on storm water. So today we are taking kind of a comprehensive look in how we're going to implement this storm water permit. We brought to you various elements over the past several months and years and today we're going to give you the big picture of how we are actually planning on implementing the department. Again as a quick overview of the storm water conveys water that's received and about 29,000 storm drain inlets, goes to the storm sewer system and then it flows into about -- into the creeks and about 1200 outfalls, so it is a very large system obviously it's not possible to treat the water so this water is basically goes into the creeks and streams untreated. And so that's what we have a program for pollution prevention to prevent pollution from being in the water in the first place. The water consists of rain water, irrigation water, and other water used outdoors. And it collects pollutants from rooftops from sidewalks and driveways, streets and parking lots, and also landscaping. The San José service area consists of 35 distinct streams and rivers and creeks. And a total length of all the streams is about 136 miles. So again very large system. Ago we put

together the plan for how we implement the storm water permit we kept things in mind one is to obviously we manage storm water to ensure clean healthy creeks that we achieve compliance in a cost-effective manner, always looking how we can save money and partner with others to save resources. We wanted to make sure we integrated the programs into existing programs rather than creating something new, and take advantage of any opportunities to pilot new approaches. The plan we're talking about today is not a legal requirement that we submit -- so you don't have to submit this plan to anybody. This is kind of how we are -- actually making the permit requirements happen. We divided the key implementation areas into six categories, and they're shown here along with departments that are responsible for each category. And one thing that jumps right out at you is that essentially all of the city operation departments have a major role in complying with the permits. From environment services to Public Works to transportation PRNS and planning and building codes so we're all involved together in this but you know with the city really has a major impact on the quality of our water in our creeks. So we can do a lot. A lot of what we do is just through our direct activities at city operations and maintenance shops, but also, we have obviously a major role in guiding and directing the actions of others to help keep the streams clean. So now we'll talk about the first of the six categories in terms of the implementation areas, and that's to ensure that city operations integrate water quality protection, things that we can do directly. So the city has impacts mostly on our maintenance activities, things like corporation yards, public facility maintenance such as plaza washing and surface cleaning, the storm sewer maintenance itself, and discharges from the municipal water system such as caused by hydrant flushing to kind of clean out the system. Most of this effort really is -- you can categorize it as just making sure that we're having good practices to keep the polluted water from getting in the storm system to our maintenance activities. And so a lot of that is training and making sure that we're following the right procedures as we do this. Some new things to this permit compared to the last permit one big one is that we are now monitoring how this is going rather than doing just activities we are collecting data to find out how effective is what we're doing, this is a requirement of the permit. With respect to the maintenance facilities especially. And a major area of emphasis in the regulatory community is the impact on our storm water pump stations, that as the storm water pump stations, they sit often for months without anything happening, and then suddenly they're needed, and is that causing any additional contamination in the creeks. So we're taking a additional look at that. The second category is to prevent polluted discharges to our enforcement. We have as you know a major enforcement effort in this area. Our environment enforcement

section in watershed protection. We expect -- environmental Services inspects about 12,000 businesses on a rotating schedule to ensure that they're using good practices. And then also inspected are the construction sites, and that's a kind of a three-department effort between environmental services, Public Works and the building and planning department. So kind of what we're focusing on here is doing things more efficiently, we're upgrading our data management system, kind of a constant need to do that, of course, and we're looking at municipal codes updates to make sure we have the adequate legal authority and we are also look at how we can be more efficient in how we operate the enforcement program. The third area is, and this is one of the big ones and also one of the more interesting ones, difficult ones really is guiding the development to protect the watershed. So the city has worked with the development projects to integrate storm water management into their design for more than five years. And you know really when done well, in the very early stages of design when you're considering these storm water issues. What we're trying to avoid is at the end of the project, we want to try to avoid. We are looking at our key approaches are to look at conserving open space and minimize paved surfaces. Obviously the more paved surfaces the worst it is for the system. Pollute ant sources and such as making sure that any kind of a storage area that could contain contaminants is covered and also, stacking parking to minimize the amount of open pavement. And making sure that any remaining runoff is treated if necessary before it enters the storm sewer system. We've reported to the committee our efforts with the water board on kind of balancing the smart growth desires that we have, and priorities with the new storm water treatment methods because it seems like in some cases they were kind of running at odds with each other. And we've formed some new projects such as special projects. We're looking at how we can still move ahead with smart growth which we still think is important and has huge environmental benefits and that still make sure of our incorporating these storm water requirements and so that's still a lot of work to be done on that, and we're working with the water board to hopefully help make some things happen, and special projects will help with that. We're also involving other stakeholders such as the MTC and the EPA on this discussion and they're actually will be a milk hearing in the water board later this summer and fall to discuss this issue. But coming in December this year there will be a requirement for what's called low impact development treatment measures and that generally has kind of taken away some of the tools that we've used in the past so it's something we're concerned about. That requires the low impact development requires tools such as landscaping based on basic infiltration and rainwater reuse on the site. So these are some tools that we have. Others are kind of being taken off the table as possibilities. So what we're preparing, we're

certainly preparing the development community and the city staff to deal with these new requirements and we're also looking again at creative ways to help with that. Kind of continuing on this topic, we recognize that low-impact development will be challenging, and we're also looking at evaluating programmatic costs or looking at evaluating programmatic options. An example is, we are looking at is there a possibility that in some cases treating the equivalent amount of runoff elsewhere could be used instead of having to deal with it right at the particular site, for example when there's not enough space. So kind of like the in-lieu concept where you could do treatment somewhere else to kind of take benefit of that. So that's you know one of the many things that we're considering and Public Works and D.O.T. and ESD are also look to identify locations for a pilot to retrofit existing streets to include storm water treatment to make what we've talked about as green streets as an example of having a creative solution to it. The fourth area of the six is to develop and implement strategies to reduce targeted pollutants. This becomes a very interesting area because these different pollutants are very diverse. One of the pollutants is trash. Trash in itself is diverse. We've had a discussion of that a couple of months ago. You know our target is to reduce it by 40%, ultimately to eliminate it completely. It's going to be a major challenge and we'll be coming back to council in December with our trash plan. Beyond that we're looking at pesticides, again a very different kind of pollutant, very different kinds of solutions to how you would reduce pesticides and there are sometimes some resource constraints because pesticides are cheap and they work, so alternatives tend to be often more expensive, and so there's a move towards you have to kind of balance that out. Continuing on this topic, some of our other contaminants are PCBs and mercury the second bullet here. PCBs and mercury aren't really generated much anymore but they are residual. They are things that are remaining from past practices and decades past. So they have a legacy residual and they tend to bind with sediment and dirt so we have a dirt plan to deal with that. And you know as we look at how can we -- you know what are the ways cost effective ways that we can prevent sediment from entering the storm sewer system on a region-wide basis. And we are looking at this with this other folks in the region as well. We also want to look at more careful controls on building demolition, we found that caulk used many years contains PCBs so the demolition of the building can cause that to enter the storm sewer system. And then we're also looking at various maintenance practices, street sweeping and catch basin cleaning have major impact on how sediment enters the creeks and we've identified an area around 7th Street and Leo avenue to do a pilot study on how we can -- relative to PCBs, kind of a PCB hot spot, the methods we can use there. Beyond that we're also working with Public Works and the D.O.T. on the storm sewer master

plan that could identify opportunities to integrate the pollution runoff as we improve the system. The fifth technique or the fifth integration policy is to motivate the public stewardship of the watershed. Obviously we can't do this ourselves. Most of the efforts is done in the private sector and in the community. So we're certainly focused on how do we make sure people understand the correct practices out there. One of the things that you see we are doing is the inlet marking to make sure that people understand that when they pour something down an inlet it goes into the creek directly without being treated. So we're moving ahead with that and using markers that have a better life span, last a long time so we don't have to replace them quite so often. And we're looking at how we can regionalize any kind of outreach effort and then also thinking of the possibility to use social media to institute this kind of change. And the sixth and final area then is to make sure we are collecting high quality data. Some of the real challenges with this whole system is we do a lot of effort, and I like the picture there, and we want to make sure we are actually having a positive impact. And the data is often -- the data are often very long term in terms of the impact. It takes years before you see results, and there's also seems to be a lot of external things that happen that makes it difficult to really analyze what's going on. So we're really focusing on how to work with the Water District and the county, to really the whole county wide storm water program to look at collecting and using this high quality data to help improve our program and share with others so they can improve their programs as well. We are also look at citizen monitoring as a new possibility to get people involved in collecting broad forecast about creek health and motivate local stewardship on the waterways. So that's again the tools that are just emerging but there's some real possibilities there. So this concludes our report. And I just wanted to mention that our next steps are to bring our annual report to the city council and the water board. These are the ones that are legally required on September 15th to engage the stakeholders on all the key issues, especially the development community and the Planning Department is heavily involved in that and to update the council with the developments in the community. Here to answer any questions you have.

>> Councilmember Liccardo: Thank you john. Any questions, comments. Xavier.

>> Councilmember Campos: Going -- you pretty much answered my question. I was going to ask about how are PCBs getting back into the environment, weren't they banned like in '79?

>> John Stufflebean: Decades ago.

>> Councilmember Campos: But staying in the area of 7th and Leo is that in that industrial area?

>> John Stufflebean: Yes.

>> Councilmember Campos: And so are we seeing PCBs is that a PCB hot spot because that's where a lot of heavy machinery is being used and there are a lot of construction vehicles that are taking, you know --

>> John Stufflebean: It is a residual from past practices. Again, it's not really a lot to do with current practices as much as past practices. Sometimes when old -- you know, old materials are brought in to be rejuvenated there could be some residual PCBs with that but a lot of that has to do with past practices. I think Elaine had something to say about that.

>> Yeah, there was one hot spot in particular where historically sampling within the storm drain system actually showed high levels -- high concentration of PCBs. It was actually coincidentally, a storm inlet that was located near a I think a vacant parcel that used to be owned and operated by Union Pacific. So it was kind of an old railroad area, and so there were cars that were driving over that dirt area and kind of bringing the dirt from the railroad yard into the street, and then getting into the storm drain. So what we're make on doing what we're proposing to do as part of a regional study is to do further analysis within that Leo avenue area, investigate, and conduct inspections of existing businesses and facilities and additional sampling as well as potentially looking at other maintenance practices that can control the PCBs.

>> Councilmember Campos: And so along the same line, I'll talk about construction sites and then because I know that area also is the destination from construction trucks that are actually bringing things to be recycled or you know building materials and so as they're going on and off sites are you doing your inspections to make sure that trucks are being washed off to make sure that they're not bringing contaminants back onto the road that are going to lead back to our storm drains?

>> I believe part of the inspections and the sampling which include sampling on facility property as well as within the storm drain system. So what we're try to do is identify where it's coming from and reevaluate historic data so we'll be looking into that.

>> Councilmember Campos: Okay. Another question that I wanted to bring up and this is going back to on the report that you submitted page 18. I know that you're starting the process of getting stakeholders together to discuss the elimination of litter and some of the strategies. And one of the issues has been the polystyrene uses of you know of those types of products. Have you or I'd like some coming back from you on whether you have been able to look at the report that San Francisco used and I think in you know one of the highlights that my staff was able to share with me was that although San Francisco banned the product, they -- it didn't necessarily lead to a reduction of litter. It was just a different kind of litter. And so have -- you know could I get comment from you on that? And can you also -- you know I just wanted to make sure that as these groups are being formed that we're looking at all possibilities of reducing litter and not just the -- you know complete elimination of the possibility of recycling products whether they be you know polystyrene or you know plastic-coated you know paper containers.

>> John Stufflebean: Yes, absolutely. We are familiar with the San Francisco cases and we always look to San Francisco to see how things are done and then we figure out how to do them a little better.

>> Councilmember Liccardo: Or a lot.

>> John Stufflebean: Certainly they're a case study one of the major ones we're looking at to see how effective that has been, should we consider a similar policy or something different. When we come back to council we will include that in our analysis.

>> Councilmember Campos: And since we're on recycling I know it's by the end of this calendar year that businesses are going to have to be completely ready to stop using the single use plastic bags. How far have we

gotten and what are some of the -- what's some of the feedback from businesses in terms of how they're you know, I guess how they think they will be able to adjust to this?

>> John Stufflebean: I mean so far maybe someone can give us a hand on this.

>> Sure. We have just started the education process with businesses and I believe in March we sent out a mailer notifying all the businesses about the ordinance and its effective date. We included in that mailer a hot line for them to call as well as web resources. And to date we didn't have -- we weren't overwhelmed. The phone was not ringing off the hook. We did have a few questions and clarifications for business owners and we are continuing to field their questions. We do plan on a second mailer with a tool box for businesses going out in June so we do have a kind of a phased outreach plan and kind of multiple times in terms of communication with the businesses and so far we haven't had anything too alarming come up and I can provide you -- I don't have it off the top of my head but with number of calls that we've gotten to date, like I said it hasn't been that many.

>> Councilmember Campos: And I guess my concern there is one we do need to get them all prepared to make the conversion. But again we have this manned and my concern is that we might not be able to monitor whether or not businesses are complying. And then again, what's the point? So just wanted to make sure that we were watching that. I'd like to go ahead and put the -- a motion out there then we can continue to discussion. And that is to push forward the memorandum that came from Councilmember Liccardo and myself.

>> Councilmember Liccardo: Let me interrupt for just a moment. Really my own fault. I understand that, it was submitted with two signatures on the day of, that's actually my fault, you could make it the motion without considering the memo but if we're going to consider the memo, then we should actually vote to consider it, to overcome the --

>> Mollie Dent: Waive sunshine on the memo.

>> Councilmember Liccardo: To waive sunshine.

>> Mollie Dent: If the committee wants to consider the memo.

>> Councilmember Liccardo: My apologies.

>> Councilmember Campos: Okay, so I can certainly make the motion and --

>> Councilmember Liccardo: I just wanted to confirm if everyone has actually had an opportunity to see it. Because we know it was submitted this morning and may not have been the case that all the committee members had actually had a chance to see it.

>> Councilmember Rocha: I did see it.

>> Councilmember Liccardo: Okay, all right.

>> Councilmember Herrera: I just saw it with when I came out, didn't have much of the a chance --

>> Councilmember Campos: So would motion be appropriate --

>> Councilmember Liccardo: We could entertain that motion right now.

>> Councilmember Rocha: Would this go forward in a report to full council do you think?

>> Councilmember Liccardo: This is going to full council right?

>> John Stufflebean: Currently it's to be in the full packet but --

>> Councilmember Rocha: You could suggest it to go to the full council.

>> Mollie Dent: It isn't cross referenced currently for the council agenda. But I also don't read the memo necessarily requiring it to be cross referenced, either. Because it would come back to the T&E committee under item 2. That seems to be the recommendation in the memo.

>> Councilmember Liccardo: Yes, it doesn't contemplate full council action, it contemplates coming back to the full T&E.

>> Councilmember Campos: Make the best would be to recommend, to make a different motion. I mean I think that would probably solve a lot of issues. But -- excuse me?

>> Councilmember Herrera: If we're going to consider it I think you have a motion to consider it.

>> Councilmember Liccardo: My understanding is you have two options. You can either make a motion that incorporates the recommendation or you can make a motion to have us consider the memorandum. In either case I think we are able to move forward.

>> Councilmember Campos: Okay, let's do the first one. I'd like to move that we consider the memorandum.

>> Councilmember Herrera: Second.

>> Councilmember Liccardo: Motion and second. Unless there's any public comment on that particular motion, all in favor? None opposed so now we can consider the memorandum and waive sunshine.

>> Councilmember Campos: Okay. So would like to put forward a motion that would approve the memorandum that you just received, and just wanted to talk on it a little bit. One, there were two additions to the staff recommendation. One, you know, approve the staff recommendation, but two, you know there are a number of things that we can do in our neighborhoods and in our streets to get to where we want in terms of eliminating litter

or trash or sediment that gets into our storm drains. And one of the things that we see in some of our neighborhoods that we haven't been able to get notification about moving vehicles so that you know, storm gutters and streets can be properly swept, you know, that has been -- has become an impediment. One just to the beautification of neighborhoods and then two, to getting to our end goal. So wanted to in this emotion I think it's important to include you know the feasibility of looking at whether or not we can use some of these fees to go in and put up signs that are indicating the days of street sweeping so that residents are properly notified and they could do what they need to do, to move their vehicles. And I think that helps get us to the end result that -- what we're trying to do is eliminate pollution in our creeks.

>> Councilmember Liccardo: Thank you, Councilmember Herrera.

>> Councilmember Herrera: Yes, I just wanted to know from staff how that would impact you in terms of workload and coming back with point 2 on this memo to evaluate it?

>> Well, I think to answer that question, certainly, to do any sort of new installation of no-parking signs there will need to be some one-time resources added to go through the analysis of where the signs will be needed to engineer the sign work. Although it is not a lot of work, certainly placing the signs correctly so they will be in force and understanding the interest of the neighborhood, so you won't have a pole in front of your house. We don't have any dedicated resources at this point to do that work. So in the past we have had some resources on one-time funding ability to do that work. We also want to do some analysis to make sure everybody understands the ongoing cost of enforcing the restrictions and collecting the revenues that are through citations, and any of the cost breakpoints for what it actually costs to sweep the streets and provide the service.

>> Councilmember Herrera: So why don't we -- we had a program at one time to have these kinds of signs put up?

>> Correct.

>> Councilmember Herrera: And what happened that program?

>> Correct. We had one program I call it one-time that began in 2003-04, and it was a five-year plan. We installed about 240 miles of signs throughout the city on streets that had a parking impact of about 50% or greater. So where the street sweeper could not get to at least 50% of the curb when sweeping. We completed that program. That got us to about 10% of our city signed with parking prohibitions for street sweeping. So it was a very successful program. Essentially the funding for that five-year program was exhausted and we terminated it and there was not a discussion about continuing to fund the work.

>> Councilmember Herrera: And where did the funding come from that program at that time?

>> It was a mixture of storm funds of General Fund and of --

>> John Stufflebean: Integrated waste management.

>> Integrated waste management, yes, thank you.

>> Councilmember Herrera: And where do we anticipate the funding would come for this?

>> I think the proposal here is through the storm fund.

>> Councilmember Herrera: And if we paid for this, what wouldn't happen? What's the tradeoff if we funded this?

>> John Stufflebean: Well this will be an item -- we could certainly discuss this in the budget discussions.

>> Councilmember Herrera: I'm voting for it now so I want to understand it.

>> John Stufflebean: The resource implications, there are the storm funds are programmed and so -- and there is an -- there is a fund balance and there are programs that are proposed for next year. So what we could look at is what could the cost be and could that be included in the funding for next year.

>> So just kind of a scope of what it cost. We are looking at about \$250,000 to do a 50-mile program. That's about what we could do in a fiscal year. We estimate that there are about 80 miles, 80 to 100 miles in the city based on requests that we've received, D.O.T. of areas that would meet a criteria for requiring signs. That 40 to 50% parking impact range. Of course, you know we haven't canvassed the city to find out there are others but just kind of based on what we have received from the public, an estimate of 80 to 100 miles that would fall in that range. Often though when we do get out in communities and talk to them about signage and they realize that they will be the ones that will be paying the parking fines the interest kind of drops off. But none the least I think we could put together about a 50-mile program for about \$250,000. One time cost. Then there is an ongoing cost to enforce, sweep and collect the citation revenues. And I don't have a good sense for you in terms ever if that's a break-even program or if it's an ongoing cost liability to the city to run that program.

>> Councilmember Herrera: That would definitely be something I'd want to know about, before we go to support this. Absolutely, we don't need more unfunded liability moving forward.

>> John Stufflebean: I will add just in terms of perspective of the storm fund, a 1% rate increase is about \$300,000 in terms of revenue. So this is on the order of a 1% of the storm fund.

>> Mollie Dent: Right, and so as the -- I think as the memo indicates, and as we read the memo, if there is some acknowledgment that there needs to be some better understanding about whether the storm fund can be used for this and how it could be used for it and whether or not it would displace other activities. So I think that we from the standpoint of looking -- this memo really talks about looking at the feasibility of using the storm fund for the program, it doesn't really talk about what the cost would be if you did determine that it was feasible.

>> Councilmember Herrera: Right, and I'm trying to understand whether we want spend the money to look at the feasibility in the outlook of that. So it sounds somewhat promising, so last I'm just trying to understand what's the staff time cost, to just look at this, how many hours do you think that is?

>> I don't think it's significant. I think it's just a matter of prioritizing and then doing the work. You know I don't want to come up with a number, and -- but I'm saying that it's something that we would not have to add resources or impact us greatly to do the analysis to say here's what the program would look like. It's something that we've done in the past, we just discontinued all the resources for the program and we ended it in '07 and '08 so they don't exist.

>> Councilmember Herrera: One other thing. If we get the street sweeping I imagine you're getting a much better street sweeping impact when you have folks not having their cars in the way. How does that positively impact the what we're talking about today in terms of pollutants entering into the storm drains?

>> I will -- what I will comment on is our studies indicate that when we do install prohibitions on the street we get about 85% compliance. So the majority of the cars are moved and we're able to get to the curbs. In terms of trash removal rates and how that may impact trash in the creeks I couldn't answer that.

>> We're in the process of collecting and kind of coalescing all of the literature research that we've got in terms of trying to come up with kind of what exactly -- what exactly we'd get in terms of trash reduction for increased street sweeping. So anecdotally, we all know, and then from experience we do know there's an increase in the amount of trash you are going to get off the streets if you are more effective. We are in the process of quantifying what that's going to be. There are additional new technologies that in addition to the inlet screens that we're putting into the storm drain inlets there are these retractable screens that go on the face of the inlet that will also kind of keep the trash and the large items on the street and not get into the inlet itself. We are looking at kind of a combination of that and what effectiveness it would have.

>> Councilmember Herrera: If you didn't have the screens it could actually put more trash into the -- could it actually cause more problems?

>> If you are not able to get at the street because of the parked cars, yes, you're more that --

>> Councilmember Liccardo: If you are not able to sweep.

>> If you are able to sweep. But if you are able to sweep, there is -- kind of really does depend on your frequency and what type of street sweeper you're using but there's different effectiveness criteria.

>> Councilmember Herrera: Thank you for letting me ask all that.

>> Councilmember Liccardo: If I could just jump in for just a moment, I think it's important that certainly is about trash removal on the streets but also on the city Website it's pretty clear and I'm just reading off the city Website, an equally important less visible benefit is a removal of metal particles and other hazardous waste products left by passing vehicles although they are virtually invisible these products can be extremely harmful to fish and other wildlife. They reach our creeks, rivers, and eventually the bay. I think there's a lot at stake in terms of making sure that the streets are clean, and certainly we all recognize the aesthetic benefits. But I think it's also important to recognize that there is water quality issue here as well. Councilmember Campos.

>> Councilmember Campos: I also wanted just to add onto that that it also is, from a neighborhood perspective, those that don't have it, it's an equity issue. And you've got a lot of old neighborhoods that you know traditionally have not received a whole lot of service. And so they look at this way. You've already taken my tree service away or trimming my trees away, you've taken -- you know, you're closing down my libraries, I also don't have street sweeping but that other part of town does have street sweeping and again in my district we just annexed a new neighborhood that is, you know, they want these services. And so you know I think that when you look at a city that's dry maybe seven or eight months out of the year if you don't have street sweeping then you're going to have trash and gunk collect in our gutters. And I think I can attest, my street does get street sweeping and since they

started it especially in these dry months, you could really see the difference. Because you know you now have streets that look like they've been cleaned as opposed to before, things accumulated, unless the homeowner took it upon themselves to clean the gutters, some of us do but a lot don't. I don't see how it could hurt to study it and see if it's feasible. I think that's what the gist of the memo is thank you.

>> Councilmember Rocha: Perhaps I could ask a question of staff that I really don't know the answer to. In terms of time frame for response for request for information, do you have a feel for how long it will take to put together the information?

>> I think the discussion was to come back to the T&E committee in the next work plan. I think.

>> The reason preparation of the budget documents so if that information could be put together, in a time frame that would allow the councilmembers to understand, as Mr. Stufflebean pointed out within the context of the budget what the dollar impact would be one way or the other, that might be helpful. But again, if that's not possible, I certainly understand that. But I believe that puts your time frame basically within the next couple of weeks or so.

>> I think that's something that we would have to talk about.

>> Mollie Dent: We talked to probably bringing it back to the committee in August. It is a little bit late in the budget cycle for a new program but you know that is not to say we can't see what we can do. But I think that the notices on the fees have already gone out, so we have a cap on our fees and we have -- and I think staff is programmed towards that, even though this is not a huge program cost maybe I think we talked about bringing it back in August probably.

>> Councilmember Liccardo: Okay, thank you. Any further questions or comments?

>> Councilmember Rocha: Yeah, I had. Forgive me if I missed the timing of this, but in looking at the date of the master plan, and the kind of mid, is that normal to come in kind of mid for a five year, and I'm sorry if it was laid out in the memo or the documents. I didn't notice that.

>> John Stufflebean: Right, so in this case, it is a five year time horizon. And so when the permits it initially starts the first year there are things that you do immediately, and you just keep doing. There are other things that you start that the permit kind of allows you to start building up and developing the permits for. And it is a continual learning process throughout the five years. This kind of shows the permit was adopted it said do these things, this is now putting more detail on this and this is kind of where the rubber hits the road and how you get this done. For the five years we have to fully implement all of the provisions.

>> Councilmember Rocha: So is this an annual report when you do the work?

>> John Stufflebean: Each year we bring to the council what we plan to do for each year and at the end of the year we bring to you how it went. This is one additional thing which is the details of how we are going to implement the new permit since the new permit was fairly significant compared to the other permits.

>> Councilmember Rocha: I'd like to -- go ahead.

>> Perhaps if I could add something to that, councilmember, and to the credit of the team that is working on the requirements. As John pointed out at the beginning of the presentation this isn't technically required by the permit and that said it is really a very helpful management tool for us to be able to see both the level of activity that's required today as well as what's on the horizon not only for us as an organization, but also our stakeholders. So as John indicated, I think the next step is to help stakeholders in particular, development community as well as others to understand here's the way the five years lays out and we will avoid or minimize situations in which stakeholders feel like they're surprised by a ramping up of the level of activity in any particular area.

>> Councilmember Rocha: Thank you. Kind of took away my thunder there but thank you.

>> Ed Shikada: Sorry about that.

>> Councilmember Rocha: That's all right. I was going to ask the question, the necessity for this I had mentioned in another meeting about asking staff, is there any way to fold this into the other two that you mentioned. So far, I've seen a lot of reports come there and there's a lot of analysis and to me in my simple mind that takes away from actually the work, the public service side and spending a lot of time on reports. So I wanted to pose that question to you, would you consider folding this into one of those other ones and wouldn't that serve the needs? You don't have to go --

>> John Stufflebean: This really is kind of a different purpose than the other report. This really kind of tells us, as Ed mentions, how we accomplish the work. This is more of a one time thing. The other is annual, we do them every year. This was one time for the big five-year program, how we really plan on doing it, so that really is a separate think on a one-time report.

>> Councilmember Rocha: Okay, simple question about the storm water permit itself. Is there a cost to us to get that permit?

>> Yes, there is a permit fee that we pay to the state board.

>> John Stufflebean: But that's very small compared to how much it cost to do it.

>> Councilmember Rocha: How much is it do you know?

>> About \$32,000, \$35,000.

>> Councilmember Rocha: And is that annual?

>> Yes.

>> Councilmember Rocha: And how -- I'm sorry?

>> Mollie Dent: I don't think it's an annual fee.

>> We pay it every January.

>> Councilmember Rocha: And we've never been denied a permit in the past?

>> No.

>> Councilmember Rocha: Losing a permit what are the ramifications of that, I understand it has a lot to play on the treatment plant.

>> John Stufflebean: Well, so there actually -- well, Mollie will probably jump in -- we actually have two different permits. There's the treatment plant NPDES permit, and then there's the storm water NPDES permit. So they are both NPDES, National Pollution Discharge Elimination permit, but they're totally separate from each other. And you are required to comply if you don't there are penalties. And so I'll let Mollie take it from there.

>> Mollie Dent: The storm system has to have a permit to discharge. And so if you operate a storm sewer system without a permit you're in violation of the federal clean water act and the state too.

>> Councilmember Rocha: The enforcement side talks about inspection violations. The inspector classification that does this inspection, is there a certification within that and which department is that, ESD or DPW?

>> John Stufflebean: ESD, we have a crew of inspectors, they actually do three kinds of inspections. They are environmental inspectors. About a third of them do the sanitary system, inspections, and about a third of them do

the storm system inspections, and then about a third of them focus on restaurants, grease traps and the grease and that sort of thing because that's such a big part of our system. So it's about a third each and we really focus on how we can make those three groups work effectively together to do the inspections but there are three separate groups. That's all on ESD.

>> Councilmember Rocha: And the last third that you mentioned grease traps et cetera, are those drop-in or do they come in the beginning of a new permit or end of a new permit how does that work if you don't mind?

>> John Stufflebean: If we have reason to go back sooner we will schedule one sooner. They are the regular scheduled plus as needed as we feel is appropriate. If we feel there's specific information we need to get we'll do that, we can't just pop in right.

>> Councilmember Rocha: How much of the violations are made in a fine or just in a fix it ticket so to speak?

>> John Stufflebean: Overwhelming majority are resolved without any kind of penalties whatsoever. Very few go to some kind of an enforcement action. Almost entirely we achieve compliance through cooperation.

>> Councilmember Rocha: What is the most common violation that you deal with?

>> John Stufflebean: Often just not keeping the place clean from the storm water, just making sure that your basic cleaning practices and outlets, Elaine want to add anything to that?

>> No I think you've covered most.

>> John Stufflebean: Okay.

>> Councilmember Rocha: On the polystyrene item, I'm looking at page -- in my plan it shows page 18 trash reduction item, in December 2011 and then due to the regional board shortly thereafter.

>> Correct.

>> Councilmember Rocha: Now would that be coming to committee?

>> John Stufflebean: Yes.

>> Councilmember Rocha: Then you're expecting that sometime in October?

>> John Stufflebean: Sometime in the fall, yes.

>> Councilmember Rocha: So I kind of brought this up at the last time we had conversation about this product and asking about recycling and asking about pursuing just as a legislative priority the state and local level and incorporating that into the approval of the report. How does that fit into this or do you see those two unrelated issues?

>> John Stufflebean: I'm sorry, I didn't hear about we talked about recycling this as opposed to restricting this At least I had talked about that at the last T&E meeting.

>> John Stufflebean: You're talking about recycling yes.

>> Councilmember Rocha: How would that fit into the trash load reduction plan, some of those points I made, if you don't mind?

>> We're about to embark on our stakeholder process and what we're envisioning for the stakeholder group is a series of meetings that starts late may and goes through kind of August and what we want to do is include in that stakeholder group of restaurants, industry, recyclers and really have them brainstorming and talk about and vet kind of various opportunities for action on polystyrene including talking about recycling so that will be considered

and evaluated through our stakeholder process and will be including kind of the results of that in our report when we come back to council. Come back to committee.

>> Councilmember Rocha: Do you see recycling as part of that trash load reduction plan or two swords of issues?

>> We're going to talk about that as part of the stakeholder process. One of the things we'll be looking for information about the stakeholders about what the effectiveness of the recycling will be and how effective it will be at getting the polystyrene out of the creeks, so it will be part of the dialogue.

>> Councilmember Rocha: Okay, and to one of my colleagues' point about whether San Francisco was or wasn't aware of it, thank you for sharing that. Thank you.

>> Councilmember Liccardo: Are there other questions or comments? I just had one very quick question, Mollie while you're considering the 218 question that is undoubtedly before you and evaluating whether or not storm sewer fees can be used and I know we've used them in the past I'm hoping also perhaps you might illustrate whether the same fees can be used for enforcement as well as for installation of the signs, I imagine the that question will come up because of the enormous sensitivity we have about General Fund impacts thank you Mollie appreciate it. Okay with that we have one member of the public who would like to speak, David Wall.

>> David Wall: This new creative application of storm drain funds, you can now justify funding the entire San José police department from the sewer fund, because that's where their clientele emanate from. We are seeing dramatic attempts at access to these restricted use funds for a variety of nontraditional uses, such as this homeless program for the trash down on the creeks, and now, we're going to do these signs. Well, you could do a lot better if you reorganized parking control into parking enforcement. And really hammer these vehicle owners. We haven't talked today about cars that are parked there that are leaking fluids. We have a warning system that has this whole system of parking control and enforcement, why do you even bother? These vehicles in high density living places or slums they just sit there or move across the street and dropping fluids and whatnot

all over the place. We also haven't seen here today is any discussion about how this is going to affect the yard waste program. A lot of stuff from that yard waste program ends up in storm drains. Also, we haven't heard anything talked about today except for studying which Councilmember Rocha thank you very much. A lot of analysis, but no work! So I mean how many protected storm drains do we have right now? I mean I see some through the city with a little sand bags in the filter but there's 29,000 of them. And then is there a plan? At what point, how many per day or how many per month are going to at least have these filters which stop the trash and the sediment from going through. True in heavy rainfall if they are not cleaned out you're going to have pooling around these things. Whenever I think of watershed protection I think of it as a confidence-destroying event. With the amount of money that is in this room that is funded, for this program, you should have some tangible results today. Thank you.

>> Councilmember Liccardo: Time Mr. Wall. All right there's a motion on the floor. All in favor, any opposed? That passes unanimously. Thank you very much. Moving on to the next item. Electronic waste recycle John?

>> John Stufflebean: Yes and we're going to use our electronic equipment to talk about this one before while it's not obsolete yet. This electronic waste recycling item came from a request from council to look at a really important issue, not just in San José but around the world and that is what is happening to all of these electronic waste as they reach the end of their useful life and are often being handled in less than totally responsible fashion. So we have two individuals from our integrated waste management group, and they're going to walk us through the presentation and then we'll have some recommendations here, and then we'll take some questions. So Allen, I'll turn it over to you.

>> Thank you, John. My name is Allen Tie, ESD. So the item before you is a referral from the Rules committee from June 2010. Specifically the referral included direction for staff to evaluate implementing a mandate that would require all recyclers of electronic waste, also known as E waste to become E steward certified. This mandate would also apply to all city-sponsored events. Another part of the referral was direction to staff to look at having the City of San José become an E-steward enterprise. And this report was coordinated with the office of

economic development and the Department of Finance. Just to give you some background, the propagation of advanced technologies in recent years has resulted in large volumes of E-waste being generated. And frequent releases of new consumer electronics are powerful examples of notion of planned obsolescence by product manufacturers. So this slide depicts 32 computer microprocessors that were introduced to the market by one company over a five-year period in the mid '90s. So this equates to a newer faster computer every two months. A more recent example is the evolution of the iPod. Here you can see a new iPod, hand held devices introduced every 365 days and it's being sold as being better and trendier than the one you just bought a year before.

>> Councilmember Liccardo: You mean they're not?

>> And this slide I think provides a really striking image of 426,000 cell phones. This amount of cell phones are being discarded not every year, nor every month, nor every week, but in the U.S. every day. You do the math, it's about each of us getting a new cell phone every two years or so. So this just tells you the large volume of e-waste that's being generated. Beginning in the 1980s and '90s governments around the world started establishing collection and recycling systems for electronic waste. But many countries soon learned that they are having trouble dealing with the sheer volume of electronic waste. And they also learned that the recycling process was far too labor-intensive and costly. So soon e-waste was exported to developing countries where environmental regulations and workforce protection regulations were loosely enforced or inadequate. It's also cheaper to recycle E waste in developing countries. For example the cost of glass recycling in the U.S. is ten times that of China cost. And the demand for electronic waste overseas is high also because scrap yards overseas find that they can recover valuable precious metals, through electronic components. However, the process to recover these metals often involves primitive practices such as open air burning of cell phones, electronic components, as well as use of toxic chemicals and assets in open air that generate fumes. And oftentimes it exposes workers many of those include women and children to these toxic hazards. In response to this growing problem, the Basel Action Network, a nonprofit organization named after the Basel convention of 1989, and they're a group advocating for responsible management of e-waste. So what they did was, they established the e-steward certification program as a way to help consumers, businesses and organizations easily identify recyclers that adhere to the higher standard of environmental responsibility. And the principles of the e-waste standard addresses issues pertaining

to shipping of e-waste to countries with inadequate environmental regulations and workforce protection laws, the disposal of e-waste at landfills or incinerators, and most importantly, it requires accountability through the entire recycling chain under responsible environmental management system. And so while the e-steward certification program applies to recyclers of e-waste, the program also offers e-stewards enterprise accreditation to organizations that pledge to use only e-steward certified recyclers. And I'm proud to say that the City of San José in practice has been implementing efforts that meet these standards. In 2009, the city council amended council policy 4-6 which is the environmentally preferable procurement policy also known as our EP 3 policy, to incorporate product end of life management and responsible recycling practices as part of the City's purchasing and contracting activities. So under the policy the city has been making conscious decisions about what we purchase. So currently all of the e-waste generated at city facilities are recycled by e-steward certified recycler and the photos in this slide show copiers and other equipment that would be taken back by the manufacturer upon its end of life. So the city efforts to promote responsible recycle of e-waste goes beyond the city facilities and we support a number of different options for residents and businesses to dispose of e-waste in a responsible manner. For example under the recycle plus! residential garbage and recycling collections program, residents have several options to dispose of e-waste, including the ability to arrange for a special curbside collection through the large item collection program, and they can drop off some of the material at neighborhood cleanups, special events and other designated dropoff facilities. And in June 2010 the city council approved new recycle plus! service agreements that included a requirement that our haulers use e-steward or an equivalent sophistication to handle e-waste captured from the city's 300,000 households. And as we move forward to negotiate new commercial franchise agreements we'll also be looking to negotiate this requirement into that -- into that agreement. So in essence this requirement helps the city arrive at the outcome that a citywide mandate would achieve. I also would like to point out that our work in the environmental innovation center also includes a component of establishing a permanent household hazardous dropoff facility that would provide residents with a convenient location to drop off e-waste. There are other efforts that the city undertakes to promote responsible recycle practices, through our normal day-to-day outreach and on the regional front ESD staff serves on the California product stewardship council which is a coalition of governmental agencies working to find solutions to relieve the burden of product end-of-life management from local government. And CPSC promotes private sector take it back programs as well as partnerships with industry and businesses to further these goals. And meanwhile

the city also continues to lead other agencies in developing strategies to improve regional water quality by protecting the bay from the trash and keeping mercury and e-waste out of our waterways. So let's take a look at our analysis on creating a mandate that all recyclers of electronic waste be subject to the e-steward certification. What we found first and foremost is that identifying all the recyclers is a barrier. The solid waste collection and recycling industry is made up of numerous entities providing various collection, transport and processing services. And aside from the haulers that we already know of, that do business with the city, these operators include small independent haulers, they're scavengers as well as community organizations that hold e-waste events often without being aware of the issues associated with e-waste disposal. As a result e-waste collection events can often occur without the proper notification of the state and oversight by local authorities. And at this present, staff has identified 48 e-waste collectors in the City of San José, but we haven't found any recyclers that operate out of the city. And without the ability to effectively identify and engage these entities it's difficult for us to implement and establish a program to enforce e-steward certification mandates. Furthermore, given that there are no e-waste recyclers operating in San José and that many of these issues with e-waste disposal begins at the point where the material is shipped overseas, we think that the state and the U.S. customs or port authorities are probably the better governmental agencies that can enforce a mandate like this. So and also staff isn't aware of any other local jurisdiction with an e-steward certification requirement at this time. Staff has also identified other barriers to businesses. Which includes internal preparation cost, the e-steward standard fully incorporates the international organization for standardization, ISO, 14001 which really applies occupational health and safety requirements to electronic recycling as well as minimizing exposure from hazards to employees. And all e-steward certified recyclers must achieve ISO 14001 certification as part obtaining e-steward certification. While all of that is great, the process to comply requires recyclers to adhere to strict standards and establish a rigorous verification system to ensure compliance with program requirements. And the recycler must also invest significant time in securing e-steward certified training over a course of three years. There is also a cost for recyclers to invest a significant amount of time, in hiring a certifying body to conduct multiple audits, annual reviews and inspections under the e-steward certification program. Last but not least there are marketing and licensing fees that businesses have to pay the Basal action network to use the e-steward brand and these direct costs to businesses could range from \$5,000 to \$50,000 depending on the amount of revenue they generate and the size of their business. Also like to point out that there are indirect costs of the e-stewards

mandate. There is potential that by implementing an e-stewards mandate it may translate to additional cost to do businesses. One example is that many e-waste collectors currently have contractual requirements with the recyclers and by requiring these collectors to work with only e-steward certified recyclers that may interfere with their existing contractual relationships. So finally we think that the e-stewards mandate does not provide a long term solution to the e-waste problem so based on these issues that we've set forth here we don't believe the timing is right for the city to pursue citywide mandate. And for us to better understand what is a long term solution I have a quick couple of slides. We have to take a look at the current system we have with manufacturing and disposal operating as two completely separate and disconnect systems. On the front end which is the first line you see the manufacturers who design and sell the products to retailers. In the role of the producers and retailers is finished upon the consumer purchasing the product. And once the consumer is ready to dispose of that product it becomes the second part of this chain, it becomes the responsibility for local government and our rate payers to find ways to dispose of this material. And producers don't have the design materials to be toxic and recyclable and local governments shouldn't necessarily have to bear the burden of trying to manage the end of life for these programs. And also one more point I'd like to add is, the local government's willingness to take responsibility for a private manufacturer's product at its end of life and going through the efforts like we are now to talk about how we manage it, it implies continued support for the current system. The long term solution is really called product stewardship also known as producer responsibility, means that the producer whoever designs produces and sells the product is responsible for minimizing the product's environmental impacts through all stages of its life, and we think that businesses and manufacturers are more capable in managing this arena and they can do it in the more cost-effective way than government. And there are successful examples of this system in other parts of the world, such as Canada and parts of Europe. Through the City's efforts on the California product stewardship council we are able to influence and encourage businesses and retailers to implement take-back programs. So on this slide you see companies that operate in San José, that have begun taking back products that they have produced. So in terms of next steps, while staff does not recommend the citywide mandate for the e-steward certification for reasons I set forth earlier, we do recommend pursuing the e-steward enterprise designation for the city. Overall, the net effect of the City's current efforts in promoting environmental management of e-waste already meets the goal of the e-steward standard. The process is a fairly straightforward process. It involves us entering into a license agreement to use the e-stewards enterprise logo and designation and pledging to continue to adhere to

the e-steward standards. And staff can provide updates through the EP 3 annual report and that includes the staff report.

>> Councilmember Liccardo: Thank you. Okay, any questions? Or comments? Rose.

>> Councilmember Herrera: Thank you chair. Thanks for the report. How can we -- is there anything we can do to encourage more of this manufacturer take back looking towards the future in terms of your last slide here of product stewardship cradle to cradle system and putting that responsibility back onto the manufacturers? Can you suggest any role that local government can play in that?

>> Yes, as I mentioned earlier staff is already participating in the California stewardship council. It is a coalition of governmental agencies that are looking at alternative ways and really working as a partner with businesses, to see how they can take more responsibility in their manufacturing and design of products. Of course, this can be seen as a cost to businesses where they would have to design products and figure out ways to properly recycle and recover all of those components. But through those efforts, we are beginning to see a lot of manufacturers coming on board to begin take-back programs. There is also kind of an incentive for businesses to kind of you know jump on the band wagon and sell green products. They can sell products some cell phone manufacturers have now started selling green cell phones, claiming that you know these products can be recyclable and are made from recovered materials.

>> Councilmember Herrera: I did contribute a little bit to that effort. I recycled my old flip-phone to my grandson so he wouldn't play with my phone. Thank you.

>> Councilmember Liccardo: Okay, other questions? Just one from me. I know that we've got a very active and progressive EP3 program, forgive me I'm sure I got the numbers wrong, the procurement program that we've got. I'm assuming that product stewardship is a strong component in that it is a factor and criteria that we use, fabulous, thank you. Okay so we need a motion to accept the report.

>> Councilmember Herrera: Motion to accept the report.

>> Second.

>> Councilmember Liccardo: All in favor uh? Passes unanimously, thank you very much. Moving on then to valley transportation plan 2040 update. Welcome back, Hans and welcome, Manuel.

>> Hans Larsen: Mr. Chair, members of the committee, again I'm Hans Larsen director of transportation, joining me on this item is Manuel Pineda, acting director for transportation planning and projects. This report is brief report on the status of development of an updated regional transportation master plan for Santa Clara County. The current plan that we have is referred to as valley transportation plan 2035. And every four years, the regional transportation master plan is updated. And so we're in the cycle right now of doing the next update and the new plan will be called valley transportation plan 2040. And this effort is an effort within Santa Clara County to update our sort of long range vision for transportation improvement but it also coincides with the development of a regional transportation plan for the entire Bay Area. So every county is working on one of these and they all come together as part of a new Bay Area plan. This cycle is fairly significant in that the new Bay Area plan will be part of what's called a sustainable communities strategy, and this is an effort that's required by state legislation as part of SB 375, to develop sustainable land use and transportation plans for all major regions within California. So the VTA is leading the process within Santa Clara County. They're doing outreach, which is currently underway, city staff has provided feedback to VTA in terms of updates that are of interest to San José, and so part of this report we're also advising the committee of the information that we're putting forward, but at the same time, if there are some -- some additions or some changes or tweaks to what we're putting forward, we're certainly open to receiving that input and providing it to VTA. Ultimately there will be a draft plan that's produced by VTA, by 2012 and the goal is to have the new 25, 30 year transportation strategy adopted by early 2013. What we have in our staff report is a listing of projects that are in the current VTP 2035 plan, as well as our suggested additions to it. I might note that when the 2035 plan was done, there was an extensive kind of outreach, and in a way, it was more like our current general plan update. It was really a wholesale relook for Santa Clara County. And so we consider the efforts that we are doing now a fairly minor modification to it, somewhat similar to what we would consider a

general plan amendment that we go through on an annual basis. So the updates that we've identified really reflect new projects, or programs that have been identified over the last four years, that have come either from the effort to update the City's general plan as part of the vision 2040 process, we've developed updated bicycle master plan, and there's been work in terms of identifying bridges that need major replacement or rehabilitation. So we've added things that have come through, sort of council policy process into this. And I might add, we have received some feedback since our report came out regarding some projects in the capital light rail corridor where there was some pedestrian over-crossings that have come forward as part of the planning for the capital light rail project and other work that was done in the Evergreen area. And so we think those are appropriate additions to include in the plan since those have been sort of vetted through a process. Now, this plan, what it does is, essentially lays out a large long term wish list of everything that we like to do. There will be some prioritization within the plan that looks at projections of how much money do we expect to receive within this county, in the 25-year horizon of the plan. And so there will be an effort to prioritize it into a large constrained list of projects in which we think we can get funding for, as well as an unconstrained list of projects. So really it includes everything that we like to do but manages in between what we think is fundable and what is not. Because this is a long range plan we have as part of our capital improvement program that the city council sees each year, we've identified a shorter list of projects that are included in the capital budget as the City's priority for advocacy and implementation as part of the regional plan. And included as table A in our staff report is the current list of projects that have been identified as the city's near term priorities for regional investment. And oftentimes it does take some city funding or investment in getting projects to a state of readiness in order to make them actually competitive for regional grant funding. And so we use this list to guide staff efforts with local funding to try to advance what we consider our most important projects. Overall there's about 150, 160 projects on the attached list of the VTP projects that are within the City of San José and then we identify about 20% of those as our top priorities for near term development. So the list on table 1 indicates 34 projects. And so that's our brief overview. I'd be happy to take any questions that the committee has.

>> Councilmember Liccardo: Thanks, Hans. Okay, questions. Don. No?

>> Councilmember Rocha: The county roads project and the extension of the Chenoweth Thornwood extension, I have a question about the Sanchez bridge concept. Why would we not include that or is that still just a theoretical concept and we wouldn't be anywhere near that yet?

>> Thank you. Manuel pineda, acting deputy director. Actually the Thornwood bridge that's probably the difference. We have the existing Chenoweth bridge, as part of this proposal we're actually modifying VTP 2040 to include either Chenoweth Bridge or Thornwood bridge as both alternatives. We are keeping two alternatives in VTP 2040.

>> Councilmember Rocha: I'm sorry, Sanchez is the road.

>> Those will both be part of VTP 2040.

>> Councilmember Rocha: That's a recent change to change that language. It's on page 1 of 5 on the attachment. R-21 if you wanted to look at a memo third one down.

>> So if you look at R-21. It says Chenoweth amount of description of the project.

>> Councilmember Rocha: Is this the first year it's bin a project?

>> That's correct.

>> Hans Larsen: Actually there's a distinction here. If it has a VTP I.D. number, that one is R-21. That indicates that is currently in the adopted program now. I think what Manuel was mentioning is listed as the Chenoweth bridge. And so we are modifying it to have the flexibility to also go into the corridor.

>> Councilmember Rocha: On the right side BXX, the bike boulevards and enhanced on street bike ways. Can you explain to me why the X is there because it's not as you just pointed out part of the approved plan around it's going to be a new proposed.

>> Hans Larsen: Yeah if it has an I.D. number it's in the current plan and that's the code number the VTA uses. If it's listed with a double X, after the different category, that represents a new project that we're proposing to add to the list. So given that I was curious why we wouldn't have a specific call-out for any ones that we've kind of identified of course I'm a bit biased in my request but normally we are one you're proposing in the District 9 area.

>> Hans Larsen: Yeah, that's the one we call the West Cambrian bike boulevard. Because we have so many street links in our bike plan it literally would be adding hundreds of projects to this. So what we've done and this is really the practice that VTA has had in the past is that for the projects with the significant scope or cost like a trail improvement or a new pedestrian overcrossing, they list those out as individual projects. If it's part of more of an onstreet network, there's a -- just a broader category for those types of improvements. What VTA has advised us is even with the trail projects that they're going to take rather than individually have every single individual bike project listed in there, they're going to create just a larger bike program. And whether it's an onstreet improvement or a trail project, projects can compete for funding, if they're in a city plan or if they're in the VTA plan they can compete for that pool of funding and they don't have to all be called out individually.

>> Councilmember Rocha: Okay so having just gone through the Diridon station study session, I'm curious about that project. Have we ever had dollars set aside specifically for the Diridon Station, any improvements there, enhancements?

>> Hans Larsen: I believe it should be on there.

>> Councilmember Rocha: So I was looking at transit projects and I thought that's might be where it was. I notice that there --

>> Hans Larsen: I'm not -- I believe that's -- I know that was brought up in VTP 2035. I think actually Manuel if you remember, I don't see it specifically on the list. I think they had it identified in the plan in just a general category as part of a larger project. Not necessarily a transit project by itself but it's a station. So I think that's a good point and we want to make sure that that's in there.

>> Councilmember Rocha: Okay, thank you.

>> Councilmember Liccardo: Any questions?

>> Councilmember Herrera: Thank you, Sam. Thanks for the report, Hans. This is great to have all the projects that are in there but if they're not all funded yet it's still nice to see them. It is my understanding that if we see projects that we want to add, we can do so now. It doesn't mean they will get funded but we can certainly look at potential projects. I want to thank you for the list. Just a couple of shout-outs because I'm so excited about it, every time I see it I always got to say that that the highway project is finally moving along, Tully is under construction and looks like we'll have the money to get the capitol expressway to Yerba Buena done too. That's very exciting. Just want to say that corridor project is getting done and that's going to benefit ought the commuters from Morgan hill that commute up that as well as districts that are right adjacent to that. My district 8, 7, 5, all of that that touch it, it's going to be a good thing. All the people are complaining about it now, they will like it when it's finished. The other thing is the capitol light rail experience to Eastridge the first phase of which is underway now and which is focusing in on pedestrian safety bicycle improvements landscaping all of that and I just want to say how important that is since capitol expressway is six out of the top 10 crash locations in the city. It's perilous we've had deaths of people crossing the capitol expressway. I'm glad I had a chance to support this as a member of the VTA board happy to see this and that the city is working together. I'm also on the downtown east valley policy advisory board. I think you mentioned there was discussion at VTA and this was the board where we talked specifically about having an overcrossing from capitol expressway into the Eastridge transit center, a pedestrian overcrossing over capitol expressway so people don't have to navigate really what's like a freeway right now to get across so I would like to have that included in this list and I would like to make -- to have that as part of the

motion. I'd like to make a motion I understand we will have it as part of the report, so I would like that as part of -- include that as part of the projects.

>> Councilmember Liccardo: There is a motion on the floor. Is there a second? That the second? Okay. Just to clarify the amendment is to add --

>> Councilmember Herrera: To add a potential overcrossing at capitol to Thompson creek trail. It also lines up with the Eastridge transit center. I think Hans alluded to it in your earlier remarks. I'm just calling it out specifically.

>> Hans Larsen: Absolutely, that meets the criteria of projects that have an official status in terms of the planning and that as you pointed out is something the VTA has agreed to include as part of the scope of the capitol expressway light rail project.

>> Councilmember Herrera: I'm also hoping because we have three projects, that we have the transit mall, we have the improvements along capitol expressway, we have the trail system, we have multiple agencies potentially involved in this that we may be able to get creative in looking at funding for those projects, too. And this again will allow folks who are walking along Thompson creek on the east side of capitol expressway who want to cross over capitol expressway to do so in a safe manner with an overcrossing and that allows them to get to a transit center. Our area over there district 8 district 5 probably part of district 7, are the most users of transit so this provides them the ability to bike or walk across there in a safe manner to get to what's going to be a very large transit mall. It is already a very large transit mall but it's going to be improved. And also access to one of our sales tax generators, Eastridge. That provides access to Eastridge in a safe manner, I think that's a great improvement that I'm happy to have included in this. Thank you.

>> Councilmember Liccardo: Don.

>> Councilmember Rocha: Can you expand a little bit? VTA has acknowledged that that will be part of the light rail project?

>> Yes, yes.

>> Councilmember Rocha: In your mind the funding would come from them on that?

>> Hans Larsen: My recollection we pulled that out and listed separately under the bike-ped program. But it was incorporated in the scope of the capitol expressway LRT which is project T8C.

>> Councilmember Rocha: By pulling it out and putting it to another area outside the light rail project, wouldn't that potentially expose us to the argument that it's not part of that project and funding would have to come from other sources, or wouldn't we rather see that included in part of the light rail project and hopefully fund it out of there with no obligation on our part?

>> Hans Larsen: I don't know, under this plan there's not any obligation to the city to implement these projects. But I think that there's a case that's been made that the -- that pedestrian connection is -- has its own separate utility and if there's challenges in getting a whole light rail project done, certainly a connection from Thompson creek into the Eastridge transit center and Eastridge mall area has some separate benefits. I mean it could go either way. It could say it's part of that but I think that it has raised significant amount of the tension in the community that it's worth calling it out as a separate project.

>> Councilmember Rocha: And the reason I'm asking is twofold. One is I agree it would be a good benefit, one is also see it funded out of other sources but two is to see the project happens. I'm trying to see the best project to see this accomplished. Thank you.

>> Councilmember Liccardo: Councilmember Campos.

>> Councilmember Campos: Just one comment, thanks for the report. I'm actually glad to see that the Nieman light rail extension is included. Because I think that when all of this was envisioned probably 30, 40 years ago that

it was envisioned that the transportation system would do a loop. And I think this gets this at least in the planning stage, it continues that vision. In order for our system to be much more efficient than it is, it needs to all connect. So thank you.

>> Councilmember Liccardo: Thanks. Had a couple questions here. I thank you for the report. I have no idea what the legal implications of this are, but I thought there's no harm in asking. I know Manuel I copied you on an e-mail and I was curious about creation of rail to trail of an active rail line. If we put that in the plan do we suddenly go through litigation hell or can we actually put a potential rail to trail conversion in there as a potential project without actually raising the specter of a mess?

>> Hans Larsen: Manuel briefed me on that. This is the active rail corridor that comes into the downtown area and through Japantown. I think just applying the kind of criteria that we were using on other projects, and that it has some level of local policy backing or blessing, my understanding is that I don't know that that project has any official status with the city in terms of being in the park plan or being part of the draft concepts for envision 2040. So we kind of use that as the test, if it's been embraced or incorporated into some other planning process we can fold that into this. That one's a little more difficult.

>> Councilmember Liccardo: Specifically for the Greenprint it was raised and we were told after a significant amount of public discussion that it would be best not to put it in the Greenprint for concerns about and adverse condemnation claim.

>> Mollie Dent: I think that's what the concern would be if it's an active rail line if by putting it in a document like this there's some indication somehow that the city might be contemplating taking the property. And I understand that's not what you're advocating.

>> Councilmember Liccardo: Right.

>> Mollie Dent: I understand the idea that there's a lot of things in this plan that aren't necessarily going to happen. This is kind of like a wish list.

>> Councilmember Liccardo: Yeah.

>> Mollie Dent: But I think when you are talking about something that we don't actually have the rights to right now, that's the concern.

>> Councilmember Liccardo: Okay. So the same concern that animated there, that excluded from the green print you think Mollie should be excluded from the green print is that right?

>> Mollie Dent: I don't know what the timing for this --

>> Councilmember Liccardo: My understanding it goes to the VTA in 2012, is that right in the fall --

>> Hans Larsen: They're receiving input right now.

>> Councilmember Liccardo: I understand, but your own spy indicates VTA board isn't going to be approving it until the fall of '12 and won't be adopting it until 2013.

>> Hans Larsen: Correct.

>> Mollie Dent: And just in terms of the motion that was made, for the earlier edition of this, this isn't cross referenced to go on the council agenda, so I kind of viewed this as getting feedback from the committee on what should go in at this point and what staff should be looking at. Maybe the two motions, I'm not sure if this is more feedback to staff to look at this or if actually it's something that you want to go into the plan.

>> Councilmember Liccardo: Vice chair.

>> Councilmember Herrera: I want to include cross-referencing to council in my motion.

>> Councilmember Liccardo: Let me ask staff. By going to council, now is it a situation where you would rather have the input on this too on it and then bring it back to us or would you rather this go to council with committee recommendations?

>> I guess the way that I was looking at it is, we have, we set it up as an information item to kind of report to the committee on what we were putting in there. And essentially what we're doing is taking projects and programs in which the council has already sort of blessed and incorporating them into this process. And so if there are some things that perhaps we missed or some other things that fall into that criteria, we can receive that feedback, and then we'll take it forward. I mean if there is an option to have this blessed by the full council, there will be other opportunities for the council to review this. And so when it actually comes out as a draft plan we can see the projects, you know, there's still time to influence the final outcome of this. But essentially what we're doing is kind of managing a process with the VTA where they're receiving input from staff, from all the cities within the county, to put together really a draft plan.

>> Ed Shikada: So perhaps provide a little bit of context. From -- to the extent that staff is representing the City's position or, again, perspective on a list of projects, I think I would suggest that as the Vice Mayor put in the motion, that this does go to the full council so that the entire council has the opportunity to provide that feedback to staff, recognizing that it is a work in progress.

>> Councilmember Liccardo: Yeah, okay.

>> Councilmember Herrera: And I just wanted to say, the thing I added, I hadn't added anything that you weren't already contemplating.

>> Councilmember Liccardo: Yes, that's correct. So it would be surprising to me that every project on this list has been somehow or another blessed by council. Is that the suggestion?

>> Hans Larsen: Generally these projects reflect I would say areas that are within the City's general plan. That they're streets that we're planning to improve that haven't been built out, they're contained within our trail master plan, they're contained within the adopted bike way plan or they are things that have come through the VTA processing in past years. So in essence, it's -- we're striving to have a level of consistency between the City's transportation master planning and what the VTA has.

>> Councilmember Liccardo: Right, I appreciate that. The VTA part consists of lots of folks who are not from San José who approved this. I'm just trying to understand what the criteria -- my understanding is most traditionally we throw a lot of things against the wall, and most of this doesn't get funded. We recognize that. Within a decade period almost a large majority of this is not going to get funded in the next decade. So I'm just trying to understand the criteria for why we would say no. And it sounds as though it's not as though council has blessed every project. These are coming from various sources. Let me back up for just a moment. As we look at individual projects, take the five wounds trail, 365. Understand there's a price tag attached to that, that's \$20 million. If that trail were conceived as simply a trail that were built on existing VTA, VTA owns the land, right? So if we simply never purchased the land from VTA but engaged in a cooperative agreement where we improved those parcels to become a trail but VTA continued to own it, presumably that price tag would drop significantly. Does that improve this item on the list in the beauty contest for funding or is there any point in even messing with those kinds of details at this point?

>> Hans Larsen: I would say it is probably a little more detailed than what the plan is intended to do, yes. How you implement it or whether it's a partnership between the city and VTA using that example or the city has to buy the land from the VTA, that's a detail to be determined later. I think particularly you know on the bike program, what we expect is going to happen is that there's a -- there's a pool of funds for county wide bicycle priorities, and that there's a list of projects. And so I don't think we need to be too concerned with what the dollar amount is in there and that it constrains us or helps us in any way.

>> Councilmember Liccardo: Okay. I wanted to thank Chris Leppe and folks at transform for their good work. I think all of us got an e-mail related to the good work they had done related to the Alum Rock capitol corridor particularly around bicycle and pedestrian safety and I think that's helpful. I think as we -- particularly as we contemplate bike way projects and pedestrian projects I think it's really critical that there be a strong connection between our mode share goals and that list of projects. I know we've got very ambitious mode share goals Hans that you really set out for us and has been incorporated largely by the general plan task force and I think we're looking to get 17% bike and so forth. I hope there will be very strong connection when we look at table 1 at that list of projects that are really going to put dollars where we expect riders to be. And you know I do share some of the concerns I think that transformed us, that that list may not be completely aligned with some of those priorities. Anyway, with that, there is a motion. Is there any other question or all in favor? Any opposed? That passes unanimously. Thank you. We have one member of the public who would like to speak in open session. David Wall.

>> David Wall: There's one thing that you should consider to stimulate the economy that's been talked about and I think even referenced from the attorney's office years ago, was a mandatory sewer back check valve. If you start making that mandatory, you'll hire a lot of plumbers and what have you, and also prevent sewage from backing up in people's homes. What we've seen here today was one specific department, environmental sets of, suddenly -- councilmembers have to get a little bit savvy about. And this is the issue of using permit requirements as a pretext for empire building. Now, that's gone on in the past. Whether it's going on right now, I will leave the enjoyment of discovery of that issue for yourselves. The railroad through Japantown, I was up there today, and the property is trashed. I mean, it's an ongoing problem of debris, trash. The railroad police are exceptionally vigilant of late about not allowing anybody on the railroad tracks down there. They just arrest you. Nomadic living is another thing that we see in the city, specifically on North 7th street, north 11th street. People use RVs as their home. It's a good idea. You could rent out your other home if you have one. Live on the city, free trash, free sewer service, and you just dump it on the street. That's what's happening. North 11th street at Santa Ana to Horning Street is a perennial dump zone. Those poor residents there, people who come, it's a free dumping zone. These are all district 3 issues too. And what is really sad is St. James park from an environmental standpoint. Those criminal

elements, social deviants how can you expect the Office of Economic Development to generate business in the downtown, with that concentration of element taking over and habitating that park, to the exclusion of people with common sense not to walk in there for a variety of safety-related issues. And this is very serious business because that's a very nice park. And yet 30 to 40 vagrants hanging out, all sorts of miscreants. You are not wanted, leave. You got to either do it or face continued vacant store fronts.

>> Councilmember Liccardo: Thank you, Mr. Wall. Thank you. Meeting is adjourned.