NOTICE OF PREPARATION

From: Santa Clara Valley Water District 5750 Almaden Expressway San Jose, CA 95118

Subject: Notice of Preparation of a Draft Environmental Impact Report

Project Title: Almaden Lake Project

Project Location: Almaden Lake, San Jose, California.

The Santa Clara Valley Water District will be the Lead Agency and will prepare an environmental impact report for the above project. The District needs to know the views of your agency as to the scope and content of the environmental information which is germane to your agency's statutory responsibilities in connection with the proposed project. Your agency will need to use the EIR prepared by our agency when considering your permit or other approval for the project.

The project description, location, and the potential environmental effects are contained in the attached materials.

Due to the time limits mandated by State law, your response must be sent at the earliest possible date but not later than 30 days after receipt of this notice. The District will also hold a scoping meeting to provide an additional opportunity for input on the scope and content of the information to be addressed in the draft EIR. The scoping meeting will be held at 6:30 pm on Wednesday, April 9, 2014, at Castillero Middle School, 6384 Leyland Park Drive, San Jose.

Please send your response to:

Michael Martin

Santa Clara Valley Water District 5750 Almaden Expressway San Jose, CA 95118 (408) 630-3095

michaelmartin@valleywater.org

Please provide the name of a contact person in your agency.

Chief Executive Officer

Notice of Preparation Draft Environmental Impact Report Almaden Lake Project

Santa Clara County, California March 2014

Introduction

This notice announces that a draft Environmental Impact Report (EIR) will be prepared for the Almaden Lake project (Project). The EIR will identify and evaluate possible environmental impacts of Project alternatives, and develop strategies to avoid, reduce, or compensate for any significant impacts.

As the lead agency responsible for compliance with the California Environmental Quality Act (CEQA), the Santa Clara Valley Water District (District) has determined that the Project may have a significant impact on the physical environment, and has decided to prepare an EIR to provide ample opportunity for public disclosure and participation in the planning and decision making process. The purpose of the draft EIR process is to develop and assess a recommended plan and alternatives for the Project and to avoid and mitigate significant adverse effects on environmental resources, while aiming to achieve the primary project objectives.

This document, which serves as the Notice of Preparation (NOP) required by CEQA and the state's CEQA Guidelines (CCR §15082), contains a brief description of the Project, including its goals and objectives, the Project alternatives identified to date, possible environmental impacts, and the resulting need for an EIR. It also discusses the process that will be used to determine the scope of analysis in the EIR, and provides an overview of the opportunities for participation in review of the EIR, along with contact information.

Project Overview

The District is undertaking the CEQA environmental review process as part of the overall Project review and design process. Pending the outcome of the environmental review process and any subsequent design revisions to improve the project, the proposed Project will be submitted to the District Board of Directors for their review and potential approval. This process is aimed to provide the public with a clear understanding of the activities, elements, and methods involved with the Proposed Project. However, this project description does not presume that the proposed Project is considered approved, or will necessarily be approved until the complete environmental and planning process occurs according to CEQA guidelines and internal District Project review and approval process.

Background

Almaden Lake is located within the City of San Jose's Almaden Lake Park. The lake is a 32-acre man-made water body that is located at a site that was once a privately owned gravel quarry. The historic quarry operation was located along the east side of the downstream end of Alamitos Creek and comprised of two main large pits. Over time, heavy storm events washed away the creek's bank edge that separated the creek from the quarry making it into one large comingled water body.

Almaden Lake Park was developed as a partnership between San Jose and the District in the late 1970s where both agencies purchased lands encompassing the lake and surrounding park land. Most of the property surrounding the lake is owned by the City and most, but not all, of the water area is owned by the District. The District is responsible for flood protection, water resource management, and stream stewardship of the lake. The City is responsible for recreational use of the park, graffiti abatement, patrolling, and any damage to District facilities resulting from public use. The park is a treasured part of this area and offers pathways, playgrounds, picnic areas, bocce courts, swimming, fishing, and boating to the community. However, since August of 2010, the lake has been closed to swimming because of either high concentrations of coliform bacteria, blue-green algae, or lack of City funds to operate the swimming activity.

Almaden Lake lies within the Guadalupe Watershed immediately upstream of the Guadalupe River, Guadalupe Creek, and Alamitos Creek confluence. The Guadalupe Watershed is known to be utilized by the Central California steelhead trout. Migrating steelhead must pass through the lake to reach Alamitos Creek's upstream spawning habitat. Juvenile steelhead trout pass through the lake during out-migration when they head downstream for the ocean. Since the threatened Central California steelhead trout is a federally-listed species, any alternatives which may affect them fall under the jurisdiction of the federal Endangered Species Act and will require consultation and approval from the National Marine Fisheries Service and the California Department of Fish and Wildlife.

Almaden Lake has little vegetation along its banks. The vegetation that does exits provides some habitat for nesting birds, but no known occurrences of special status bird species occur within the area. The lake itself provides open water habitat for seagulls, geese, and several species of duck. Maintenance of the vegetation along the lake's banks is minimal except for some management activities on the island located in the south-central portion of the lake. This large vegetated island serves as a communal roost for several species of wading birds. The District recently completed a four year project to remove the arundo vegetation from the island. The arundo previously covered 100% of the island. Native riparian trees were planted as the arundo was removed to create alternative habitat for the displaced rookery. The riparian vegetation will require a couple of years of maintenance until it becomes self sufficient.

The water surface in Almaden Lake is influenced by the operation of the Alamitos Flashboard Dam. The Alamitos Flashboard Dam is part of the Guadalupe Water Supply Management System and is located on the Guadalupe River approximately 1700 feet downstream of Almaden Lake, and immediately downstream of the Alamitos Creek and Guadalupe Creek confluence. The dam is made up of wood panels and is part of the District's county-wide water supply infrastructure that develops local water supplies from the District's water rights. The wood-paneled flashboard dam is installed to impound water in the channel that is diverted into the nearby District percolation ponds. When the Alamitos Flashboard Dam is installed, the water surface elevation in Almaden Lake increases by approximately 5 feet. Although the dam may be installed or removed at anytime, it is typically installed in April and removed in December of each year to not impede flow conveyance during winter storm events. There is no record of any historical flooding in the Project area and Almaden Lake currently has the capacity to convey a 100-year storm event.

Alamitos Creek flows through Almaden Lake and stretches more than seven miles upstream, five miles from the New Almaden Quicksilver Mines and the heart of mercury contamination. Mercury contamination can trace its roots to the Gold Rush days of the 1800's. Mercury was essential to the process of separating gold from ore and plenty of it could be found in the hills

above San Jose, and especially at the New Almaden Mines. The New Almaden Mines would become the largest mercury mine in North America and work there would ultimately seep an estimated 6,500 tons of mercury into the local systems of creeks and rivers between 1850 and 1920.

Because Almaden Lake is located downstream from where the historic mining activities occurred, mercury-laden sediment has ended up in the lake. As a result, the water in the lake has deteriorated from the influx of elemental mercury that has settled at its bottom and is converting to methylmercury as well as producing high concentrations of methylmercury in the lake fish. To address the methylmercury problem, the San Francisco Regional Water Quality Control Board derived site-specific mercury water quality objectives for mercury in fish tissue and a total maximum daily load (TMDL) of mercury in water for Almaden Lake.

Goals and Objectives

The District is under order by the San Francisco Bay Regional Water Quality Control Board to meet site-specific mercury water quality objectives for Almaden Lake (October 2008 Basin Plan Amendment). As a result of the RWQCB mandate and as part of the District's commitment to the Guadalupe Watershed, the Project proposes to address the water quality issues related to mercury and anadromous fish (i.e., those fish that migrate upstream from saltwater to freshwater to spawn, such as steelhead and salmon, also known as migratory fish).

The objectives of the Project are as follows:

- Reduce mercury in fish and production of methylmercury to meet applicable water quality objectives as defined in the 2008 Basin Plan Amendment.
- Reduce thermal barrier to anadromous fish migration.
- Remove entrainment and impacts from predatory species to anadromous fish.
- Minimize impacts to recreational features.

Project Description

The District proposes a project that would substantially reduce the amount of methylmercury produced in the lake and improve conditions for anadromous fish. The Project would include the following elements:

- Isolating Alamitos Creek in an approximately 210-foot wide channel separated from the remaining lake to its east with a new levee.
- Re-contouring the bottom of the lake to a more level surface and capping the existing mercury laden sediment with at least five feet of clean fill.
- Expanding the open park area to the west of the lake by approximately two acres into existing lake and beach area.
- The lake would draw water from the restored Alamitos Creek channel and be connected to Alamitos Percolation Pond to develop a flow through system.
- The embankment between the restored creek and lake would be a minimum of 40-feet wide with dual use as a maintenance road and trail.
- Existing island to be expanded and banks stabilized.
- A second island, up to 0.75 acres in area, would be established in the lake.
- Installation of riparian vegetation along both banks of the new channel and islands.

Topics to be Analyzed in the Draft EIR

Based on the proposed project's potential for significant impacts on the environment, the District will prepare an EIR. No environmental studies have yet to be conducted in support of the Project; however the following general impacts can be inferred from existing information:

Aesthetics

Residents in neighborhoods that overlook the lake to the east enjoy views of the open water. They have expressed a concern about any changes to this view resulting from the Project. The lake is also highly visible to motorists along Almaden Expressway and Coleman Avenue. The proposed Project would divide the lake into segments with new levees that would run through the existing footprint.

Biological Resources

Steelhead are known to utilize Alamitos Creek upstream of Almaden Lake. Some of the objectives of the Project are to improve habitat for steelhead through the Project area. The Project is expected to have a beneficial impact to steelhead. The only other sensitive species with potential to occur at the site is western pond turtle. As open water will still be available after Project implementation, impacts to western pond turtle are not expected to be significant. Both species may be impacted during construction, but these can likely be minimized through construction timing and pre-construction surveys.

Cultural Resources

The site was previously used as a quarry and Project activities mostly involve filling of the site, therefore impacts to cultural resources are not expected.

Water Quality

The objective of the Project is to improve water quality within and coming out of the lake. The Project will be designed to reduce the production of methylmercury and isolate the cold water of the creek from warm water within the lake. However, reducing the depth of the lake may have impacts on water temperature, algae growth, and odor. Construction related impacts to water quality will likely occur but can be minimized by standard BMPs. The Project is expected to have an overall beneficial impact to water quality.

Air Quality / Noise / Traffic

The construction of levees through the site and capping the bottom of remaining lake is expected to require a significant amount of soil. It could require thousands of truckloads of material to accomplish this task. The amount of traffic (and associated dust, air emissions and noise) generated during construction is potentially significant. Neighbors have also expressed a concern about noise and traffic impacts from recreational activities if swimming and/or boating opportunities are moved from the west side of the lake to the east side, or if playing fields are added to the east side of the lake adjacent to existing residential development.

The EIR will serve to further assess the proposed project's effects on the environment, to identify significant impacts, and to identify feasible mitigation measures to reduce or eliminate potentially significant environmental impacts. An analysis of alternatives to the proposed project will also be included in the EIR. Other topics to be analyzed in the EIR include, but are necessarily limited to: soils, greenhouse gas emissions, hazards and hazardous materials, land use, recreation, and utilities. Responses received to this NOP may modify or add to the preliminary assessment of potential issues addressed in the EIR.

Environmental Procedures and Public Scoping Meeting

This NOP initiates the CEQA process through which the District will refine the range of issues and project alternatives to be addressed in the EIR. Comments are invited on the proposal to prepare the EIR and on the scope of issues to be included.

Please submit any comments within 30 days of receipt of this notice to Michael Martin, the District's environmental planner for the Almaden Lake project, at the Santa Clara Valley Water District (see *Contact Information* below). In conjunction with the 30-day review period for the NOP, the District will hold a scoping meeting to provide an additional opportunity to learn about the project, ask questions, and provide comments about the scope and content of the information to be addressed in the EIR. The scoping meeting will be held at 6:30 pm on Wednesday, April 9, 2014, at Castillero Middle School, 6384 Leyland Park Drive, San Jose.

After the 30-day review period for the NOP is complete, a draft EIR will be prepared in accordance with CEQA, as amended (Public Resources Code §21000 et seq.), and the State Guidelines for Implementation of CEQA (CCR §15000 et seq.).

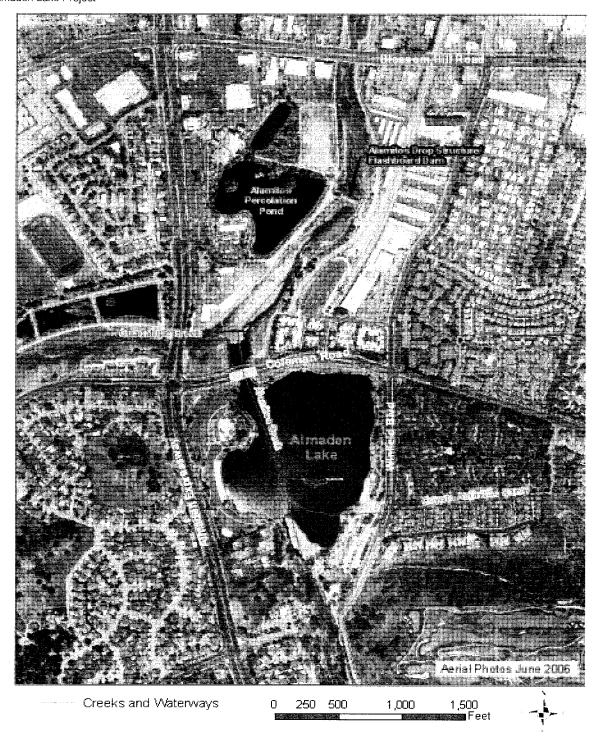
Once the draft EIR is completed, it will be made available for a 45-day public review and comment period. Copies of the draft EIR will be sent directly to those agencies commenting on the NOP, and will also be made available to the public at a number of locations, including the District headquarters and public libraries in the area. Information about availability of the draft EIR will also be posted on the District's website (http://www.valleywater.org).

Contact Information

For further information, contact the following:

Michael Martin Santa Clara Valley Water District 5750 Almaden Expressway San Jose, CA 95118-3686 (408) 630-3095 Michaelmartin@valleywater.org

Additional information relevant to the project and the EIR can also be found at http://www.valleywater.org.



Almaden Lake Project Area