



SANTA CLARA VALLEY WATER DISTRICT

NON-AGENDA

August 5, 2022

Board Policy EL-7 Communication and Support to the Board
The BAOs shall inform and support the Board in its work.

Page		<u>CEO BULLETIN & NEWSLETTERS</u>
4		CEO Bulletin: Weeks of July 22 – August 4, 2022
11		August 2022 Water Tracker
		<u>BOARD MEMBER REQUESTS & INFORMATIONAL ITEMS</u>
		BMR/IBMR Weekly Reports: None.
14		Memo from Bart Broome, Assistant Officer, State Government Relations, to Rachael Gibson, Chief of External Affairs, dated 08/01/22, regarding Congratulations Letter for the New Director of Finance at the California Department of Finance.
16		Memo from David Cahen, Risk Manager, to the Board of Directors, dated 08/01/22, regarding Risk Management Communication.
19		Memo from Rick Callender, CEO, to the Board of Directors, dated 08/03/22, regarding Response Letter to the Cities of Palo Alto and Mountain View.
		<u>INCOMING BOARD CORRESPONDENCE</u>
24		Board Correspondence Weekly Report: 08/04/22
25		Email from Danny Garza, to Ricardo Barajas, CC to the Board of Directors, dated 07/27/22, regarding Creek Pollution Issue in Lower Silver Creek (C-22-0129).
40		Email from Vivian Huyen, to the Board of Directors, dated 07/27/22, regarding Tiny Homes on Noble Ave - Noble Park (C-22-0130).
41		Email from Danny Garza, to the Board of Directors, dated 08/01/22, regarding Homeless Activity Underneath the Pedestrian Bridge over Lower Silver Creek at Plata Arroyo Park (C-22-0131).
43		Email from Michael Stevens, to the Board of Directors, dated 08/03/22, regarding Measure A (C-22-0132).
45		7/22/22 Email (received on 7/26/22) from Sarah Public to the Board forwarding alleged questionable conduct of San Jose Planning Commissioner Chuck Cantrell. 7/22/22 Email from Chuck Cantrell to the Board requesting that they consider ignoring 7/22/22 email submitted by Sarah Public conveying alleged questionable conduct.
		<u>OUTGOING BOARD CORRESPONDENCE</u>
53		Email from Director Hsueh, to Steve Quan, dated 07/27/22, regarding the Operations of Stevens Creek Reservoir (C-22-0124).
56		Email from Vice Chair Pro Tem Keegan, to Kathy Strickland, dated 07/27/22, regarding Homeless Activity along Los Gatos Creek (C-22-0128).

60		Email from Chair Pro Tem Varela, to Fiamma Vitale, dated 07/29/22, regarding Water Conservation and Landscape (C-22-0126).
62		Email from Director Santos, to Vivian Huyen, dated 08/01/22, regarding Tiny Homes on Noble Ave - Noble Park (C-22-0130).
64		Email from Director Santos, to Danny Garza, dated 08/03/22, regarding Creek Pollution Issue in Lower Silver Creek (C-22-0129).

Board correspondence has been removed from the online posting of the Non-Agenda to protect personal contact information. Lengthy reports/attachments may also be removed due to file size limitations. Copies of board correspondence and/or reports/attachments are available by submitting a public records request to publicrecords@valleywater.org.

CEO BULLETIN

CEO BULLETIN



To: Board of Directors
From: Rick L. Callender, CEO

Weeks of July 22 – August 4, 2022

Board Executive Limitation Policy EL-7:

The Board Appointed Officers shall inform and support the Board in its work. Further, a BAO shall 1) inform the Board of relevant trends, anticipated adverse media coverage, or material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established and 2) report in a timely manner an actual or anticipated noncompliance with any policy of the Board.

Item	IN THIS ISSUE
<u>1</u>	Delta Conveyance Project Environmental Impact Report
<u>2</u>	Safe, Clean Water Grant Closeout: Loma Prieta Resource Conversation District's Sycamore Alluvial Woodland Restoration Phase II – Feasibility Studies Project
<u>3</u>	Safe, Clean Water Grant Closeout: Midpeninsula Regional Open Space District Hendry's Creek Restoration Project
<u>4</u>	Safe, Clean Water Mini-Grant Closeout: Baker Home and School Club's Outdoor Classroom and Garden Project
<u>5</u>	Update from Climate Action Plan Team: Valley Water Joins U.S. Water Alliance Utility Greenhouse Gas Reductions Cohort
<u>6</u>	Update on Direct Potable Reuse (DPR) regulation developments: Expert Panel report released and Division of Drinking Water response
<u>7</u>	Valley Water's Draft 2022 Water Management Plan Submitted to Bureau of Reclamation for Review
<u>8</u>	<u>Hsueh</u> Follow up email to Mr. Burns original Correspondence regarding Advanced Metering Infrastructure (AMI) and smart metering in San Jose Water Company's service area. I-22-0004
<u>9</u>	<u>Estremera</u> At the 06/08/22 DIAHC meeting, staff was requested to provide the committee a comprehensive list of VW active agreements that are contracted with tribal communities. 1-22-0005

1. Delta Conveyance Project Environmental Impact Report

On July 27, 2022, the Department of Water Resources (DWR) released the Draft Environmental Impact Report (DEIR) for the proposed Delta Conveyance Project (DCP). The public comment period runs from July 27, 2022 to October 27, 2022 and comments are accepted via email, mail, or at three virtual public hearings in September 2022.

Alongside the release of the DEIR, new informational materials are available to help reviewers and interested parties.

Quick Question Series: The Department of Water Resources (DWR) has published three short new videos that ask and answer fundamental questions about the DCP. These questions include: What is Delta conveyance? Why is California's major water supply at risk? How will the DCP protect water supplies?

Deep Dive Video: Continuing the Delta Conveyance Deep Dive video series, DWR published a new twenty minute video where experts explain the features and technical considerations of intakes and fish screens.

Fact Sheets: Three fact sheets have been released that prepare interested parties to review and comment on the DEIR. These fact sheets review DCP updates, explain what the DEIR is, and provide tips for commenting on the DEIR. They are available in English and Spanish.

Community Benefits Overview: An overview fact sheet about the Community Benefits Program is now available. This fact sheet outlines the two main components of the Community Benefits Program (a Delta Community Fund and Integrated Benefits), the general process for developing the program, and next steps.

The DEIR, videos, fact sheets, and other informational materials are available at:
<https://www.deltaconveyanceproject.com/>.

The Community Benefits Overview is available at:
https://water.ca.gov/-/media/DWR-Website/Web-Pages/Programs/Delta-Conveyance/Public-Information/DCP_CBP_Overview_June2022.pdf.

For further information, please contact Vincent Gin at (408) 630-2633.

2. Safe, Clean Water Grant Closeout: Loma Prieta Resource Conservation District's Sycamore Alluvial Woodland Restoration Phase II – Feasibility Studies Project.

In Fiscal Year 2016, Valley Water awarded Loma Prieta Resource Conservation District a \$79,733 Safe, Clean Water Program D3 Grant for their Sycamore Alluvial Woodland Restoration Phase II – Feasibility Studies Project. Loma Prieta Resource Conservation District completed the Project on December 31, 2019, and submitted the final invoice items on February 1, 2022, allowing for grant closeout.

Loma Prieta Resource Conservation District (RCD) is a non-regulatory agency whose mission is to assist community members and partners to conserve and improve local natural resources. In collaboration with Grassroots Ecology, previously Acterra, Loma Prieta RCD designed a study to test different techniques that could be used to establish California sycamores to improve the efficiency of producing these trees at scale for restoration projects.

Loma Prieta RCD also collaborated with the San Francisco Estuary Institute (SFEI) to investigate the relationship between flows, geomorphic features, and Sycamore Alluvial Woodland (SAW) age at two sites in Santa Clara County, along the Pacheco and Upper Coyote Creeks. A presentation on the purpose, goals, methods, and study results were posted on multiple websites, including Santa Clara Valley Open Space Authority, Santa Clara Valley Habitat Agency, SFEI, Loma Prieta RCD and Guadalupe-Coyote RCD. The findings included an analysis on site characteristics that were favorable to SAW health and regeneration and further recommendations for restoration and management that would guide how the California sycamore is propagated for restoration projects throughout the state.

Key Outcomes:

- Sampled 384 sycamore trees for genetic materials and completed genetic analysis on 353 suitable samples.
- Developed an asexual method of plant reproduction, which is a type of vegetation propagation, and implemented it on 296 sycamore cuttings.
- Developed the following deliverables:
 - CA Sycamore Genetics and Propagation Study:
<https://www.harveyecology.com/california-sycamore-publications-and-reports>
 - Sycamore Alluvial Woodland Planting Guide:
[https://www.valleywater.org/sites/default/files/D2%20-%20Sycamore Alluvial Woodland Planting Guide 08 30 2018 med res.pdf](https://www.valleywater.org/sites/default/files/D2%20-%20Sycamore%20Alluvial%20Woodland%20Planting%20Guide%2008%2030%202018%20med%20res.pdf)
 - Sycamore Alluvial Woodland Habitat Mapping and Regeneration Studies:
<https://www.sfei.org/projects/saw>

For further information, please contact Donald Rocha (408) 630-2238.

3. Safe, Clean Water Grant Closeout: Midpeninsula Regional Open Space District Hendry's Creek Restoration Project.

In Fiscal Year 2016, Valley Water awarded Midpeninsula Regional Open Space District a \$477,702 Safe, Clean Water Program D3 Grant for their Hendrys Creek Restoration Project. Midpeninsula Regional Open Space District completed the Project on December 31, 2021, and submitted the final invoice items on April 11, 2022, allowing for grant closeout.

Midpeninsula Regional Open Space District is an independent special district that promotes the well-being of plants, animals, and people throughout the greater Santa Cruz Mountains region by preserving a connected greenbelt that spans over 65,000 acres of public open space. The 117-acre Hendry's Creek property is located within Sierra Azul Open Space Preserve in unincorporated Santa Clara County and flows into the Lexington Reservoir in the Los Gatos Creek watershed within the Guadalupe River watershed. This restoration Project enhanced the preserve by undertaking the following activities: 1) removal of sediment from the stream channel, 2) landform restoration to prevent future erosion on existing network of roads from entering the aquatic environment, 3) invasive plant removal, and 4) native revegetation of the project area. Partnering organizations, including Grassroots Ecology and the San Jose Conservation Corps + Charter School, supported project management, outreach, volunteer management, vegetation restoration, and monitoring of the project site.

Key Outcomes:

- Enhanced .75 miles of the watershed by removing 14 watercourse crossings and high priority invasive non-native plants species from 4.44 acres of the canyon.
- Excavated 1,170 cubic yard of fill material within or adjacent to watercourses.
- Installed approximately 1,657 watershed-specific, upland and riparian plants, and 154 oak acorn nut and California buckeye seeds over 0.33 acres to reduce erosion, buffer the creek and increase the complexity of the habitat structure.

For further information, please contact Donald Rocha (408) 630-2238.

4. Safe, Clean Water Mini-Grant Closeout: Baker Home and School Club's Outdoor Classroom and Garden Project.

In Fiscal Year 2020, Valley Water awarded Baker Home and School Club a \$5,000 Safe, Clean Water Program D3 Mini-Grant for their Outdoor Classroom and Garden Project. Baker Home and School Club completed the Project on May 3, 2022, and submitted the final invoice items on May 3, 2022, allowing for grant closeout.

Baker Home and School Club is an organization of parent and teacher volunteers at Baker Elementary School in San Jose serving 541 students from kindergarten to fifth grade. The Club hosts numerous fundraising events throughout the year to support enrichment programs such as Fifth Grade Science Camp, a “maker” space for students to explore engineering, coding, science, and art projects, and this garden Project, named Gussie's Garden.

The mini-grant funds assisted with the design and creation of an educational, productive, and imaginative space at Baker Elementary School, complete with an outdoor classroom space, native plant garden, edible garden and water conserving drip irrigation. While the pandemic restrictions limited in-person attendance during the 2020-2021 school year, the students and parent volunteers built and completed the garden during this time. Previous water runoff to the street during the rainy season has now been remedied by ground leveling, planting native plants, and laying down wood chips. After Gussie's Garden was complete, the students harvested crops, watered plants, and conducted small experiments in the garden despite the school being partially in session. As a result of these activities, students felt a sense of ownership and accomplishment from planting with their own hands, seeing the plants grow, and being able to harvest from a beautiful outdoor space at their school.

Key Outcomes:

- Transformed a 75 ft. x 100 ft. area into a large water-wise native plant garden consisting of nine garden boxes, a fruit tree orchard, a shed, whimsical redwood stump seating, and water-wise drip irrigation.
- Removed thousands of invasive weeds and planted 24 native plants, fruit trees, herbs, vegetables, and pollinator plants.
- Engaged 100+ elementary students from 12 classes to participate in planting and growing herbs/vegetables during a shortened school year due to the COVID-19 pandemic.
- Achieved the student learning objective of educating about (a) how the garden was designed to be water-wise, (b) droughts, (c) native plants/succulents, (d) how to stop erosion to the street, and (e) drip irrigation/timers.

For further information, please contact Donald Rocha (408) 630-2238.

5. Update from Climate Action Plan Team: Valley Water Joins U.S. Water Alliance Utility Greenhouse Gas Reductions Cohort.

Earlier this Spring 2022, the U.S. Water Alliance launched a Utility Greenhouse Gas Reductions Cohort with water utilities from 10 cities throughout the United States. The Cohort focuses on utilities setting net zero emissions goals and helping to advance multi-benefit solutions for greenhouse gas (GHG) reductions within existing climate work at each utility. Particular attention is given to identifying unintended consequences and assessing equitable climate mitigation solutions. The Alliance is also partnering with the Embassy of Denmark in Washington D.C., and the Danish Water and Wastewater Association (DANVA). The partnership promotes cross-cultural learning on climate mitigation strategies to reduce greenhouse gas emissions across water management and operations. The Cohort benefits from interacting with peers from Denmark, the birthplace of the 2009 Copenhagen Accord.

Valley Water will be participating in a series of peer learning exchanges in the next year or so, sharing knowledge, problem-solving with peers in the cohort, and furthering our own endeavor for GHG reduction to support implementation of Valley Water's Climate Change Action Plan.

On June 30, 2022, Valley Water Greenhouse Gas Emission Reduction Team Lead, Senior Project Manager, Sarah Young, presented an overview of Valley Water's GHG reduction efforts to date, along with four water agencies from Washington D.C., Denver, Cleveland, and Miami. Valley Water highlighted California's regulatory context and Valley Water's progressive carbon neutrality policy since 2008. Ms. Young also reflected on Valley Water's journey for developing and implementing a carbon neutrality framework, the 49-measure energy optimization plan that started in 2013, and shared Valley Water's success in sourcing 90% of its energy from zero-emission sources.

These zero-emissions sources stem from Valley Water's long-term participation in the Power and Water Resources Pooling Authority (PWRPA), a Joint Powers Authority to collectively manage individual power assets and loads. Through PWRPA, Valley Water recently participated in the Power Purchase Agreement with the State solar and energy storage project, along with four other entities, securing additional zero-emission energy. Valley Water's groundwork and visionary approach since 2004 continues to produce the co-benefits for GHG reduction today and should continue to for many years to come.

For further information, please contact Lisa Bankosh (408) 630-2618.

6. Update on Direct Potable Reuse (DPR) regulation developments: Expert Panel report released and Division of Drinking Water response.

On March 22, 2021, the California State Water Resources Control Board's Division of Drinking Water (DDW) released the Addendum to the DPR Framework, 2nd Edition. This Addendum contained draft language of the criteria for DPR and was an important step towards developing uniform water recycling criteria on or before December 2023 (per AB 574). AB 574 also required DDW to convene and administer an Expert Panel to review the proposed criteria and adopt a finding as to whether, in its expert opinion, the proposed criteria would adequately protect public health. Since then, four Expert Panel meetings have been held publicly (Aug. 2021 – Feb. 2022) where the Expert Panel provided comments and recommendations to DDW staff.

In March 2022, A Memorandum of Findings was prepared by the Expert Panel and presented to DDW. It consisted of the Panel's preliminary findings along with related recommendations and comments. Overall, the Expert Panel found that draft criteria for DPR was protective of public health.

On June 28, 2022, DDW released a response to the Expert Panel's draft Memorandum of Findings. DDW's response highlighted that there are several topics that DDW and the Expert Panel agreed on, however there are other topics needing additional clarification from the Expert Panel prior to finalizing the regulations and preparation of the regulatory package. Topics requiring further discussion include the methodology for deriving log reduction targets for pathogen control, requirements for sewer system monitoring and source control, and chemical control criteria for the operation of the ozone and biological activated carbon system. A fifth meeting with the Expert Panel will be scheduled soon to discuss the memo and proposed changes. As in the past, Valley Water will continue to review work products from the Expert Panel and DDW and participate in upcoming meetings and workshops. Valley Water also continues to participate in studies that directly support the implementation of future DPR projects. DDW has indicated that they are still intending to meet their deadline to finalize the criteria by December 2023.

For further information, please contact Kristen Struve at (408) 630-3138.

7. Valley Water's Draft 2022 Water Management Plan Submitted to Bureau of Reclamation for Review.

Every five years, Central Valley Project (CVP) contractors are required by the Reclamation Reform Act of 1982 (RRA) and the Central Valley Project Improvement Act of 1992 (CVPIA) to prepare a Water Management Plan (WMP). Failure to comply with this legal requirement could jeopardize a contractor's CVP water deliveries. Valley Water has prepared this plan since 2005 and completed its draft 2022 WMP in accordance with the criteria published by the Bureau of Reclamation (Reclamation). Valley Water's 2022 WMP documents the operations and management of our system, inventory of current water resources, and water conservation and demand management efforts during the past five years. The plan is intended to demonstrate Valley Water's best management practices to efficiently manage our system and resources to reduce reliance on CVP water.

Valley Water's draft 2022 WMP was submitted to Reclamation on July 1, 2022, for their review. Once the review process is complete and the draft plan is tentatively approved, Valley Water will need to hold a public hearing before the end of the year to formally adopt the plan, as part of the compliance requirements.

For more information, please contact Kirsten Struve at (408) 630-3138.

8. Hsueh

Follow up email to Mr. Burns original Correspondence regarding Advanced Metering Infrastructure (AMI) and smart metering in San Jose Water Company's service area. I-22-0004

Director Hsueh requested staff to prepare a follow up email to Mr. Burns (original Correspondence C-22-0081 in May 2022) regarding AMI and smart metering. In June 2022, San Jose Water Company received approval by the California Public Utilities Commission to deploy AMI over the next several years. Mr. Burns communicated his desire for greater promotion of smart metering devices and leak detection information in the county.

A follow up email updating Mr. Burns on the development of San Jose Water Company's plans to deploy AMI was sent on July 7, 2022.

For further information, please contact Vincent Gin (408) 630-2633.

9. **Estremera**

At the 06/08/22 DIAHC meeting, staff was requested to provide the committee a comprehensive list of VW active agreements that are contracted with tribal communities. I-22-0005

As of July 29, 2022, the following are executed agreements where Valley Water has contracted directly with tribal communities to provide consultant services during capital projects. This does not include projects where such services are subcontracted:

1. Agreement No. A4170G - PB/CAS No. 4868
Firm: Andrew Galvan, Most Likely Descendent
Title: Native American consultant services during construction of the Permanente Creek Flood Protection Project
Amount: \$398,500
VW PM: Sayed Hussaini
2. Agreement No. A4607F - PB/CAS No. VW0121
Firm: Nototomne Cultural Preservation
Title: Native American Monitoring Services for the Anderson Dam Seismic Retrofit Project (ADSRP)
Amount: \$50,0000
VW PM: Ryan McCarter
3. Agreement No. A4611F - PB/CAS No. VW0031
Firm: Pacific Legacy
Title: Archeological Monitoring Services for the Stream Maintenance Program
Amount: \$50,0000
VW PM: Carole Foster
4. Agreement No. A4674G-VW0133 – PB/CAS No. VW0133
Firm: Canyon Consulting
Title: Archeological Monitoring for the Calabazas Creek Rehabilitation Project
Amount \$79,000.00
VW PM: Shannon Bane/Ted Ibarra

For further information, please contact Brian Hopper at (408) 630-2765.

Outlook as of August 1, 2022

Based on continued drought conditions across California, imported water allocations remain low. The State Water Project allocation is at 5% of contract amount and the Central Valley Project allocation is zero. Both the State Water Project and U.S. Bureau of Reclamation have allocated Valley Water with emergency public health and safety water supplies. Santa Clara County continues to be in a water shortage emergency. Due to severe drought and increased reliance on imported water in the next 10 years while Anderson Reservoir storage is unavailable, meeting the Board of Directors call for 15% water use reduction relative to 2019 is essential. Valley Water Board of Directors approved an ordinance to enforce water waste restrictions on May 24, 2022, and Valley Water is now proceeding with an enforcement program.

Weather

- Rainfall in San José:
 - » Month of July, City of San José = 0 inches
- San José average daily high temperature was 80 degrees Fahrenheit in July, which is lower than the five-year average for July (81.9 degrees Fahrenheit)

Local Reservoirs

- Total August 1 storage = 33,875 acre-feet

Reservoir Storage	All Ten Valley Water Reservoirs	All Reservoirs Except Anderson
Current storage as % of unrestricted capacity	20%	40%
Current storage as % of restricted capacity (1)	54%	51%
Current storage as % of the 20-year average for August 1	40%	78%

(1) Per the Federal Energy Regulatory Commission's order, the capacity of Anderson Reservoir was restricted to the deadpool storage of about 3,050 acre-feet. The total restricted capacity for all ten reservoirs is 62,592 acre-feet.

- Approximately 300 acre-feet of imported water delivered into Calero Reservoir during July 2022
- Total estimated releases to streams (local and imported water) during July were 3,660 acre-feet (based on preliminary hydrologic data)

Groundwater

- Groundwater levels in July have continued the typical pattern of summer decline with greater than average declines expected this year because of the drought. Water levels in the majority of wells are currently lower than July 2021 and are expected to end this year lower than last year. The end of 2022 groundwater storage is projected to be in low Stage 1 (Normal) of the Water Shortage Contingency Plan. Valley Water continues to plan for dry and rapidly evolving conditions.

	Santa Clara Subbasin		Llagas Subbasin
	Santa Clara Plain	Coyote Valley	
July 2022 managed recharge estimate	6,200	1,300	1,800
YTD managed recharge estimate	26,100	6,800	11,900
YTD managed recharge as % of 5-year average	95%	77%	119%
June 2022 pumping estimate	6,500	900	3,500
YTD pumping estimate	33,200	5,300	13,800
YTD pumping as % of 5-year average	107%	103%	93%
Current index well groundwater levels compared to July 2021	14 Feet Higher	1 Foot Lower	3 Feet Lower

All volumes are in acre-feet. All data is for 2022 except where noted. YTD = Year-to-Date

Imported Water

WY 2022 Imported Water Allocations	Allocation	Allocation (acre-feet)	Additional Allocation
State Water Project	5%	5,000	Additional allocation of human health and safety water secured
Central Valley Project	-	-	Public health and safety water only
State-wide Reservoir Storage	Capacity	Current Storage (acre-feet)	Average for Date (as of 7/28/22)
Shasta Reservoir	37%	1,697,080	54%
Oroville Reservoir	42%	1,478,514	62%
San Luis Reservoir	32%	662,278	73%
Semitropic Groundwater Bank	Capacity	Current Storage (acre-feet)	Date of Data
	80%	280,354	6/30/22
Estimated SFPUC Deliveries	June (acre-feet)	2022 Total to Date (acre-feet)	Five-year annual average (acre-feet)
	4,770	22,180	48,700

Treated Water

- Below average demands of 10,405 acre-feet delivered in July
- This total is 87% of the five-year average for the month of July
- Year-to-date deliveries are 51,861 acre-feet or 92% of the five-year average

Conserved Water

- Saved 76,584 acre-feet in FY21 through Valley Water's long-term conservation program (baseline year is 1992)
- Long-term program goal is to save nearly 100,000 acre-feet by 2030 and 110,000 acre-feet by 2040
- On June 9, 2021, the Board called for a 15% reduction in water use compared to 2019 and for retailers, cities, and the County to implement local water restrictions. On May 24, 2022, the Board approved an ordinance to enforce outdoor water waste restrictions including no runoff, midday watering, watering after rainfall, or watering of non-functional turf more than two days a week
- The cumulative water savings since the water use reduction call in June 2021 through June 2022 is 3%, compared to 2019

Recycled Water

- Estimated July 2022 production = 2,102 acre-feet
- Estimated year-to-date through July = 9,657 acre-feet or 102% of the five-year average
- Silicon Valley Advanced Water Purification Center produced an estimated 1.7 billion gallons (5,150 acre-feet) of purified water in 2021. Since the beginning of 2022, about 2,825 acre-feet of purified water has been produced. The purified water is blended with existing tertiary recycled water for South Bay Water Recycling Program customers

Alternative Sources

- As of December 10, 2019, Valley Water's wastewater contract right from Palo Alto/ Mountain View remains at 11,200 acre-feet/year

CONTACT US

To find out the latest information on Valley Water projects or to submit questions or comments, email info@valleywater.org or use our **Access Valley Water** customer request system at <https://deliver.com/2yukx>.



FOLLOW US



BOARD MEMBER REQUESTS and Informational Items

TO: Rachael Gibson, Chief of External Affairs**FROM:** Bart Broome, Assistant
Officer for State
Government Relations**SUBJECT:** Congratulations Letter for the New Director of
Finance at the California Department of
Finance**DATE:** August 1, 2022

Attached to this memorandum is a copy of a letter of congratulations from Chair Pro Tem Varela to the new Director of Finance at the California Department of Finance, Joe Stephenshaw.



Bart Broome
Assistant Officer for State Government Relations

BOARD OF DIRECTORS[John L. Varela](#) / Chair Pro Tem (District 1)[Barbara F. Keegan](#) (District 2)[Richard P. Santos](#) (District 3)[Linda J. LeZotte](#) (District 4)[Nai Hsueh](#) (District 5)[Tony Estremera](#) (District 6)[Gary Kremen](#) (District 7)

August 1, 2022

Mr. Joe Stephenshaw, Director
California Department of Finance
2101 Arena Boulevard
Sacramento, CA 95834

CHIEF EXECUTIVE OFFICER[Rick L. Callender, Esq.](#)**CLERK OF THE BOARD**[Michele L. King, CMC](#)

Dear Director Stephenshaw:

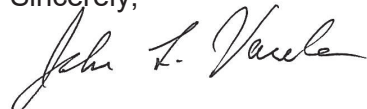
On behalf of the Santa Clara Valley Water District (Valley Water), I would like to congratulate you on your recent appointment as director of the California Department of Finance (DOF). We look forward to working with you on issues related to water infrastructure, efficiency, and conservation that intersect with our mission in water supply, groundwater management, flood protection, and environmental stewardship.

As you may know, Valley Water is the only water agency in California that is both a state and federal water contractor through the Central Valley Project and the State Water Project. We also are unique in our broad responsibilities of wholesale water supply, groundwater management, flood protection, and environmental stewardship. Our agency serves the 2 million residents of Santa Clara County and thousands of job-creating Silicon Valley businesses, managing a 359-square-mile area that includes more than 275 miles of managed creeks and streams, 3 water treatment plants, the largest advanced purified water facility in Northern California, 400 acres of groundwater recharge ponds, 2 large groundwater basins, and 10 reservoirs and dams.

Valley Water has appreciated your knowledge and expertise in a variety of state budget and legislative matters throughout your tenure in the state Senate, Assembly, and Office of the Governor. Valley Water has a primary interest in the issues impacting Santa Clara County's water supply, environmental stewardship, and flood protection, and we regularly interface with DOF regarding the state budget, grant programs, and bond implementation. Recently, Valley Water worked with DOF and other state agencies on the extension of a liquidation deadline for Proposition 1E flood control subventions funding that was included in a budget trailer bill recently signed by the governor. We look forward to working with you on these important issues in your capacity as director of the Department of Finance.

If you have any questions about Valley Water programs, projects, or current issues, please do not hesitate to contact Bart Broome, Assistant Officer for State Government Relations, at (916) 448-8497, or via email at bbroome@valleywater.org.

Sincerely,



John L. Varela
Chair Pro Tem, Board of Directors

cc: Board of Directors (7), R. Callender, M. Richardson, R. Gibson, B. Broome
hh:jh
0722a-l



MEMORANDUM

FC 14 (02-08-19)

TO: Board of Directors

FROM: David Cahen
Risk Manager

SUBJECT: Risk Management Communication

DATE: August 1, 2022

The purpose of this memorandum is to provide you a with copy of recent Risk Management staff's communication with parties/individuals that have filed a claim against Valley Water.

Please find the following:

- 1) July 19, 2022 – Letter to Andres Carrasco acknowledging receipt of claim
- 2) August 1, 2022 – Letter to Connie De La Cruz acknowledging receipt of claim

For additional information, please contact me at 408-630-2213.

DocuSigned by:

02E0EF68C38D435...

David Cahen
Risk Manager



Clean Water • Healthy Environment • Flood Protection

July 19, 2022

Andres Carrasco
4649 Hampton Falls Place
San Jose, CA 95136

Re: Receipt of Claim – L2120020

Dear Mr. Carrasco:

We received your claim regarding the window that was broken on June 11, 2022, allegedly by a vandal using a rock thrown from the Guadalupe River. We will investigate this claim and notify you of our findings.

According to the recently received claim, there is mention of two previous claims being submitted for broken windows. Our files indicate only one previous claim has been received for broken windows. A claim was received on October 29, 2019 for a window that was broken on June 6, 2019 and the claim was denied by our Board of Directors on November 26, 2019.

We have no record of a claim being filed for a window broken on September 10, 2019.

If you have any questions, please don't hesitate to contact me at (408) 630-2213 or at dcahen@valleywater.org

Sincerely,

DocuSigned by:

David Cahen

David Cahen
Risk Manager





Clean Water • Healthy Environment • Flood Protection

August 1, 2022

Connie De La Cruz
318 E. St. James St.
San Jose, CA 95112

Re: Receipt of Claim – L2120021

Dear Ms. De La Cruz:

We received your claim seeking \$13,000 in damages for burglary, breaking and entering of your home and personal property loss during an April 2022 encampment clean up involving Valley Water staff.

We will investigate this claim and notify you of our findings.

If you have any questions, please don't hesitate to contact me at (408) 630-2213 or at dcahen@valleywater.org.

Sincerely,

DocuSigned by:

62E0EF89C39D435...
David Cahen
Risk Manager



MEMORANDUM

FC 14 (08-21-19)

TO: Board of Directors**FROM:** Rick L. Callender, Esq.
Chief Executive Officer**SUBJECT:** Response Letter to the Cities of Palo Alto and Mountain View
DATE: 8/3/2022

The attached letter from Valley Water to the Cities of Palo Alto and Mountain View reflects the facilitated workshop on June 1, 2022 and responds to the cities' letter dated May 17, 2022. This letter serves two purposes a) Illustrate the various financial consideration related to our water resources management collaboration as requested at the June 1, 2022 meeting, and b) to request the Palo Alto commitment towards the administration and technical activities noted in our 2019 Partnership Agreement.



Rick L. Callender, Esq.
Chief Executive Officer

Cc: V. Gin, K. Struve

July 14, 2022

Kimbra McCarthy
City Manager of Mountain View
500 Castro Street
Mountain View, CA 94041

Ed Shikada
City Manager of Palo Alto
250 Hamilton Avenue
Palo Alto, CA 94301

Dear Ms. McCarthy and Mr. Shikada,

Thank you for taking the time to meet with Valley Water staff for a facilitated workshop on June 1, 2022, and for your letter dated May 17, 2022, outlining your concerns. I deeply appreciate your two respective cities coming to the table to have a frank discussion, share your concerns and most importantly, jointly explore ways to address the various issues raised. During the June 1 meeting, Valley Water staff listened intently to all the concerns and as promised, reviewed our approach regarding the General Principle 5 (GP5) funding for use towards the 2019 Partnership Agreement obligation. We have reconsidered using GP5 funding to partially satisfy our 2019 Partnership Agreement obligations and will be using other funding sources for our payment under that agreement. I sincerely hope that these efforts strengthen our relationship and expand our collaboration towards a successful water reuse project to meet the water supply needs of our collective communities during these unprecedented times of drought.

For Valley Water, a win-win would ensure that the Purified Water Project needs are met within a reasonable timeframe, including rescheduling the Palo Alto Council meeting, executing needed agreements for land and Reverse Osmosis Concentrate management, pipeline right of way, CEQA reviews and approvals, and information needs. Understanding the significant coordination needs, Valley Water is prepared to support Palo Alto's staffing needs as described below.

This letter has two purposes: a) to illustrate the various financial considerations related to our water resource management collaboration as requested at the June 1st meeting, and b) to request your continued commitment toward the administrative and technical activities noted in our 2019 Partnership Agreement.

Summary of Financial Considerations

1. 2019 Partnership Agreement to Advance Resilient Potable and Non-Potable Water Reuse Programs (Partnership Agreement)

Under this Partnership Agreement, the parties agreed to the following financial commitments:

- A \$16 Million contribution, escalated annually, towards a local salt removal plant – with an original estimated cost of \$20 Million (2019 dollars). To date, Valley Water has reimbursed about \$1.3 million towards the design of the local salt removal plant and has continued to do so in good faith.
- A \$200,000 annual option payment is currently paid by Valley Water with annual escalation (\$613,000 so far). Once the Partnership Agreement option is exercised, the payment for wastewater will be \$1 million per year.



- Any portion of the \$16 Million contribution not utilized for the local salt removal plant will be available for other projects defined under the Partnership Agreement. Eligible projects include recycled water facilities or other water supply projects, including but not limited to water conservation capital projects, owned and operated by a Regional Water Quality Control Plant (RWQCP) Partner.
- The Partnership Agreement also contains a meet and confer provision if the cost estimate for the local plant exceeds \$20 Million. A potential win-win solution presented to your staff is consolidating the regional and local plant, with Valley Water providing the water quality enhancement of your non-potable recycled water through an expanded regional plant. This may save substantial capital and operational costs for Palo Alto and Mountain View, free up the limited room at the RWQCP, and result in a lower environmental footprint. Financial and administrative considerations would need to be negotiated to ensure a fair and equitable outcome for all our agencies.
- Additional financial benefit to the City of Palo Alto will occur with lease payments for the former Los Altos Treatment Plant Site.

2. GP5 funding

As I indicated above, we have reviewed the GP5 funding approach. As approved by Valley Water's Board, it is my discretion as CEO whether to use all or any part of the GP5 funding for Valley Water's obligation under the 2019 Partnership Agreement. Estimated total amounts of funds for the timeframe of the GP5 program through FY2024 are \$10.5 million for Palo Alto and \$8.5 million for Mountain View, which is the estimate of State Water Project (SWP) tax collected from FY 2019 until FY 2024. GP5 funding has not been used for reimbursement for the local plant expenditures nor does Valley Water intend to use GP5 for funding the \$16 million obligation under the 2019 Partnership Agreement.

Under Board approved guidelines, the GP5 program is intended for use on projects related to water conservation, recycled water, wastewater treatment plant upgrades, and Automatic Meter Infrastructure (AMI) updates. Valley Water has developed the program to approve projects and disburse these funds via partnership agreements and looks forward to discussing implementation with you. Eligible projects should be identified and approved by June 2024 and expenditures would be reimbursed through FY 2033. An extension of the timeframe for project approval beyond 2024 would be a Board decision.

3. Staff Funding Agreement

Recognizing the need to work efficiently with the RWQCP partners on the technical specifications and requirements for the regional facility, a draft funding agreement for City of Palo Alto staff time was transmitted to Palo Alto in January 2022. We understand that you may still be reviewing it, but please know that while we have not yet received a response to this proposal, Valley Water remains committed to providing sufficient funding to ensure staff resources are available to assist with the project including developing necessary agreements, review and feedback on technical requirements and specifications, regulatory coordination, CEQA and legal review. While we believe our proposed funding agreement adequately addresses Palo Alto's level of effort, we look forward to meeting with Palo Alto Public Works staff to further discuss the details of your needs to ensure we provide appropriate levels of funding and other support needed for this collaboration. In addition, Valley Water would be happy to assist in the recruitment for Palo Alto's liaison position by loaning Palo Alto one of our recruiters.

4. Water Conservation Funding

In addition to funding for the Purified Water Project and GP5, Valley Water partners with the Cities of Mountain View and Palo Alto to support your water conservation programs through multi-year contracts. The current contract with Palo Alto is for \$750,000 (2017-2022) with a new contract currently being developed for \$640,000 (2022-2025). Valley Water previously partnered with Mountain View in the funding

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of home water use reports. In addition to these agreements, since 2010, Valley Water has issued about \$3 million in landscape rebates for Palo Alto customers and about \$1 million for Mountain View customers.

Renewed Commitment to Activities Noted in 2019 Agreement

In summary, given that the GP5 funding issue was identified as an obstacle impeding our collaboration, Valley Water will not use this funding source toward our obligation under the 2019 Partnership Agreement. I hope that this clarification results in restarting our collaboration expeditiously to move the regional purification project forward.

As you know, Palo Alto's obligations under the Partnership Agreement included cooperating with Valley Water on the lease for a site of the regional plant, compliance under CEQA, as well as the Reverse Osmosis Concentrate (ROC). Right now, all work on the Purified Water Project in Palo Alto is on hold by Palo Alto staff's written notification to Valley Water staff. Valley Water hopes that you could confirm that work under the agreement to advance the regional plant is continuing. The items listed in your letter that staff would not work on are all included in the 2019 partnership agreement (Section 16 (pre-design and CEQA), Section 18 (ROC)). Our continued partnership and successful collaboration are paramount to complete the items needed for the regional project, including completing negotiation of a lease for the former Los Altos Treatment Plant site and the pump station at the RWQCP, obtaining pipeline right of way, continued collaboration with the Regional Board and negotiating an agreement on ROC management and operations, obtaining CEQA project approval, comprehensive plan amendment and subdivision of the site. We look forward to rescheduling the Palo Alto council study session and setting a schedule for executing a lease and ROC agreement, as these items are on the critical path for the project. We are also seeking coordination with Mountain View on storm drain infrastructure at San Antonio Road, as well as easements and right of way for the pipeline alignment.

In closing, I would like to reiterate our willingness to work better together in a fashion built on mutual respect to create win-wins for all parties. Based on the 2019 partnership agreement, Valley Water has made substantial investment in developing the regional program. In addition, inflationary pressures are driving up costs for capital projects. Fortunately, if we move quickly, significant infrastructure grant funding is currently available. Given all these factors, there is a very high cost of delaying this project in terms of real cost increases and potential of missed grant funding opportunities. The historic drought adds to our mutual public pressure to more efficiently use local water supplies.

I am ready to advance this partnership and ask for your cooperation and quick action towards the specific milestones needed to complete the regional Purified Water Project that is so crucial to the vitality of our entire region. I am committed to ensuring that our collaboration continues to be a model for the region. If you would like to meet to discuss further or have any questions, please let me or Melanie Richardson know.

Sincerely,



Rick L. Callender, Esq.
Chief Executive Officer