



SANTA CLARA VALLEY WATER DISTRICT

NON-AGENDA

November 22, 2023

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>
		CEO Bulletin: None.
		<u>BOARD MEMBER REQUESTS & INFORMATIONAL ITEMS</u>
3		BMR/IBMR Weekly Reports: 11/22/23
4		Memo from Marta Lugo, Deputy Administrative Officer, to Rachael Gibson, Chief of External Affairs, dated 11/15/23, providing letter from Vice Chair Barbara Keegan and Director Richard Santos to Santa Clara Mayor Lisa Gillmor.
6		Memo from Darin Taylor, Chief Financial Officer, to the Board, dated 11/24/23, responding to questions from Director Eisenberg related to the recently closed \$92 million WIFIA planning and design loan with the EPA for Pacheco Reservoir Expansion Project.
		<u>INCOMING BOARD CORRESPONDENCE</u>
12		Board Correspondence Weekly Report: 11/22/23
17		Email from Richard Kanazawa to Director Hsueh, dated 11/17/23, regarding debris and downed trees in creek near Quito Oaks development on Quito Road. C-23-0279
18		Letter from the Sierra Club to the Board, dated 11/20/23, providing suggestions for outreach and engagement for the Delta Conveyance Project and Water Supply Master Plan update. C-23-0280
22		Email from Thomas Lawrence to Director Hsueh, dated 11/19/23, regarding Calabazas Creek erosion. C-23-0281
23		Email from Afshin Rouhani to the board, dated 11/20/23, regarding Anderson Dam options. C-23-0282
		<u>OUTGOING BOARD CORRESPONDENCE</u>
26		Email from Director Hsueh to Jim Stallman, dated 11/20/23, regarding Sites Reservoir Project and concerns about commercial landscape water waste.
28		Email from Chair Varela to Sharon Luna, dated 11/20/23, regarding vegetation within West Little Llagas Creek along Llagas Creek Drive.

BOARD MEMBER REQUESTS and Informational Items

Report Name: Board Member Requests

Request	Request Date	Director	BAO/Chief	Staff	Description	20 Days Due Date	Expected Completion Date	Disposition
I-23-0030	10/26/23	Eisenberg	Baker	Williams	Director Eisenberg requests information on what Valley Water is doing in regard to reducing PFAS and PFAS pollution.	11/15/23		
R-23-0011	08/08/23	Eisenberg	Taylor	Chinte Salandan an	CEO 2023 travel with the following: For each time away, please provide: 1. Dates 2. Locations traveled to 3. Total cost 4. Whether the district paid in part or in whole (how much, and was it as a legitimate business expense or as a taxable perk) 5. If for official reasons, if not clear from the outside, please provide a brief (one sentence or even partial sentence is fine) description of the nexus -- e.g. "met with these senators in washington dc: warren, booker, and feinstein" 6. If the district only paid in part, I do not need to know what was happening during the personal time 7. Please provide the budget for travel for that time period and how the actuals compared with the budgeted (this should be very simple)	08/29/23		10/11/23 Information Only: BMR request was updated to change from BAO travel information to only CEO: CEO 2023 travel with the following: For each time away, please provide: 1.Dates 2.Locations traveled to 3.Total cost 4.Whether the district paid in part or in whole (how much, and was it as a legitimate business expense or as a taxable perk) 5.If for official reasons, if not clear from the outside, please provide a brief (one sentence or even partial sentence is fine) description of the nexus -- e.g. "met with these senators in washington dc: warren, booker, and feinstein" 6.If the district only paid in part, I do not need to know what was happening during the personal time 7.Please provide the budget for travel for that time period and how the actuals compared with the budgeted (this should be very simple); 09/08/23 Information Only: Two additional weeks need. Anticipated completion date of September 22.
R-23-0017	11/14/23	Beall	Baker	Williams	Provide regular updates to the Board or Board committee on the rehabilitation of the Sunnyoaks Percolation Pond and work with the City of Campbell and the Santa Clara County Fire Department on a resolution.	12/05/23		
R-23-0018	11/14/23	Beall	Callender	Taylor	Provide Director Beall with the number of low income senior exemption participants and consider comparing program with other low income senior exemptions programs offered by other agencies for other exemptions.	12/05/23		

TO: Rachael Gibson, Chief of External Affairs**FROM:** Marta Lugo, Deputy
Administrative Officer for
External Affairs**SUBJECT:** Letter from Vice Chair Barbara Keegan and
Director Richard Santos to Santa Clara
Mayor Lisa Gillmor**DATE:** November 15, 2023

Attached to this memorandum is the letter from Vice Chair Barbara Keegan and Director Richard Santos to Santa Clara Mayor Lisa Gillmor following up from the Mayor/City Manager meeting held on September 28, 2023. The letter was mailed out on November 1, 2023.



Marta Lugo
Deputy Administrative Officer for External Affairs

November 1, 2023

The Honorable Lisa M. Gillmor
Mayor, City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050

Dear Mayor Gillmor,


On behalf of Valley Water, thank you for the recent meeting with you, City Manager Jōvan Grogan, and Director of Water and Sewer Gary Welling, to discuss water supply, key Valley Water projects, and other water-related issues impacting the City of Santa Clara (City) and the entire region. The City has been a strong partner to Valley Water, and we value our productive working relationship.

We appreciated the opportunity to share the latest developments and get your feedback on the South San Francisco Bay Shoreline Project, and we look forward to continuing to work with the City as this project progresses. We also appreciated the opportunity to discuss our Capital Improvement Program (CIP) water supply projects, including the Purified Water Project, Anderson Dam Seismic Retrofit Project and Rinconada Water Treatment Plant Reliability Improvement Project. As we discussed during our meeting, Valley Water staff will reach out to City staff to continue the dialogue on these key projects.

In addition, thank you for providing information on the City's continued efforts on water conservation, including permanent conservation measures to prevent the wasteful use of water and maintaining a 15% voluntary call for water use reduction. We appreciate the City's efforts to continue to conserve water, especially as we work towards making water conservation a way of life in Santa Clara County. We also thank you for the City's continued support of expanding the use of advanced purified water to help bolster water supply resiliency and secure a sustainable, drought-resistant, and locally controlled water source for our future.

Again, thank you for making the time to discuss these important issues, and we look forward to our continued partnership. If you have any questions or need additional information, please feel free to contact. Marta Lugo, Deputy Administrative Officer for External Affairs, at 408-630-2237 or by email at mlugo@valleywater.org.

Sincerely,



Barbara F. Keegan
Vice Chair, District 2



Richard P. Santos
Director, District 3

cc: Board of Directors (7), Rick Callender, Jōvan Grogan
gy:cg
1018b-l

BOARD OF DIRECTORS

[John L. Varela](#) / Chair (District 1)

[Barbara F. Keegan](#) / Vice Chair (District 2)

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CHIEF EXECUTIVE OFFICER

[Rick L. Callender, Esq.](#)

CLERK OF THE BOARD

[Michele L. King, CMC](#)



TO: Board of Directors**FROM:** Darin Taylor**SUBJECT:** Responses to questions from Director Eisenberg related to the recently closed \$92 million Water Infrastructure Finance and Innovation Act (WIFIA) planning and design loan with the US Environmental Protection Agency (EPA) for the Pacheco Reservoir Expansion Project.**DATE:** November 24, 2023

On November 1, 2023 Director Eisenberg sent an email to staff that included several questions related to the recently closed \$92 million Water Infrastructure Finance and Innovation Act (WIFIA) planning and design loan with the US Environmental Protection Agency (EPA) for the Pacheco Reservoir Expansion Project. That email was attached to item 5.2 on the 11/14/23 Board Meeting agenda.

Staff has prepared a response in the form of the attached Q&A (Question and Answer) page, which is titled "Pacheco Reservoir Expansion Project WIFIA Loan Q&A."

Darin Taylor Digitally signed by Darin Taylor
Date: 2023.11.20 12:51:39 -08'00'

Darin Taylor
Chief Financial Officer
Office of the Chief Executive Officer

Pacheco Reservoir Expansion Project WIFIA Loan Q&A

1. When did the Board approve the WIFIA Program?

A: The Board passed Resolution 22-112 on Dec 13, 2022, in a 6 yes to 1 no vote (Director Eisenberg) authorizing the Water Utility WIFIA Program for Anderson and Pacheco, up to \$2.5 Billion, and authorizing the CEO, District Counsel and other officers and staff of Valley Water to take necessary actions to implement the program.

2. Did the Board receive financing cost estimate for the WIFIA loan program and review the terms and conditions of the program?

A: Yes, the December 13, 2022, Board agenda packet for the WU WIFIA Program included the Good Faith Cost Estimate in compliance with Government Code Section 5852.1, Supplemental Attachment 1: PowerPoint which summarized the overall program and key terms, and the Master Agreement, Loan Agreement and Term Sheet. The Good Faith Cost Estimate reflected an estimated annual true interest cost of 4.91%. This is relatively close to the Pacheco planning/design loan that was closed on October 30, 2023 with a 5.08% annual interest rate.

3. What are the loan terms for the \$92 million planning and design loan that was closed on October 30, 2023 and is it substantially similar to the information provided to the Board on December 13, 2022?

A: Valley Water closed a \$92 million planning and design loan on October 30, 2023 for the Pacheco Reservoir Expansion project. Valley Water will be repaying the loan with an interest only repayment period starting on June 1, 2032, principal repayment starting on June 1, 2052, and final maturity on June 1, 2062. Total debt service (principal and interest) for the loan, at the 5.08% interest rate, is currently projected at \$285.7 million, based on the assumption of five annual disbursements of loan proceeds starting in June 2024 through June 2028. The actual debt service payments will be calculated based on the timing of actual loan draws through the planning and design period, as well as timing of the repayment. Valley Water has the option to repay the loan at any time, without any prepayment penalties, thereby potentially reducing the overall interest cost of the loan. The proceeds from this loan will be used to fund planning and design costs only. No loan proceeds were drawn on October 30, 2023, and staff currently does not plan on drawing on the WIFIA loan for FY 2024 or FY 2025.

Execution of this loan and the related agreements does not commit the Board to take a definitive action or limit the Board in exercising any discretion pursuant to the California Environmental Quality Act (CEQA) review of the project, including (1) considering other feasible alternatives and mitigation measures to avoid or minimize project impacts, (2) making modifications deemed necessary to reduce project impacts, or (3) determining

not to proceed with the project. Staff is currently targeting bringing the final Environmental Impact Review and Environmental Impact Statement to the Board for consideration in mid-2026.

The loan terms are substantially similar to the information provided in the December 13, 2022, Board agenda packet and approved by the Board per Resolution 22-112. There were minor changes to the dates of the loan as closing of the loan was originally anticipated to occur shortly after the Board Meeting on December 13, 2022, but subsequently occurred on October 30, 2023.

4. Can staff bring debt closings back to the Board to confirm the interest rate and terms prior to closing?

A: This is not practical. For WIFIA loans, interest rates are set on the closing date. For competitive debt issuances, the debt immediately trades after competitive bids are taken. For negotiated debt issuances, contracts of purchases are executed with underwriters after the order period to lock in interest rates. In other words, the interest rate setting process is such that it's not practical to return to the Board to confirm the interest rate, given the 6 or more weeks of lead time required to prepare and agendize items for Board meetings and comply with California Brown Act.

Instead, staff provides projected interest rates in all Board approval package for financings, including the Good Faith Cost Estimate pursuant to state law (Government Code Section 5852.1). Staff also presents the major terms and substantially final financing documents as part of Board approval packages, but the timing of debt issuances, and legally required disclosure publication requirements (e.g. Official Statement), is such that it's impractical to seek Board approval on the final interest rate(s) prior to the rate setting dates as described above.

5. What is the basis for the estimated \$45 million in debt service savings, compared to issuing long-term debt in the capital markets, over the life of the \$92 million planning and design loan closed on October 30, 2023?

A: Staff worked with Valley Water's Municipal Advisor, Public Resources Advisory Group, to create a financial model to compare the interest cost for the \$92 million WIFIA loan against issuing long-term bonds with similar repayment terms at market rates. The market rates were benchmarked against (a) the Municipal Market Data AAA General Obligation Index plus credit spreads ranging from -0.14% to 0.45% for a tax-exempt issue, and (b) U.S. Treasury Rates plus additional credit spreads ranging from 0.25% to 1.52% for a taxable issue, based on historical and current pricing trends for Valley Water and similar municipal debt issuers. Based on this calculation, the WIFIA loan would result in \$45 million in lower interest paid over the life of the loan compared to a long-term debt issuance in the capital markets.

6. Did Valley Water provide full disclosure about matters related to litigation to the EPA prior to the loan closing?

A: Yes, full disclosure was provided to the EPA pursuant to the Litigation Schedule included in the Master Agreement, as of the closing date on 10/30/2023.

7. How is the WIFIA loan secured?

A: The WIFIA loan is secured by water utility revenues pursuant to the Water Utility Parity Master Resolution (Resolution 16-10), as amended, which governs all debt issuances for the Water Utility enterprise fund.

8. Is Uniform Commercial Code (UCC) Article 9 Secured Transactions applicable to Valley Water?

A: : Section 5451 of the California Government Code governs the pledge of revenues by public agencies like Valley Water, not UCC Article 9. As a result, UCC Article 9 is not applicable to Valley Water. Furthermore, Valley Water has not pledged any physical assets to secure the WIFIA loan.

9. Will a delay or cancellation of the Pacheco project lead to complete acceleration, including interest, of the \$92M planning and design loan for Pacheco, and the Anderson WIFIA planning and design loan?

A: The current planning and design WIFIA loans for both Anderson and Pacheco do not obligate the Board to take a definitive action or limit the Board in exercising any discretion pursuant to the California Environmental Quality Act (CEQA) review of the project, including (1) considering other feasible alternatives and mitigation measures to avoid or minimize project impacts, (2) making modifications deemed necessary to reduce project impacts, or (3) determining not to proceed with the project.

A delay or cancellation of the project(s) would not result in acceleration, including interest, of either planning design loans Valley Water has executed for the Anderson and Pacheco projects.

10. Will canceling the Pacheco project cause an event of default for the WIFIA loan?

A: The \$92 million WIFIA Planning and Design Loan is for planning and design costs of Pacheco Reservoir only, there is no default under the WIFIA Planning and Design Loan in the event that the Pacheco Reservoir is not constructed and, as a result, there would be no acceleration of the Pacheco WIFIA Planning and Design Loan and the Anderson WIFIA Planning and Design Loan.

11. Was the EPA informed of the Board's direction to solicit up to 35% partnership to fund the Pacheco project? Is this a requirement for the WIFIA loan?

A: In the Letter of Interest submitted to the EPA in July 2021, Valley Water included a discussion on "Public Agency Partnerships" which described Board direction provided at the May 11, 2021 Board meeting to seek up to 35% participation from interested public agencies to share the cost and storage benefits associated with the Project, and that this is an uncertain funding source. Furthermore, in February 2023, staff submitted the Official Statement for the Water Utility System Refunding Bonds Series A/B and Certificates of Participation Series C1/C2/D to the EPA, which also included disclosures that Valley Water is still working on seeking additional partners to participate in the Project.

The WIFIA Planning and Design Loan and the Master Agreement do not require Valley Water to secure any amount of partnership funding for the Pacheco project.

12. Have borrowing rates moved materially higher than forecasted in the water rate forecast model for the Pacheco Reservoir Expansion Project?

A: Not at this time. In general, Finance staff conservatively projects borrowing rates for the purpose of the water rate forecast model. The projected financing costs for the Pacheco Reservoir Expansion Project that staff presented to the full Board on March 16, 2023 under Item 2.4 assumed a WIFIA loan borrowing rate of 4.7% for the planning and design loan (the maximum actual rate will be slightly higher at 5.08%, but Valley Water has an opportunity to reset the rate lower in the next couple of years as long as Valley Water does not draw on the loan), and a 5.7% borrowing rate for the construction loan (current borrowing rates are near 4.6% at the time of this writing, which is lower than the 5.7% assumed for the construction loan). In other words, the projected financing cost information provided to the Board on March 16, 2023 is still a valid forecast at this time. It is true that future borrowing costs could be higher than forecasted, but they could also be lower.

INCOMING BOARD CORRESPONDENCE

Board Correspondence (open)

Correspond No	Rec'd By District	Rec'd By COB	Letter To	Letter From	Description	Disposition	BAO/ Chief	Staff	Draft Response Due Date	Draft Response Submitted	Writer Ack. Sent	Final Response Due Date
C-23-0045	02/23/23	02/24/23	All	MELISSA MALLORY	EMail from Melissa Mallory regarding unhouse along Los Gatos Creek Trail.	Refer to Staff	Blank	Codianne Yerrapotu	03/04/23	03/03/23	n/a	03/10/23
C-23-0076	03/31/23	04/03/23	All	H.K. WILLARD	Email from H.K. Willard to the Board dated 3/31/23 regarding misleading information in March Water News.	Refer to Staff	Gibson	Rocha	04/11/23	04/07/23	n/a	04/17/23
C-23-0101	05/12/23	05/12/23	All	STEVE KELLY	Email from Steve Kelly, to the Board, dated 5/12/23, regarding concern for unhoused that may cause threats to residents living near the creeks in Santa Clara.	Refer to Staff	Blank Yerrapotu	Codianne	05/20/23	05/22/23	n/a	05/26/23
C-23-0211	08/24/23	08/24/23	Varela	LUIS RAMIREZ	Email from Luis Ramirez to Chair Varela, dated 8/24/23, regarding homeless in Gilroy on Valley Water property.	Refer to Staff	Hakes	Codianne	09/01/23	08/30/23	n/a	09/07/23

Correspond No	Rec'd By District	Rec'd By COB	Letter To	Letter From	Description	Disposition	BAO/ Chief	Staff	Draft Response Due Date	Draft Response Submitted	Writer Ack. Sent	Final Response Due Date
C-23-0212	08/24/23	08/24/23	Santos	ERIC HA	Email from Eric Ha to Director Santos, dated 8/24/23, regarding unhoused individual setting fire behind property.	Refer to Staff	Hakes	Codianne	09/01/23	08/30/23	n/a	09/07/23
C-23-0235	09/21/23	09/22/23	All	JESSICA CALDERON	Email from Jessica Calderon to the Board, dated 9/21/22 regarding the unhoused at Church st./Howson Creek Monterey Road/Howson Creek, Gilroy.	Refer to Staff	Hakes	Codianne	09/30/23	09/25/23	n/a	10/06/23
C-23-0239	09/24/23	09/25/23	Beall	KATHLEEN O'CONNELL	Email from Kathleen O'Connell to the Director Beall, dated 9/24/23, regarding Water Resource Protection Zone at the upcoming Cherry Avenue EIH project.	Refer to Staff	Hakes	Codianne	10/03/23	09/27/23	n/a	10/09/23
C-23-0261	10/20/23	10/23/23	All	MICHAEL TRIULZI	Email from Michael	Refer to Staff	Yoke	Ndah	10/31/23	-	n/a	11/06/23

Correspond No	Rec'd By District	Rec'd By COB	Letter To	Letter From	Description	Disposition	BAO/ Chief	Staff	Draft Response Due Date	Draft Response Submitted	Writer Ack. Sent	Final Response Due Date
					Triulzi on behalf of Sanjay Garla, First Vice President, SEIU-USWW, to the board, dated 10/20/23, expressing concern about the impact the pending bid decision for a new janitorial service may have on SCVWD and the janitorial workers who service District facilities.							
C-23-0266	10/31/23	10/31/23	All	JOHN GUISLIN	Email from John Guislin to the board, dated 10/31/23, expressing concern for Creek Flooding mitigation along San Francisquito Creek.	Refer to Staff	Hakes	Yerrapotu	11/08/23	11/06/23	n/a	11/14/23
C-23-0267	11/03/23	11/03/23	Varela	ROCHELLE BEERLI	Email from Rochelle Beerli to Chair Varela, dated	Refer to Staff	Richardson	Mccarter	11/11/23	11/16/23	n/a	11/17/23

Correspond No	Rec'd By District	Rec'd By COB	Letter To	Letter From	Description	Disposition	BAO/ Chief	Staff	Draft Response Due Date	Draft Response Submitted	Writer Ack. Sent	Final Response Due Date
					11/03/23, conveying questions about Pacheco Dam.							
C-23-0278	11/14/23	11/15/23	Beall Estremera	ALETTE LUNDEBERG	Email from Alette Lundeborg to Directors Estremera and Beall, dated 11/14/23, regarding access to the locked park on Williams Street across from the William Street Park.	Refer to Staff	Yoke	Ndah	11/23/23	-	n/a	11/29/23
C-23-0279	11/17/23	11/20/23	Hsueh	RICHARD KANAZAWA	Email from Richard Kanazawa to Director Hsueh, dated 11/17/23, regarding dead vegetation and downed trees in the creek bed near the area of the Quito Oaks development on Quito Road, Saratoga.	Refer to Staff	Hakes	Codianne	11/28/23	-	n/a	12/04/23
C-23-0280	11/20/23	11/20/23	All	KATJA IRVIN Water	Letter from Sierra Club to	Refer to Staff	Gibson Baker	Rocha Gin	11/28/23	-	n/a	12/04/23

Correspond No	Rec'd By District	Rec'd By COB	Letter To	Letter From	Description	Disposition	BAO/ Chief	Staff	Draft Response Due Date	Draft Response Submitted	Writer Ack. Sent	Final Response Due Date
				Committee - Sierra Club, Loma Prieta Chapter	the board, dated 11/20/23, providing input on outreach and engagement processes.							
C-23-0281	11/19/23	11/20/23	Hsueh	THOMAS LAWRENCE	Email from Thomas Lawrence to Director Hsueh, dated 11/19/23, regarding embankment repair on Calabazas Creek.	Refer to Staff	Hakes	Codianne	11/28/23	-	n/a	12/04/23
C-23-0282	11/20/23	11/21/23	All	AFSHIN ROUHANI	Email from Afshin Rouhani to the board, dated 11/20/23, regarding Anderson Dam Options.	Refer to Staff	Richardson	Mccarter	11/29/23	-	n/a	12/05/23

Michele King

Subject: FW: Creek management

From: RICHARD M KANAZAWA [REDACTED]
Date: November 17, 2023 at 2:53:41 PM EST
To: Nai Hsueh <NHsueh@valleywater.org>
Subject: Creek management

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

I would like to bring to your attention the debris of dead vegetation and downed trees in the creek bed near the area of the Quito Oaks development on Quito Road. This might lead to flooding and damage from additional debris being swept into the area.

Richard Kanazawa
[REDACTED]

Sent from my iPad



November 20, 2023

Board of Directors
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118

Via email to:

Clerk of the Board <clerkoftheboard@valleywater.org>
Board of Directors <Board@valleywater.org>
John Varela <jvarela@valleywater.org>
Tony Estremera <testremera@valleywater.org>
Barbara Keegan <bkeegan@valleywater.org>
Richard Santos <rsantos@valleywater.org>
Jim Beall <jbeall@valleywater.org>
Nai Hsueh <nhsueh@valleywater.org>
Rebecca Eisenberg <reisenberg@valleywater.org>

Re: Request made by Director Hsueh at April 25 and August 22 Board meetings regarding Valley Water follow up on Sierra Club comments about public outreach.

Dear Board Members,

Thank you for providing the opportunity for the Sierra Club to speak with Valley Water staff about outreach and engagement for the Delta Conveyance Project and the Water Supply Master Plan update. We are following up with the Board because we know board members have an interest in fostering greater community involvement.

Sierra Club submitted a comment letter for the Valley Water Board meeting on April 25th that stated "We recommend scheduling stakeholder outreach and Board agenda items to get input on cost-benefit analysis and water supply portfolio analysis first before analysis begins, and later to provide comments on draft reports summarizing these analyses [via Water Supply Master Plan update process]." In return, Director Hsueh recommended that Valley Water staff schedule a meeting to discuss plans for community outreach and engagement around Valley Water water supply projects.

Sierra Club met with Valley Water staff on September 28th to discuss some

proposals for increased outreach and engagement with the community. We felt this was a productive discussion with possibility for follow up on our suggestions.

On October 17, we sent the following suggestions to staff to provide specific ideas for consideration and possible implementation. Our suggestions include general outreach ideas, ideas for a series of BLOGs on the Water Supply Master Plans, and ideas for better outreach and communication about the Delta Conveyance Project.

General Recommendations

1. We recommend developing an outreach toolbox and outreach guidelines to guide public engagement efforts for all projects. Please consider the following suggestions for the toolbox/guidelines:
 - a. Outreach (newsletter articles, social media posts, etc.) could include invitations for further engagement. Opportunities for engagement include future Board and Committee agenda items, opportunities for community groups to schedule a presentation, and how to sign up for project notifications.
 - b. Project web pages should include a clear way to sign up for project notifications.
 - c. Notification lists could be more robust in general. State agencies have lists on various topic areas and provide the ability to see all the lists and sign up for notifications.
 - d. Whenever possible, also send notifications to the press. The Department of Water Resources (DWR) has a list for media advisories.
 - e. Projects that receive grants appear to have more robust public engagement. Can those engagement requirements be applied more broadly?
 - f. Outreach meetings should include a participatory element such as a survey or post-it note exercise.

Water Supply Master Plan (WSMP)

2. To educate and engage the general public, Valley Water should publish a series of monthly or bi-monthly blogs about water supply and the WSMP. Here are some specific recommendations for blog topics, with a thought towards building a narrative that will keep people's interest:
 - a. WSMP background: where water supply comes from, how it is used, and anticipated changes in water supply; and WSMP Update process.
 - b. Water supply issues and how Valley Water is currently addressing them in WSMP 2040. One issue of importance is uncertainty, including uncertain demand increases (or decreases).

- c. Introduction to WSMP 2050 and how it is different from WSMP 2040.
- d. Separate blogs about each Project Type category (alternative supply, surface water supply, storage, and recharge & pipelines), which could include comparing the projects based on important criteria (Sierra Club would like to see information on about environmental impacts and impacts on water rates)

Delta Conveyance Project (DCP)

- 3. Re-publish relevant DWR materials through all social media channels, etc. Include information about the relationship to local water supply. According to the DCA Accomplishments - September 2023 (October 10, 2023 Board Agenda Packet), "The DCP Communications Team is supporting water education by pushing out localized data surrounding the relevance of the State Water Project to each member agency."
- 4. [Update Valley Water DCP web page](#). We offer the following suggestions:
 - a. Add links to recent Board agenda items about the DCP including November 9, 2021 and April 25, 2023.
 - b. Add some material or a fact sheet about Valley Water participation in DCP: cost and percent Valley Water will fund, benefits for Santa Clara County, participation in Design and Construction Authority (DCA) and Finance Authority (DCFA), etc.
 - c. Add a reference/link to the WSMP Update process.
 - d. Add links to specific DWR items that might be of interest to people in Santa Clara County such as fact sheets, DCA and DCFA documents, Environmental Impact Report, project schedule, and how to sign up for updates.
 - e. For the sake of transparency and full disclosure, provide information on the impacts from construction and operation of the DCP, describing environmental, social, and economic impacts on the Delta and how those impacts will be mitigated.

For our part, the Sierra Club Loma Prieta is planning two webinars next year about the Delta Conveyance and water supply. We look forward to inviting Valley Water to participate.

We hope the Board will continue to advocate for expanded public engagement on Valley Water projects and planning efforts. Please feel free to contact us to discuss these or other suggestions to improve community outreach.

Sincerely,

Katja Irvin, AICP
Guadalupe Group Conservation Chair
Sierra Club Loma Prieta Chapter

Molly Culton
Chapter Organizing Manager
Sierra Club California

Michele King

Subject: FW: Calabazas Creek erosion carve out public safety danger

From: Thomas Lawrence [REDACTED] >

Date: November 19, 2023 at 4:11:47 PM PST

To: Nai Hsueh <NHsueh@valleywater.org>

Cc: Till Guldemann [REDACTED] >, Vita Bruno [REDACTED] >, Bruce Bruno [REDACTED]

[REDACTED], Connie Curry <[REDACTED]>, Joshua Williams [REDACTED]

[REDACTED], Tadashi Okuno [REDACTED], Gurpreet Lally [REDACTED] >,

Donna Guldemann [REDACTED], Jennifer Codianne <JCodianne@valleywater.org>

Subject: Re: Calabazas Creek erosion carve out public safety danger

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Nai, would you please advise if Valley Water is planning to undertake embankment repair work on the Calabazas Creek channel carve out near Via Regina created in the flooding this past January. As we have mentioned, any further erosion in this area threatens to sever the road and access for both residents and emergency responders. Are there other persons / agencies that we should also make aware of this dangerous situation? Thank you again for your site visit.

Thomas Lawrence
[REDACTED]

On Nov 8, 2023, at 5:13 PM, Thomas Lawrence [REDACTED] wrote:

Dear Board Member Nai, I am writing to followup on our conversations during your site visit to Via Regina last Wednesday. The persons I have copied on this email are the residents you met at your site visit.

Please advise if Valley Water has made any decisions on actions to restore the creek flow channel embankment to the west of Via Regina where any additional flooding erosion could sever access to Via Regina residents and emergency services. The time available to restore this channel area before more rains is becoming more limited which is increasing our concern level.

Thank you in advance for taking this danger under consideration.

Thomas Lawrence
[REDACTED]

Michele King

From: Afshin Rouhani [REDACTED]
Sent: Monday, November 20, 2023 5:54 PM
To: Board of Directors
Subject: Anderson Dam Options

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Dear Members of the SCVWD Board of Directors,

My name is Afshin Rouhani. I retired after 29 years working for the water district last year. As some of you may remember, I was unit manager for the District's Water Resources Policy and Planning group for many years, conducting and overseeing watersheds planning projects and the methodology of the planning process. I had meant to contact you regarding the Anderson Dam project before; however, the recent news article noting the project's increased cost to above \$2 Billion added urgency to my thoughts:

[Anderson Dam: Cost to rebuild major reservoir rises to \\$2.3 billion, tripling from two years ago \(mercurynews.com\)](https://www.mercurynews.com/2023/11/19/anderson-dam-cost-to-rebuild-major-reservoir-rises-to-2-3-billion-tripling-from-two-years-ago/)

My concerns re the project can be summarized as follows: I am concerned that this project, a very significant investment of public funds, has not been adequately investigated and planned and may therefore not be the best way to address the organization's real objectives and needs.

I feel this is because, as the project transitioned in the design phase from a seismic repair effort during its first few years to a full dam replacement effort, and as that latter effort grew more and more complex over the years, there was no attendant serious restudy of the project to analyze whether the full size in situ dam replacement project currently being designed is the best alternative or whether there are other alternatives or combinations of projects that achieve the water district's objectives better, perhaps even meeting more organizational objectives and at a lesser cost. As costs have skyrocketed past \$2 billion, this has become a more and more critical issue, though the issue existed before.

On the project's website, the only full-blown planning study that has been conducted for the project, the Anderson Dam Planning Study Report, was done in 2013! This study recommended that a portion of the dam be removed and replaced with new materials that thereby would address the seismic issues identified. This was the project that was taken into detailed design: a dam repair project. As design went on, it was realized that such a repair project would not be effective and that the entire dam needed to be removed and replaced. This was a momentous change in the project in terms of both scale (cost and schedule) and impacts (permitting). But while the cost and effort issues were realized and calculated, the fundamental change inherent in this switch from a maintenance project to a replacement/improvement project was seemingly not understood. This "change" is because once the design team discovered that the dam would need to be removed entirely, a whole host of new possibilities and alternatives opened up that had previously not existed in a strictly repair project. This is not an unusual missed point of inflection in public works: a facility that has served a purpose for a long time requires extensive repairs or replacement and the organization, tied to historical thinking about its

facilities and how it has always done things, only thinks of ways it can continue to do things the same way no matter what.

But the point of public infrastructure is to serve the organization's long-term goals, not to perpetuate the identical infrastructure to do so. So, what are the goals that need to be served now and into the future, taking into account many issues we did not know about in 1950 when Anderson Dam was originally built? To capture local water supply? To serve as local storage for Delta deliveries? To serve as emergency storage pool of water? Notice that none of these objectives requires a specific dam of a specific size at this specific location. For example, the dam location could be different, the dam size does not have to be the same, even the whole concept of a new dam as the only viable option to meet the District's objectives should be examined. Unfortunately, none of this happened in a systematic and thorough manner through an updated planning study, as it should have, befitting the huge investment in public funds inherent in the proposed project even when it was estimated as far under \$1 Billion. The District instead has proceeded down the design and permitting track as if a large earth dam at the exact current location is somehow the only option possible.

Even as the project costs have skyrocketed past first several hundred million, then \$1 Billion, and now \$2 Billion (and does the Board really know how much more costs will escalate, given past experience?), the organization seems to be disinterested in exploring alternatives. \$2.3 Billion is a lot of money. Is a very large new dam with its attendant long-term operation and maintenance issues and continuation of very significant flow and environmental habitat impacts on the Coyote Creek watershed the one and only way to meet the organization's overall water supply objectives? What is the comprehensive benefit to cost ratio of this dam and how does it compare to the many alternatives possible to meet our water supply goals? My point is that the Board simply does not know the answer to these questions because no comprehensive study has been done to compare the potential ways to meet the Board's water (and also environmental, and flood protection) objectives at this time.

Perhaps this new, shocking cost increase can be an incentive to stop the train and take the long overdue step to spend some time to really consider the options available before it's too late (noting that the FERC compliance tunnel project should proceed with all speed, of course). I strongly urge the Board members to ask management serious questions about a renewed and updated planning effort for this momentous undertaking. The water district has a very carefully thought out program and process to plan Capital projects and rigorously implements this process for projects of all sizes. You also have many excellent engineers, planners, and biologists who could do an excellent job conducting and overseeing the effort. But on the largest project it has undertaken, the organization is relying on a seriously outdated project decision. Why?

Respectfully,

Afshin Rouhani, PE
San Jose

OUTGOING BOARD CORRESPONDENCE

Michele King

Subject: FW: Subject: More water (a good thing)

From: Candice Kwok-Smith On Behalf Of Board of Directors
Sent: Monday, November 20, 2023 8:15 AM
To: [REDACTED]
Subject: Subject: More water (a good thing)

Sent on Behalf of Director Hsueh:

Dear Mr. Stallman,

Thank you for your interest in the Sites Reservoir Project and for expressing your concern about commercial landscape water waste.

Regarding the Sites Reservoir Project, the Project is currently fully subscribed, with additional interested parties on a "waiting list" to participate if existing participants drop out or reduce their participation level. The Valley Water Board of Directors sent a letter to the Sites Reservoir Project Managers on July 14, 2022, expressing interest in increasing our participation level should space become available. The Sites Project Managers placed Valley Water on the waiting list at that time. We anticipate that current participants will make a final decision about their level of participation in early 2025, at which time we will know if there's an opportunity to expand our participation.

Regarding your concerns about water waste in the commercial sector, in June 2022, a state-wide temporary emergency regulation was enacted prohibiting irrigation of non-functional turf (NFT) at commercial, industrial, and institutional properties. Valley Water bolstered the state's ban on irrigating NFT by adding the prohibition to our water waste ordinance which lists permanent water waste prohibitions and defines enforcement measures for water conservation in Santa Clara County. The ban on irrigating NFT was recently made permanent at the state level through the approval of AB 1572 which will take effect in a phased approach starting 2027 through 2031.

Valley Water has a robust water conservation outreach program that includes direct mailings and emails, billboards, radio, TV, social media, and trade publication ads. In addition to our efforts to inform commercial, industrial, and institutional (CII) entities about the ban on watering NFT, we also promote our commercial rebate program which offers up to \$200,000 in rebates

for CII's to replace lawns with mulch or native plants, upgrade irrigation systems, and/or install water-efficient technologies.

Valley Water also provides water conservation program and ordinance updates at its Landscape Summit, held annually for landscape professionals, and was included in a panel discussion at the 2023 Landscape Water Use Symposium regarding rebate participation and water waste restrictions. We will continue to promote our water conservation message and incentives as the state-wide permanent ban approaches and will work closely with our water retailers to communicate the ban and ensure compliance.

Again, thank you for your interest in the Sites Reservoir Project and commercial landscape water waste. If you have any further questions or concerns, please contact Vincent Gin, Deputy Operating Officer of Water Supply, at (408) 630-2633 or VGin@valleywater.org.

Sincerely,



Nai Hsueh
Director, District 5

C-23-0270

From: Jim Stallman [REDACTED]
Date: November 7, 2023 at 4:48:22 PM PST
To: Nai Hsueh NHsueh@valleywater.org
Subject: More water (a good thing)

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News today is Sites being exempted from delay due to possible CEQU challenges. It should be green lighted by mid next year with completion in 2032. Please request two things as my representative on the VW board:

1. Inquire on VW boosting its stake in Sites (I am expecting a call back from Jerry Brown to see if this opportunity exists).
2. Ask for the lessons learned from the recent water conservation effort pertaining to getting proactive compliance by commercial landscape contractors to prevent water waste. I recall (and can probably dig up an email stating) that VW failed to even host a meeting with the contractors over this.

Thank you.

Michele King

Subject: FW: Concerns with debri in the Llagas Creek on Llagas Drive.
Attachments: F1_Vegetation Control & Sediment Removal for Capacity_Fact Sheet.pdf; Llagas Project Map_070720 (1).pdf

From: Candice Kwok-Smith **On Behalf Of** Board of Directors
Sent: Monday, November 20, 2023 4:06 PM
To: [REDACTED]
Cc: [REDACTED]; victoria.lam01@bos.sccgov.org; district1@bos.sccgov.org
Subject: Re: Concerns with debri in the Llagas Creek on Llagas Drive.

Sent on Behalf of Chair Varela:

Dear Sharon Luna,

Thank you for reaching out to us again regarding vegetation within West Little Llagas Creek along Llagas Creek Drive. As this section of Llagas Creek is primarily an unmodified channel, there is not a clearly-defined level of service to which the creek is managed. Valley Water staff inspected this reach on November 10, 2023, vegetation is growing in the channel however it should not pose issues to flow capacity.

At the upstream end of the underground box culvert at Llagas Road, a temporary masonry wall was constructed by the City of Morgan Hill to match the prior culvert capacity. This wall will constrict downstream flows to prevent inducing downstream flooding until Phase 2B of the Upper Llagas Creek Flood Protection Project is constructed. Phase 2B will remove this constriction at Llagas Road upon completion of the downstream channel improvements. Because of this existing constriction, the channel vegetation downstream (south) of Llagas Road can be allowed to grow and maintenance deferred longer than normal or is typical.

As stated above, this section of creek lies within the footprint of the Upper Llagas Creek Flood Protection Project, please see this link for project information [E6: Upper Llagas Creek Flood Protection* | Santa Clara Valley Water](#). Flood protection facilities have already been constructed from Watsonville Road to Llagas Avenue (1.6 miles) within San Martin and from Highway 101 to Buena Vista Avenue having been completed under Phase 1 (4.2 miles). Llagas Avenue downstream (south) to Highway 101 construction is scheduled to be completed in Phase 2B.

Phase 2B construction is approximately 8.9 miles in length and consists of the construction of approximately 1,900 linear feet of twin reinforced concrete box culverts (10 ft x 9 ft), creek modifications and excavation by widening and deepening, installation, and modification of culverts at various street crossings, construction of an inlet basin weir split-flow structure near intersection of Hale Avenue and Wright Avenue, and bridge underpinning foundation reinforcement work. Following construction, thousands of native revegetation plantings will be installed and maintained during a 3-year plant establishment period.

Construction on this Phase 2B could start as early as June 2024.

Please contact Jennifer Codianne, Deputy Officer for Watersheds Operations and Maintenance at jcodianne@valleywater.org for follow up information.

You may also use our online system at <https://access.valleywater.org/s/>.

Thanks again for contacting us.

Sincerely,



John Varela
Chair, District 1

C-23-0277

From: Sharon Luna <[REDACTED]>
Sent: Monday, November 13, 2023 1:58 PM
To: John Varela <jvarela@valleywater.org>
Cc: Connie Ludewig <[REDACTED]>; victoria.lam01@bos.sccgov.org; district1@bos.sccgov.org; Board of Directors <board@valleywater.org>
Subject: Fw: Concerns with debri in the Llagas Creek on Llagas Drive.

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San Martin
Neighborhood
Association

Subject: Concerns with debri in the Llagas Creek on Llagas Drive.

Good afternoon Mr. Varela,

I hope that you are doing well . The reason for my email is to address a concern with the debris in Llagas Creek on Llagas Drive. A resident made a post on Nextdoor and the San Martin Neighborhood Association has been hearing the same concerns regarding the creek. The experience that I have when doing the SMNA trash bashes around the creek is that people are using it as a dumping ground. I know that Valley Water has been very concerned about the creeks and we even had a rate increase based on the need to clean up creeks, so I am surprised that cleanup efforts are not being done. Below is what the resident wrote on Nextdoor:

Why isn't Valley Water taking care of the creek debris to prevent flooding? Funny how Valley Water can post this sign but do nothing to fix the problem. The sign is right in front of the creek that I took these photos of. It's filled with so much

debris that when it rains hard, the water will not be able to flow freely and will back up and cause flooding on Llagas as seen in the past. Just wondering if others are concerned about potential flooding?

There were numerous negative comments regarding this topic. I posted how residents could get in touch with you and others to work through the concern. Posting on Nextdoor does not solve the problem.

I hope that you can address this concern by getting a crew out to this location to clean the creek up. If there is a concern of why can not be done please let me know.

Thank you for all you do and I look forward to your response.

Sincerely,
Sharon Luna
SMNA Board Director

Sent from my T-Mobile 5G Device



Safe, Clean Water
and Natural Flood Protection

PRIORITY F

PROJECT F1: Vegetation Control and Sediment Removal for Capacity

PRIORITY F Support public health and public safety for our community

YOUR TAX DOLLARS AT WORK



Valley Water

Safe,
Clean
Water

and Natural Flood Protection

About the Project

Project F1 supports Valley Water's ongoing vegetation control and sediment removal activities that reduce flood risk by maintaining the design conveyance capacity of flood protection projects. The project includes controlling in-stream vegetation and tree growth and removing sediment at appropriate intervals. Before carrying out in-stream maintenance, Valley Water's personnel perform biological pre-construction surveys to minimize environmental impacts. Any unavoidable impacts are mitigated through environmental restoration and improvement projects.

The project also helps fund future maintenance of flood protection projects completed under the Safe, Clean Water Program. It comprises two sub-projects that support Valley Water's ongoing vegetation control and sediment removal activities. Specifically, they are:

- F1.1 Vegetation Control for Capacity
- F1.2 Sediment Removal for Capacity



Sediment removal at Sunnyvale East Channel.

Benefits

This project helps ensure existing flood protection projects continue to provide flood protection and improve and protect stream water quality.

Key Performance Indicator

Maintain completed flood protection projects for flow conveyance.

History of Santa Clara County Creeks

Historically, streams in Santa Clara County would slowly meander, soaking into the earth through gravels and aquifers, feeding seasonal ponds and wetlands that expanded and

contracted with flood and drought. Sediment and debris carried by these flows accumulated causing redirection of the stream's course or flooding. As these wetlands and seasonal ponds were drained for agriculture and development, streams were channelized and neighborhoods were built, reducing the usable area for the streams to fan out naturally. As the population and agricultural use peaked, so too did the pumping of the Valley's vast aquifer. As a result of aquifer depletion, the elevation of the valley floor subsided, prompting the need to construct levees and flood control structures. These structures would raise the elevation so that seasonal flows could be contained within a more narrow floodplain.

Releases from water storage facilities in the upper watersheds of our creeks sustain native fish populations and recharge ground water but also contribute to increased variation in seasonal vegetation density, sedimentation and erosion. Today, these channelized flood protection structures rush water through the landscape to keep the residents of Santa Clara County safe from floods. However, they require significant maintenance and repair given that human interventions have altered the natural role of the wetlands.



In-stream vegetation control at Los Coches Creek.

Sediment and Flow Conveyance

Sediment and debris washed downstream can restrict the flow of water in some areas. During a heavy storm, these restricted flow areas could cause water to back up, increasing the risk of flooding. Crews remove sediment to allow stormwater to flow through the creeks as designed. Selective removal of in-stream vegetation maintains flow conveyance in streams and riparian corridors. This work is performed in the warmer and low rain months in preparation for fall and winter flows. In salmonid streams, work must generally be done between June 15 and October 31, to allow for the upstream migration of spawning adult steelhead.



The Sunnyvale East Channel before sediment removal.



The Sunnyvale East Channel after sediment removal.

Vegetation and Flow Conveyance

Vegetation plays a dynamic role in the way streams behave. Grasses, herbs, shrubs, and trees sink their net-like roots deep into banks and covered by organic matter, form a natural filtration, soil erosion protection, and bank stabilizing subsoil network. This network of roots taps directly into the stream and the aerial parts of these plants form the riparian canopy. This canopy is vitally important—not just to birds and insects, but for water quality. In addition to being visually pleasing, the canopy's shade prevents the growth of algae, weeds, and cattails; lowers the water temperature, making it more suitable for wildlife and aquatic species.

While shaded creeks may be a desirable outcome, some of the vegetation eventually needs to be cleared out to maintain the design flow conveyance capacity. Valley Water works to identify creeks within its land rights that are in need of periodic maintenance.

Beneficial Reuse of Sediment for Restoration

To the extent possible, Valley Water coordinates its sediment removal work with **Safe, Clean Water Project D3: Sediment Reuse to Support Shoreline Restoration**. Removed sediment that meets specific reuse criteria is delivered to U.S. Fish and Wildlife Service-owned Pond A8 to provide a suitable substrate

on which marsh vegetation can grow, helping to create and restore tidal marsh habitat. In addition to the environmental benefits, reusing sediment reduces disposal costs as the sediment would have otherwise been taken to landfills.

Funding

The project is funded in part by the voter-approved Safe, Clean Water and Natural Flood Protection (Safe, Clean Water) Program, under Project F1. The estimated total project cost is \$202.5 million, of which \$103.6 million is funded by Safe, Clean Water Program.

About Valley Water

Valley Water, with a history dating back to 1929, manages an integrated water resources system that includes the supply of clean, safe water, flood protection and stewardship of streams on behalf of Santa Clara County's 2 million residents.

For assistance

Access Valley Water Hotline:



valleywater.org



408-630-2378

A full list of projects in the **Safe, Clean Water and Natural Flood Protection Program** can be found at www.valleywater.org/safe-clean-water-and-natural-flood-protection-program.

CONTACT US

To find out the latest information on Valley Water projects or to submit questions or comments, use our **Access Valley Water** customer request system at access.valleywater.org.



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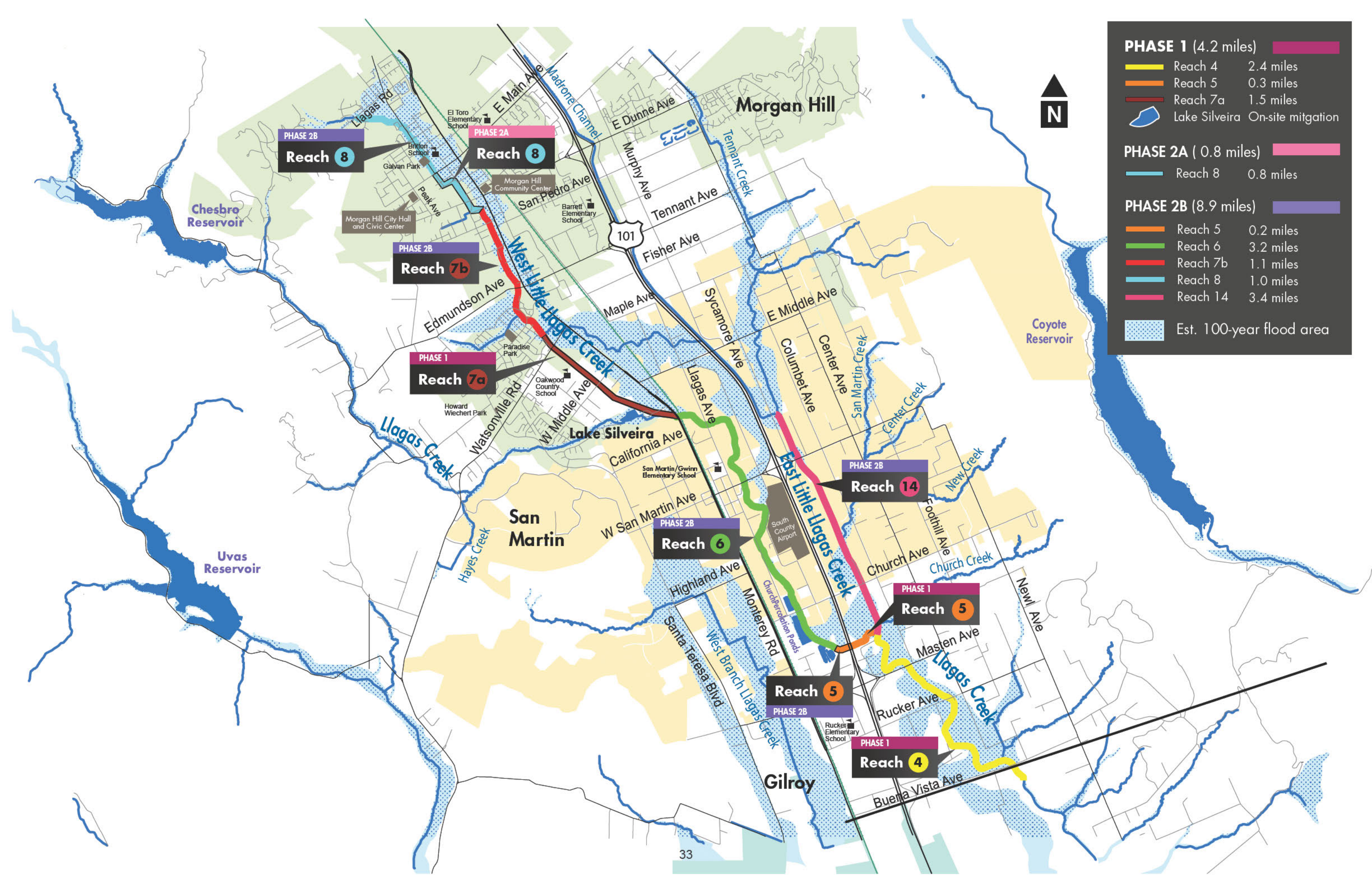
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PHASE 1 (4.2 miles)

- Reach 4 2.4 miles
- Reach 5 0.3 miles
- Reach 7a 1.5 miles
- Lake Silveira On-site mitigation

PHASE 2A (0.8 miles)

- Reach 8 0.8 miles

PHASE 2B (8.9 miles)

- Reach 5 0.2 miles
- Reach 6 3.2 miles
- Reach 7b 1.1 miles
- Reach 8 1.0 miles
- Reach 14 3.4 miles

Est. 100-year flood area