

March 29, 2023

MEETING NOTICE & REQUEST FOR RSVP**TO: AGRICULTURAL WATER ADVISORY COMMITTEE****Jurisdiction**

District 1
District 2
District 4
District 5
District 6
Loma Prieta Resource Conservation District
Santa Clara County Farm Bureau

Representative

Erin Gil
James Provenzano
Sheila Barry
Jan F. Garrod
Tim Chiala
Peter Van Dyke
Dhruv Khanna

Representative

Mitchell Mariani

Brent Bonino
Trevor Garrod
Robert Long

The regular meeting of the Agricultural Water Advisory Committee is scheduled to be held on **Monday, April 3, 2023, at 1:30 p.m., at Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, CA 95118.**

Enclosed are the meeting agenda and corresponding materials. Please bring this packet with you to the meeting. Additional copies of this meeting packet are available on our new website at <https://www.valleywater.org/how-we-operate/committees/board-advisory-committees>.

A majority of the appointed membership is required to constitute a quorum, which is fifty percent plus one. A quorum for this meeting must be confirmed at least 48 hours prior to the scheduled meeting date or it will be canceled.

Further, a quorum must be present on the day of the scheduled meeting to call the meeting to order and take action on agenda items.

Members with two or more consecutive unexcused absences will be subject to rescinded membership.

Please confirm your attendance no later than **12:00 p.m., Thursday, March 30, 2023**, by contacting Ms. Glenna Brambill at 1-408-630-2408, or gbrambill@valleywater.org.

Enclosures



Agricultural Water Advisory Committee Meeting

Public and Non-presenting staff may Join Zoom Meeting:
<https://valleywater.zoom.us/j/98850905996>

Meeting ID: 988 5090 5996

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Dial by your location

+1 669 900 9128 US (San Jose)

Meeting ID: 988 5090 5996



Santa Clara Valley Water District Agricultural Water Advisory Committee Meeting

**Headquarters Building Boardroom
5700 Almaden Expressway
San Jose CA 95118**

REGULAR MEETING AGENDA

**Monday, April 3, 2023
1:30 PM**

District Mission: Provide Silicon Valley safe, clean water for a healthy life, environment and economy.

Jan Garrod, Chair
Peter Van Dyke, Vice Chair

BOARD REPRESENTATIVES:
Director Jim Beall
Director Richard P. Santos
Director John L. Varela

All public records relating to an item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Office of the Clerk of the Board at the Santa Clara Valley Water District Headquarters Building, 5700 Almaden Expressway, San Jose, CA 95118, at the same time that the public records are distributed or made available to the legislative body. Santa Clara Valley Water District will make reasonable efforts to accommodate persons with disabilities wishing to attend Board of Directors' meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 265-2600.

Vincent Gin
Darin Taylor,
(Staff Liaisons)

Glenna Brambill, (COB Liaison)
Management Analyst II
gbrambill@valleywater.org
1-408-630-2408

Note: The finalized Board Agenda, exception items and supplemental items will be posted prior to the meeting in accordance with the Brown Act.

Santa Clara Valley Water District
Agricultural Water Advisory Committee
REGULAR MEETING
AGENDA

Monday, April 3, 2023

1:30 PM

Headquarters Building Boardroom
5750 Almaden Expressway
San Jose CA 95118

IMPORTANT NOTICES AND PARTICIPATION INSTRUCTIONS

Santa Clara Valley Water District (Valley Water) Board of Directors/Board Committee meetings are held as a “hybrid” meetings, conducted in-person as well as by telecommunication, and is compliant with the provisions of the Ralph M. Brown Act.

To maximize public safety while still maintaining transparency and public access, members of the public have an option to participate by teleconference/video conference or attend in-person. To observe and participate in the meeting by teleconference/video conference, please see the meeting link located at the top of the agenda. If attending in-person, you are required to comply with Ordinance 22-03 - AN ORDINANCE OF THE SANTA CLARA VALLEY WATER DISTRICT SPECIFYING RULES OF DECORUM FOR PARTICIPATION IN BOARD AND COMMITTEE MEETINGS located at <https://s3.us-west-2.amazonaws.com/valleywater.org.if-us-west-2/f2-live/s3fs-public/Ord.pdf>

In accordance with the requirements of Gov. Code Section 54954.3(a), members of the public wishing to address the Board/Committee at a video conferenced meeting, during public comment or on any item listed on the agenda, should use the “Raise Hand” tool located in the Zoom meeting link listed on the agenda, at the time the item is called. Speakers will be acknowledged by the Board Chair in the order requests are received and granted speaking access to address the Board.

- Members of the Public may test their connection to Zoom Meetings at: <https://zoom.us/test>
- Members of the Public are encouraged to review our overview on joining Valley Water Board Meetings at: <https://www.youtube.com/watch?v=TojJpYCxXm0>

Valley Water, in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in Valley Water Board of Directors/Board Committee meetings to please contact the Clerk of the Board’s office at (408) 630-2711, at least 3 business days before the scheduled meeting to ensure that Valley Water may assist you.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Sections 54950 et. seq. and has not been prepared with a view to informing an investment decision in any of Valley Water’s

bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of Valley Water's bonds, notes or other obligations and investors and potential investors should rely only on information filed by Valley Water on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures and Valley Water's Investor Relations website, maintained on the World Wide Web at <https://emma.msrb.org/> and <https://www.valleywater.org/how-we-operate/financebudget/investor-relations>, respectively.

Under the Brown Act, members of the public are not required to provide identifying information in order to attend public meetings. Through the link below, the Zoom webinar program requests entry of a name and email address, and Valley Water is unable to modify this requirement. Members of the public not wishing to provide such identifying information are encouraged to enter "Anonymous" or some other reference under name and to enter a fictional email address (e.g., attendee@valleywater.org) in lieu of their actual address. Inputting such values will not impact your ability to access the meeting through Zoom.

Join Zoom Meeting:
<https://valleywater.zoom.us/j/98850905996>

Meeting ID: 988 5090 5996

Join by Phone:

+16699009128,,98850905996# US (San Jose)

1. CALL TO ORDER:

1.1. Roll Call.

- 2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA.** *Notice to the Public: Members of the public who wish to address the Committee on any item not listed on the agenda should access the "Raise Hand" tool located in Zoom meeting link listed on the agenda. Speakers will be acknowledged by the Committee Chair in order requests are received and granted speaking access to address the Committee. Speakers comments should be limited to two minutes or as set by the Chair. The law does not permit Committee action on, or extended discussion of, any item not on the agenda except under special circumstances. If Committee action is requested, the matter may be placed on a future agenda. All comments that require a response will be referred to staff for a reply in writing. The Committee may take action on any item of business appearing on the posted agenda.*

3. APPROVAL OF MINUTES:

3.1. Approval of Minutes.

[23-0361](#)

Recommendation: Approve the January 9, 2023, Meeting Minutes.

Manager: Candice Kwok-Smith, 408-630-3193

Attachments: [Attachment 1: 01092023 Ag Wtr DRAFT Mins](#)

4. REGULAR AGENDA:

4.1. Review Proposed Fiscal Year 2023-24 Groundwater Production Charges and Receive Committee Feedback.

[23-0362](#)

Recommendation: Review proposed Fiscal Year 2023-24 Groundwater Production Charges and receive Committee feedback.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: PowerPoint Presentation](#)

Est. Staff Time: 20 Minutes

4.2. Drought Emergency Response and Water Supply Update.

[23-0363](#)

Recommendation: Receive Drought Emergency Response and Water Supply Update.

Manager: Kirsten Struve, 408-630-3138

Attachments: [Attachment 1: PowerPoint Presentation](#)

Est. Staff Time: 15 Minutes

4.3. Provide Feedback to the Board Policy and Planning Committee on the Committee's Purpose and Accomplishments and Suggest Areas of Improvement.

[23-0364](#)

Recommendation: A. Review feedback provided to the Board Policy and Planning Committee on February 6, 2023, by the Board Advisory Committees' Chairs/Vice Chairs on the Committees' purposes and accomplishments, and suggest areas of improvement; and
B. Provide additional feedback for BPPC consideration.

Manager: Michele King, 408-630-2711

Est. Staff Time: 10 Minutes

- 4.4. Review Agricultural Water Advisory Committee Work Plan, the Outcomes of Board Action of Committee Requests; and the Committee's Next Meeting Agenda.

[23-0365](#)

Recommendation: Review the Committee work plan to guide the committee's discussions regarding policy alternatives and implications for Board deliberation.

Manager: Candice Kwok-Smith, 408-630-3193

Attachments: [Attachment 1: AWAC 2023 Work Plan April 2023](#)

Est. Staff Time: 5 Minutes

5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.

This is an opportunity for the Clerk to review and obtain clarification on any formally moved, seconded, and approved requests and recommendations made by the Committee during the meeting.

6. REPORTS:

6.1. Director's Report

6.2. Manager's Report

6.3. Committee Member Report

6.4. Information Links:

<https://www.valleywater.org/how-we-operate/committees/board-committees>

- Board Policy and Planning Committee (BPPC)

- Water Storage Exploratory Committee (WSEC)

<https://www.valleywater.org/how-we-operate/committees/board-advisory-committees>

- Water Conservation and Demand Management Committee (WCaDMC)

<https://www.valleywater.org/your-water/water-supply-planning/monthly-water-tracker>

- Water Tracker:

7. ADJOURN:

- 7.1. Adjourn to Regular Meeting at 1:30 p.m., on October 3, 2023. *{At its January 10, 2023 board meeting, the board approved designating July 2023 as a Board and Committee meeting recess period. A special meeting can be scheduled per the request of the committee.}*



Santa Clara Valley Water District

File No.: 23-0361

Agenda Date: 4/3/2023
Item No.: 3.1.

COMMITTEE AGENDA MEMORANDUM

Agricultural Water Advisory Committee

SUBJECT:

Approval of Minutes.

RECOMMENDATION:

Approve the January 9, 2023, Meeting Minutes.

SUMMARY:

A summary of Committee discussions, and details of all actions taken by the Committee, during all open and public Committee meetings, is transcribed and submitted for review and approval.

Upon Committee approval, minutes transcripts are finalized and entered into the District's historical records archives and serve as historical records of the Committee's meetings.

ATTACHMENTS:

Attachment 1: 01092023, Ag Water Draft Meeting Mins.

UNCLASSIFIED MANAGER:

Candice Kwok-Smith, 408-630-3193



AGRICULTURAL WATER ADVISORY COMMITTEE MEETING

DRAFT MINUTES

MONDAY, JANUARY 9, 2023

A special meeting of the Agricultural Water Advisory Committee was held on January 9, 2023, at Santa Clara Valley Water District, Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose CA 95118.

1. CALL TO ORDER/ROLL CALL

Committee Chair Jan Garrod called the meeting to order at 1:31 p.m.

Members in attendance were:

Jurisdiction

District 1

District 2

District 4

District 5

District 6

Loma Prieta Resource Conservation District

Representative

Mitchell Mariani

James Provenzano

Sheila Barry

Brent Bonino

Jan Garrod

Trevor Garrod

Tim Chiala

Robert Long

Peter Van Dyke

Board members in attendance were: Director Nai Hsueh (District 5), Board Alternate, Director Richard P. Santos (District 3), and Director John L. Varela (District 1), Board Representatives.

Staff members in attendance were Jennifer Abadilla, Aaron Baker, Neeta Bijoor, Glenna Brambill, Luan Buckley, Justin Burks, Vanessa De La Piedra, Vincent Gin, Samantha Greene, Jason Gurdak, Cindy Kao, Bassam Kassab, Candice Kwok-Smith, Carmen Narayanan, Michael Potter, Metra Richert, Don Rocha, Ashley Shannon, Kirsten Struve, and Darin Taylor.

Guests in attendance were: Nick Santos and Jon (UC Merced).

Public in attendance was: Hon. Jim Beall (Valley Board Member-District 4), Ryan Castillo, Hon. Rebecca Eisenberg (Valley Board Member-District 7), Rosemary Feldman, Dhruv Khanna, Julie Morris (Ag Liaison), Shariar Moghadam (Valley Oak Farm) and David Vanni.

Attachment 1

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2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON AGENDA

Dhruv Khanna reported on:

1. Early December he attended the Farm Bureau's meeting in Monterey (CA Wine) one of the themes was carbon sequestration. The only form of human civilized activity that involves carbon sequestration is farming; orchards (cherry/walnuts/trees and vineyards) engage daily of cleansing the air of carbon pollution and storing it in their carbon in the wood. The other form of human existence such as cement, asphalt, commutes and airlines involves the generation of carbon to the extent that climate change is being driven by human activity and carbon pollution and agriculture is the only form that sequesters carbon.
2. His New Year's Eve was spent keeping the rain gutters free of tanbark so storm systems would not back-up, silt is slippery, flooding issues and the role for farming in Palo Alto upstream of San Francisquito Creek (Stanford's golf course and polo grounds-natural places for flooding) if they paid farmers to farm that area this would help with flood control problems.

3. SPECIAL RECOGNITION PRESENTATION

Director Richard P. Santos recognized his two outgoing representatives William Cilker and David Vanni for their long-time service to the Agricultural Water Advisory Committee. David Vanni attended in-person and was presented with a plaque and was appreciative of being recognized.

4. APPROVAL OF MINUTES

4.1 APPROVAL OF MINUTES

It was moved by Peter Van Dyke, second by Robert Long and carried by unanimous vote approved the November 14, 2022, Agricultural Water Advisory Committee special meeting minutes, as presented.

5. REGULAR AGENDA ITEMS:

5.1 ELECTION OF CHAIR AND VICE CHAIR

Committee Chair Jan Garrod reviewed the materials as outlined in the agenda.

The Committee Vice Chair Peter Van Dyke opened the floor for nominations for Chair. Mitchell Mariani nominated Jan Garrod and no other nominees were received. The Committee unanimously elected Jan Garrod as Agricultural Water Advisory Committee Chair

The Committee Chair Jan Garrod opened the floor for nominations for Vice Chair. Tim Chiala nominated Peter Van Dyke and no other nominees were received. The Committee unanimously elected Peter Van Dyke as the Agricultural Water Advisory Committee Vice Chair.

5.2 REVIEW AND APPROVE 2022 ANNUAL ACCOMPLISHMENTS REPORT FOR PRESENTATION TO THE BOARD (COMMITTEE CHAIR

Committee Chair Jan Garrod reviewed the materials as outlined in the agenda.

The Agricultural Water Advisory Committee took the following action:
It was moved by Peter Van Dyke, second by Robert Long and carried by unanimous vote to approve the 2022 Annual Accomplishments Report.

5.3 REVIEW AND PROVIDE COMMENT TO THE BOARD ON THE FISCAL YEAR 2023-24 PRELIMINARY PROPOSED GROUNDWATER PRODUCTION CHARGES

Carmen Narayanan reviewed the materials as outlined in the agenda.

The Agricultural Water Advisory Committee discussed the following: keeping the rates low, open space funding, farming's future/crops, and the study of comparison of agricultural rates.

Darin Taylor was available to answer questions.

Public Comment:

Dhruv Khanna noted the following concerns:
problem projects, looking at policies, associated costs, and flood control.

The Agricultural Water Advisory Committee took the following action:
It was moved by Peter Van Dyke, second by Robert Long and carried by unanimous vote approving the Committee forming a subcommittee to discuss the rates and comparison data from other agencies regarding farming.

The Board representatives and staff will be willing to have the meeting with the subcommittee to discuss the myriad of issues and concerns with production charges.

5.4 DROUGHT EMERGENCY RESPONSE AND WATER SUPPLY UPDATE

Neeta Bijoor reviewed the materials as outlined in the agenda.

The Agricultural Water Advisory Committee discussed the following: Water Use Report.

Kirsten Struve was available to answer questions.

The Agricultural Water Advisory Committee took no action.

5.5 AGRICULTURAL WATER USE BASELINE STUDY

Ashley Shannon and Nick Santos (UC Merced) reviewed the materials as outlined in the agenda.

The Agricultural Water Advisory Committee discussed the following: favorable study, pasture information, site reviewed, and field crops.

Public Comment:

Dhruv Khanna noted increasing water surcharge and a group that focuses on farmlands,

Kirsten Struve and Samantha Greene were available to answer questions.

The Agricultural Water Advisory Committee took no action.

5.6 INFORMATION ON PROPOSAL TO UPDATE THE UNTREATED SURFACE WATER PROGRAM

Bassam Kassab reviewed the materials as outlined in the agenda.

The Agricultural Water Advisory Committee discussed the following: program expansion, use of surface water for fire protection, use of recycled water, storm water recharge, central valley, and statewide subsidence.

Kirsten Struve, Jon (UC Merced), and Aaron Baker were available to answer questions.

Public Comment:

Dhruv Khanna questioned specific location of the program.

Valley Oak Farm commented on surface water users.

The Agricultural Water Advisory Committee took no action.

5.7 REVIEW AGRICULTURAL WATER ADVISORY COMMITTEE WORK PLAN, THE OUTCOMES OF BOARD ACTION OF COMMITTEE REQUESTS; AND THE COMMITTEE'S NEXT MEETING AGENDA

Glenna Brambill reviewed the materials as outlined in the agenda.

The Agricultural Water Advisory Committee took no action, however, the committee would like to receive some information on Sustainable Groundwater Management Act (SGMA).

6. INFORMATION ITEMS:

6.1 STANDING ITEMS REPORT

Glenna Brambill reviewed the materials as outlined in the agenda.

The Agricultural Water Advisory Committee took no action.

7. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS TO THE BOARD

Glenna Brambill reported there was 2 actions for Board consideration:

5.2 The Committee approved the Accomplishments Report.

5.3 The Committee approved forming a subcommittee to discuss the rates and comparison data from other agencies regarding farming.

8. REPORTS

8.1 Director's Report

Director Richard P. Santos, thanked everyone for the conversation at today's meeting

Director Nai Hsueh reported on the 2 new Board Members:

- Director Jim Beall (District 4)

Attachment 1

Page 4 of 5

- Director Rebecca Eisenberg (District 7)

8.2 Manager's Report

Aaron Baker also thanked everyone for the conversation at today's meeting.

8.3 Committee Member Reports

Member from the Committee would like a tour of the Anderson dam project.

8.4 Informational Link Reports

Links were provided in the Committee's agenda packet.

9. ADJOURNMENT

Committee Chair Jan Garrod adjourned the meeting at 3:46 p.m. to the regular meeting on Monday, April 3, 2023, at 1:30 p. m.

Glenna Brambill
Board Committee Liaison
Office of the Clerk of the Board

Approved:



Santa Clara Valley Water District

File No.: 23-0362

Agenda Date: 4/3/2023

Item No.: 4.1.

COMMITTEE AGENDA MEMORANDUM Agricultural Water Advisory Committee

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Review Proposed Fiscal Year 2023-24 Groundwater Production Charges and Receive Committee Feedback.

RECOMMENDATION:

Review proposed Fiscal Year 2023-24 Groundwater Production Charges and receive Committee feedback.

SUMMARY:

Summary of Groundwater Production Charge Analysis:

The proposed groundwater production charges reflects the benefit of Santa Clara Valley Water District (Valley Water or District) activities to protect and augment groundwater supplies and is applied to water extracted from the groundwater basin in Zones W-2, W-5, W-7, and W-8.

Zone W-2 encompasses the Santa Clara groundwater subbasin north of Metcalf Road, i.e., the North County. Zone W-5 overlays the Llagas subbasin from northern Morgan Hill south to the Pajaro River. Zone W-7 overlays the Coyote Valley south of Metcalf Road to northern Morgan Hill, and W-8 encompasses the area below Uvas and Chesbro Reservoirs. The discussion in this memo will focus on the three South County zones, given that the agricultural groundwater charge projection is linked to the Municipal and Industrial (M&I) charges in South County.

The groundwater production charge recommendations are detailed in the Annual Report on the Protection and Augmentation of Water Supplies that was filed with the Clerk of the Board on February 24, 2023. The public hearing on groundwater production charges is scheduled to open on April 11, 2023 and continue on April 13, 2023 with a focus on South County. It is anticipated that the Board would set the FY 2023-24 groundwater production charges by May 16, 2023, with an effective date of July 1, 2023.

The FY 2023-24 groundwater production charge and surface water charge setting process will

be conducted consistent with the District Act and Board resolutions 99-21 and 12-10.

Open Space Credit

Valley Water's Board has historically recognized that agriculture brings value to Santa Clara County in the form of open space and local produce. According to Section 26.1 of the District Act, agricultural water is defined as "water primarily used in the commercial production of agricultural crops or livestock." In an effort to help preserve this value, the District Act limits the agricultural charge to be no more than 25% of the M&I charge. Furthermore, the Board's Pricing Policy limits the agricultural groundwater production charge to 10% of the M&I Charge. Currently the zone with the lowest M&I charge is used to set the agricultural groundwater production charge (Zone W-8).

The agricultural community benefits from low groundwater charges, currently set a \$36.85/AF, or 10% of the Zone W-8 M&I charge of \$368.50/AF.

The credit to agricultural water users has become known as an "Open Space Credit." It is paid for by fungible, non-rate related revenue. To offset lost revenue that results from the difference between the adopted agricultural groundwater production charge and the agricultural charge that would have resulted at the full cost of service, Valley Water redirects a portion of the 1% ad valorem property taxes generated in the Water Utility, General and Watershed Stream Stewardship Funds.

Groundwater Production Charge Recommendations

Staff proposes a maximum 15% increase in the North County Zone W-2 Municipal and Industrial groundwater production charge from \$1,724 per acre foot (AF) to \$1,983/AF. The proposal equates to a monthly bill increase for the average household of \$8.92 or about 30 cents a day.

In the South County Zone W-5, staff proposes a maximum 6% increase in the M&I groundwater production charge from \$513/AF to \$543.50/AF. The proposal equates to a monthly bill increase for the average household of \$1.05 or about 4 cents per day.

In the South County Zone W-7, staff proposes a maximum 12.9% increase in the M&I groundwater production charge from \$582.50/AF to \$657.50/AF. The proposal equates to a monthly bill increase for the average household of \$2.58 or about 9 cents per day.

In the South County Zone W-8, staff proposes a maximum 8% increase in the M&I groundwater production charge from \$368.50/AF to \$398.00/AF. The proposal equates to a monthly bill increase for the average household of \$1.02 or about 3 cents per day.

Customers in both areas of North and South County may also experience additional charge increases enacted by their retail water providers.

Based on Board direction, the proposed maximum agricultural groundwater production charge is 10% of M&I for Zone W-8, which would mean an increase from \$36.85/AF (10% of Zone W-8) to \$39.80/AF. The proposed maximum groundwater production charge for agricultural rates would

translate to an increase of up to \$0.49 per month per acre, assuming 2 (two) acre-feet of water usage per acre per year.

The proposed maximum groundwater production charges for FY 2023-24 are necessary to pay for: potential water purchases too offset lost local storage due to the federal order requiring Anderson Reservoir be operated at deadpool; investments in water supply infrastructure rehabilitation and upgrades; and new water supply reliability investments that are drought-resilient. A key infrastructure rehabilitation investment is the Anderson Dam Seismic Retrofit, which is a \$1.2 billion project that will improve public safety and restore operational capacity.

Staff is seeking the Committee's feedback, or input, with regard to these proposed groundwater production charges for FY 2023-24.

A PowerPoint presentation will be provided at the meeting.

ATTACHMENTS:

Attachment 1: PowerPoint Presentation

UNCLASSIFIED MANAGER:

Darin Taylor, 408-630-3068



FISCAL YEAR 2023-24

Water Charge Recommendations

Agricultural Water Committee

Presented by
Carmen Narayanan, Financial Planning & Revenue Manager
April 3, 2023



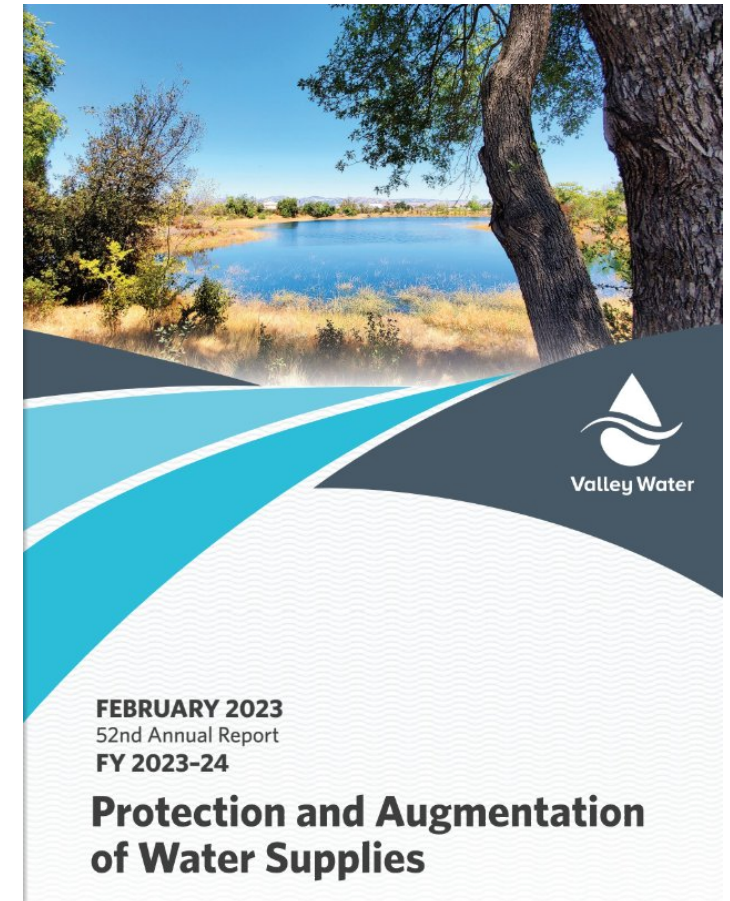
52nd Annual Report Released

Annual Protection and Augmentation of
Water Supplies Report provides
information & accountability

Filed February 24, 2023

Available Online:

<https://www.valleywater.org/ProposedWaterCharges>



Rate setting strategy for FY 2023-24

FY 24 BASELINE CASE ASSUMPTIONS:

Drought Related

- Emergency Water Supply Purchases anticipated in FY24 (\$19.5M) and FY25 (\$5.0M)
- Slight increase in District-managed water usage – projected at 207 kAF (vs. 192 kAF in FY23)

Secure Existing Supplies and Infrastructure

- Baseline Projects*
- Anderson Dam Seismic Retrofit with WIFIA loan (up to 49% of TPC)
- Master Plan Projects Placeholder**: Assumes \$333M from FY26-FY33
- State Water Project (SWP) Tax pays for 100% of SWP costs (excludes SWP portion of Delta Conveyance)
- Delta Conveyance SWP portion continues at 3.23%

Expand Conservation and Reuse

- Purified Water Expansion via P3 with operations beginning in FY28, assumes 100% debt financing through P3 entity

Optimize the System

- Pacheco Reservoir Expansion Project (PREP) with \$504M Proposition 1 grants, WIFIA loan (up to 49% of TPC) and Partnership Participation at 35% of TPC
- Los Vaqueros (Transfer Bethany Pipeline) with up to 50 kAF Storage

* Includes but not limited to dam seismic retrofits, Rinconada WTP reliability improvement, 10-year pipeline rehabilitation program

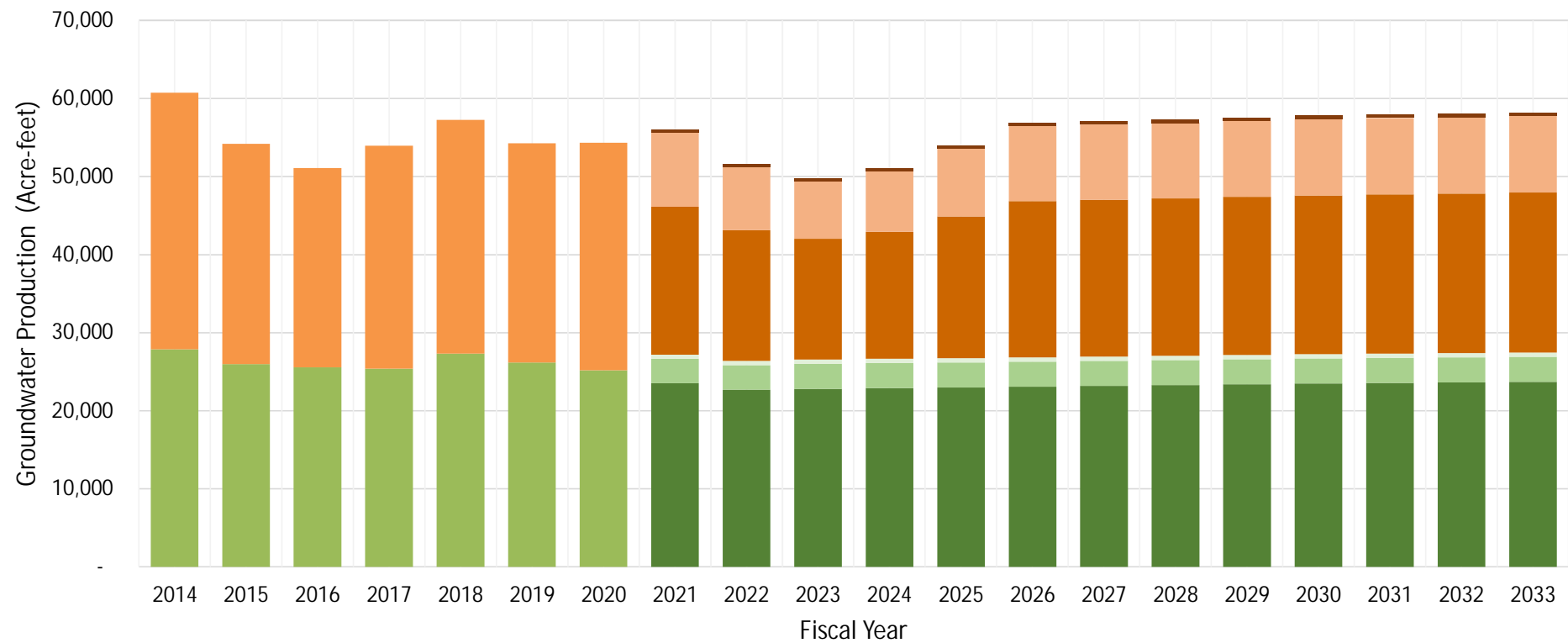
** Master Plan Project Placeholder includes anticipated costs for new pipelines, pipeline rehabilitations, treatment plant upgrades & SCADA implementation projects

TPC: Total Project Cost

P3: Public-Private Partnership



Water Usage Trend in South County (Zone W-5, W-7 & W-8)



- Zone W-5 Non-agricultural Groundwater Production
- Zone W-5 Agricultural Groundwater Production
- Zone W-7 Non-agricultural Groundwater Production
- Zone W-7 Agricultural Groundwater Production
- Zone W-8 Non-agricultural Groundwater Production
- Zone W-8 Agricultural Groundwater Production



Capital Investments in South County – FY24 through FY33

5

ENSURING A RELIABLE WATER SUPPLY

Valley Water is dedicated to ensuring a reliable water supply through investments in its infrastructure. Valley Water plans to invest \$1.2 billion countywide over the next ten years to evaluate and seismically retrofit our dams, including Anderson Dam, a key water storage resource for Santa Clara County. For more details, please visit: valleywater.org/project-updates/dam-reservoir-projects.



Crews inspecting the progress of construction at the tunnel next to Anderson Reservoir.

PIPELINES AND RELATED INFRASTRUCTURE

Valley Water is dedicated to ensuring a reliable water supply through investments in its infrastructure. These investments include the South County Recycled Water Pipeline project, which will enhance Gilroy's recycled water distribution system. The approximate 3.5 miles of new pipeline will expand the distribution of additional recycled water to existing customers, provide system back-up during outages, service new customers, and support future system expansion. A grant from the United States Bureau of Reclamation is helping to reduce project costs. For further details, please visit: valleywater.org/project-updates/infrastructure-improvement-projects.

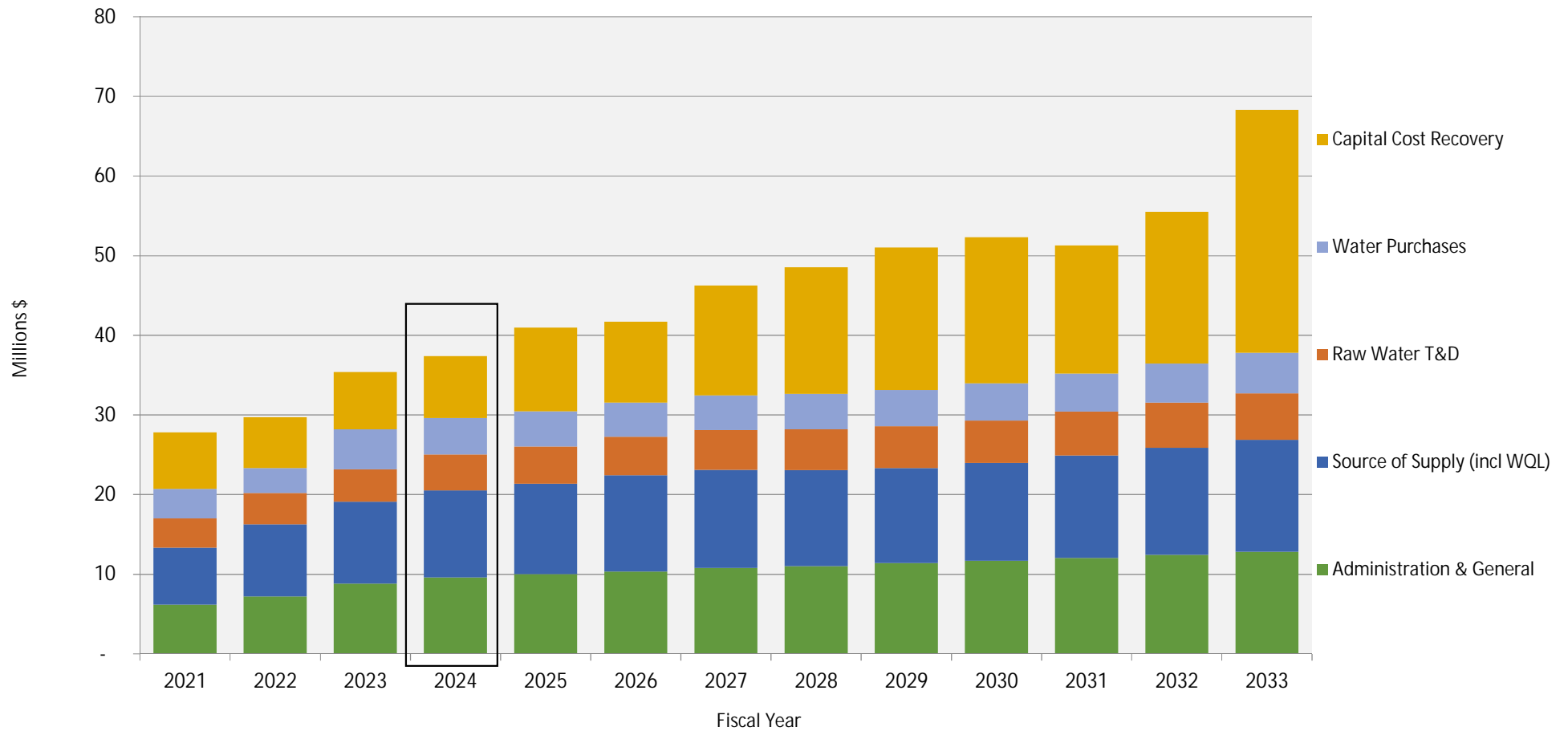


Crews install a section of the recycled water pipeline along W. Luchessa Ave. in Gilroy.



South County Long Term Cost Projection

6



FY 2023-24 Recommended Groundwater Charge Projection

7

M&I Groundwater Charge Year to Year Growth %

	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
South County Zone W-5	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Prior Year	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	
South County Zone W-7	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%
Prior Year	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	
South County Zone W-8	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Prior Year	8%	8%	8%	8%	8%	8%	8%	8%	8%	



FY 2023-24 South County Zone W-5 Maximum Proposed Charges

Zone W-5 (Llagas Subbasin)	Dollars Per Acre Foot		
	FY 2021–22	FY 2022–23	Proposed Maximum FY 2023–24
Basic User/Groundwater Production Charge			
Municipal & Industrial	488.00	513.00	543.50
Agricultural	34.15	36.85	39.80
Surface Water Charge			
Surface Water Master Charge	40.90	47.10	54.20
Total Surface Water, Municipal & Industrial*	528.90	560.10	597.70
Total Surface Water, Agricultural*	75.05	83.95	94.00
Recycled Water Charges			
Municipal & Industrial	468.00	493.00	523.50
Agricultural	61.55	64.25	67.20

M&I Increase approximately \$1.05 per month increase to the average household user.

Note: Does not include any increase that a retailer would layer on top



* The total surface water charge is the sum of the basic user charge (which equals the groundwater production charge) plus the water master charge



FY 2023-24 South County Zone W-7 Maximum Proposed Charges

Zone W-7 (Coyote Valley)	Dollars Per Acre Foot		
	FY 2021-22	FY 2022-23	Proposed Maximum FY 2023-24
Basic User/Groundwater Production Charge			
Municipal & Industrial	528.50	582.50	657.50
Agricultural	34.15	36.85	39.80
Surface Water Charge			
Surface Water Master Charge	40.90	47.10	54.20
Total Surface Water, Municipal & Industrial*	569.40	629.60	711.70
Total Surface Water, Agricultural*	75.05	83.95	94.00

M&I Increase approximately \$2.58 per month increase to the average household user.

Note: Does not include any increase that a retailer would layer on top



* The total surface water charge is the sum of the basic user charge (which equals the groundwater production charge) plus the water master charge



FY 2023-24 South County Zone W-8 Maximum Proposed Charges

Zone W-8 (Uvas / Chesbro)	Dollars Per Acre Foot		
	FY 2021-22	FY 2022-23	Proposed Maximum FY 2023-24
Basic User/Groundwater Production Charge			
Municipal & Industrial	341.50	368.50	398.00
Agricultural	34.15	36.85	39.80
Surface Water Charge			
Surface Water Master Charge	40.90	47.10	54.20
Total Surface Water, Municipal & Industrial*	382.40	415.60	452.20
Total Surface Water, Agricultural*	75.05	83.95	94.00

M&I Increase approximately \$1.02 per month increase to the average household user.
 Note: Does not include any increase that a retailer would layer on top



* The total surface water charge is the sum of the basic user charge (which equals the groundwater production charge) plus the water master charge



Agricultural Benchmarks

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Agency (As of March 2023) ¹		Agricultural Rate (\$/AF)	Non-Agricultural Rate (\$/AF)	Ag as % of Non-AG
San Benito ²	Groundwater (Quality issues)	\$13.75	\$13.75	100%
Modesto ID (\$2/AF for first 2 AF)	Untreated SW	\$2.00 to \$40.00	N/A	
SCVWD South	Groundwater Zone W-5 Zone W-7 Zone W-8	\$39.80	\$543.50 \$657.50 \$398.00	7% 6% 10%
SCVWD South	Untreated SW Zone W-5 Zone W-7 Zone W-8	\$94.00	\$597.70 \$711.70 \$452.20	16% 13% 21%
Merced ID	Untreated SW	\$50.00	N/A	
Merced ID	Groundwater ³	N/A	N/A	
Lost Hills	Untreated SW	\$185.09 to \$268.84	N/A	
Zone 7	Untreated SW	\$255.00	N/A	
Westlands WD	Pressurized	\$223.77	\$1,021.23	22%
San Benito	Pressurized	\$334.90	\$693.92	48%

1. Reflects Valley Water proposed FY 2023-24 rates against current adopted rates for comparator agencies.

2. San Benito County Water District recently adopted groundwater charges for FY 2023-24, FY 2024-25 and FY 2025-26 setting Non-Agricultural (M&) and Agricultural rates the same \$/AF.

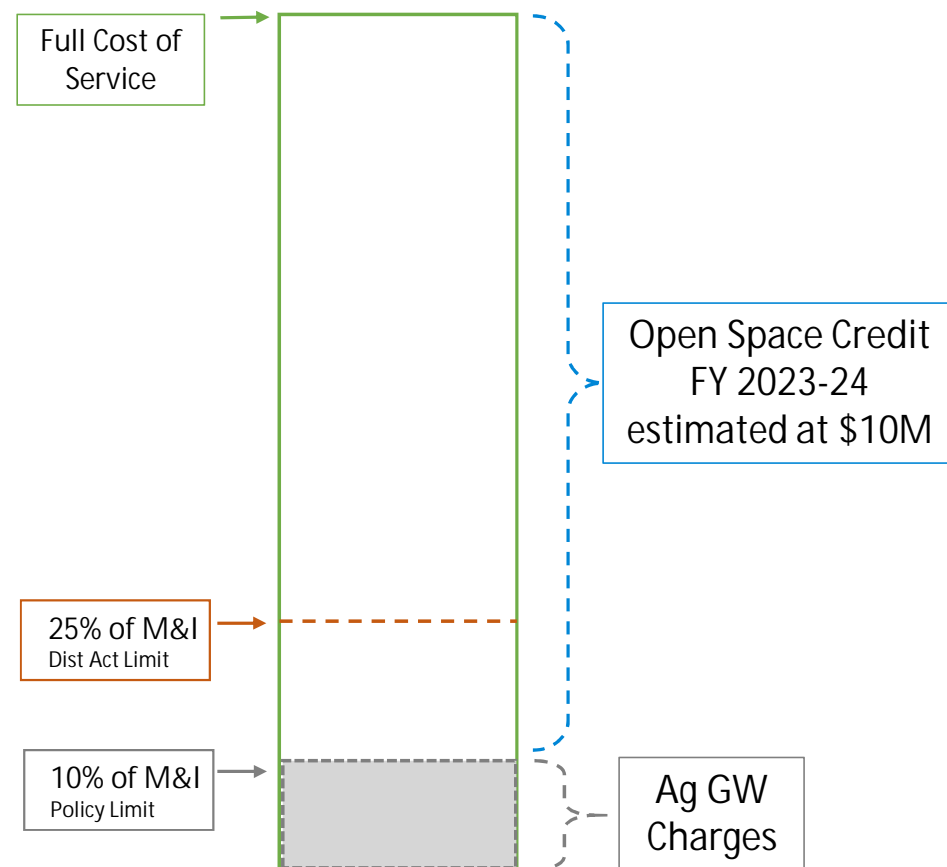
3. Merced Irrigation District is not offering their Supplemental Water Supply Pool Program (Groundwater) for the 2023 irrigation season and is encouraging growers to conserve groundwater.



Benefits of the Open Space Credit (OSC)

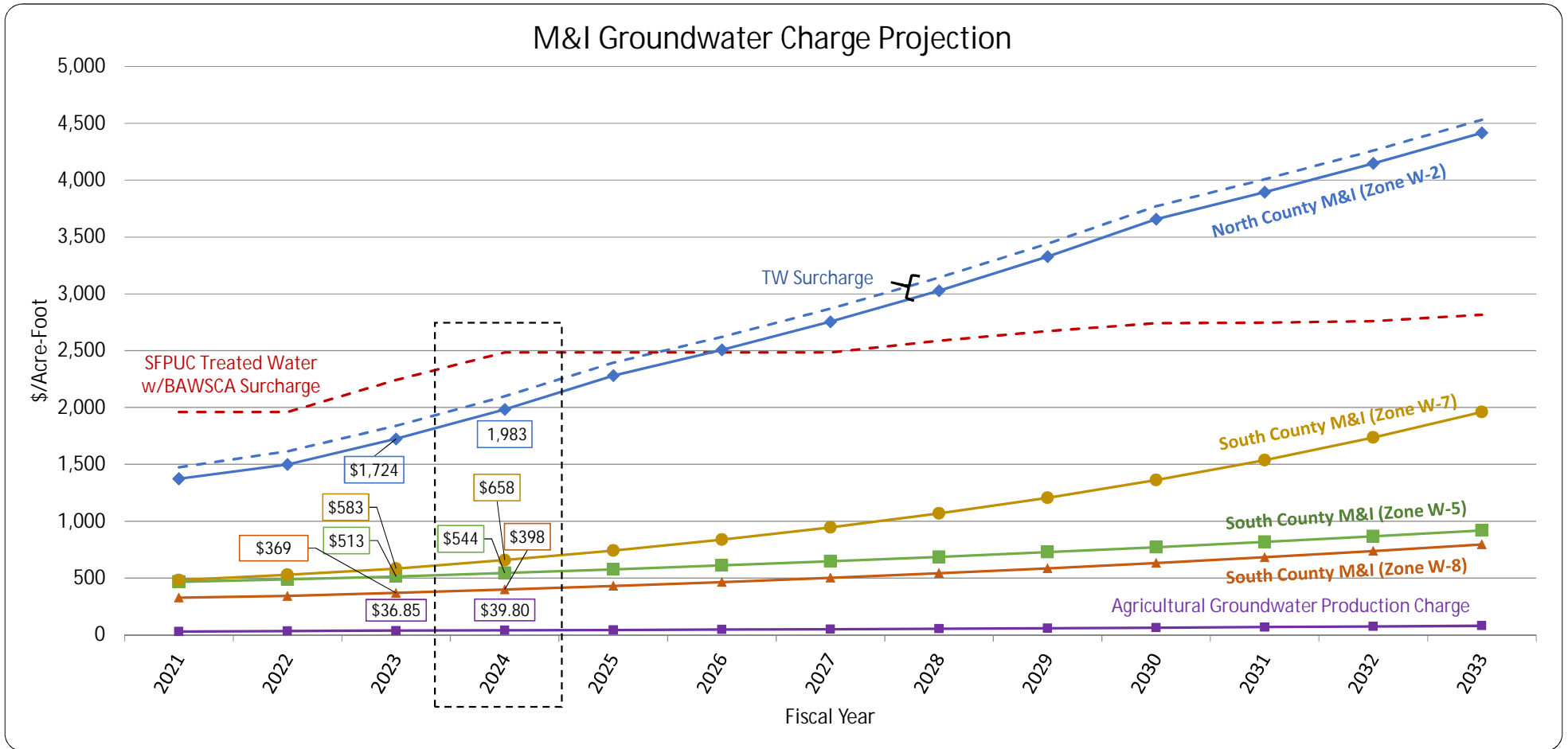
12

- Formal definition: “The use of non-rate related revenue to offset reduced agricultural revenue as a result of keeping agricultural rates lower than needed to recoup the full cost of service”
- Applies to agricultural water users only, not to all open space
- Open Space Credit covers 90% of full cost of service for Agricultural Water customers



FY 2023-24 Recommended Groundwater Charge Projection

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2023 Schedule

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Jan 9	Ag Water Advisory Committee
Jan 10	Board Meeting: Preliminary Groundwater Charge Analysis
Jan 18	Water Retailers Meeting: Preliminary Groundwater Charge Analysis
Jan 23	Water Commission Meeting: Preliminary Groundwater Charge Analysis
Feb 7	Board Meeting: Set time & place of Public Hearing
Feb 24	Mail notice of public hearing and file PAWS report
Mar 7	Board Meeting: Budget development update
Mar 15	Water Retailers Meeting: FY 24 Groundwater Charge Recommendation
Apr 3	Ag Water Advisory Committee
Apr 11	Open Public Hearing
Apr 12	Water Commission Meeting
Apr 13	Continue Public Hearing in South County
Apr 25	Conclude Public Hearing
Apr 26-27	Board Meeting: Budget work study session
May 16	Adopt budget & groundwater production and other water charges



Summary

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Key Drivers for Water Rate Increases:

- Emergency water purchases planned in FY24 and FY25 to ensure water supply for Silicon Valley
- Smart infrastructure investments: Anderson Dam, Recycled Water Expansion, & Pacheco Reservoir
 - Investing now remains the most cost-efficient way to get critical multi-year projects done

Proposed Maximum FY 24 Groundwater Projection Charges for South County in terms of average household increase are:

- Increase of \$1.05 per month in Zone W-5
- Increase of \$2.58 per month in Zone W-7
- Increase of \$1.02 per month in Zone W-8

Proposed Maximum FY 24 Groundwater Production Charge for Agricultural Rates in terms of average agricultural user is:

- Increase of \$0.49 per month per acre assuming two acre feet of water pumped per year

Staff seeking Committee endorsement of proposal



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Santa Clara Valley Water District

File No.: 23-0363

Agenda Date: 4/3/2023

Item No.: 4.2.

COMMITTEE AGENDA MEMORANDUM Agricultural Water Advisory Committee

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Drought Emergency Response and Water Supply Update.

RECOMMENDATION:

Receive Drought Emergency Response and Water Supply Update.

SUMMARY:

Drought Conditions

On June 9, 2021, the Board adopted Santa Clara Valley Water District (Valley Water) Resolution 21-68 which declared a water shortage emergency condition pursuant to California Water Code §350, called for water use reduction of 15% compared to 2019, and urged the County of Santa Clara (County) to proclaim a local emergency. The County ratified its proclamation of a drought emergency on June 22, 2021. Valley Water Resolution 22-20 amended Valley Water Resolution 21-68 on April 12, 2022, to call for no more than 2 days of irrigation in a week for ornamental lawns and prohibit excessive runoff, midday irrigation, and irrigation after rainfall. On May 24, 2022, the Board pursuant to Water Code §375 adopted Ordinance 22-02 to enforce these restrictions. Ordinance 22-02 went into effect on June 1, 2022, and was amended on September 13, 2022, to include the State's watering ban on watering non-functional turf at Commercial, Industrial, and Institutional (CII) properties.

On February 13, 2023, Governor Newsom signed Executive Order N-3-23 that maintained almost all of the drought-response actions of his prior drought-related proclamations and executive orders. Executive Order N-3-23 ordered state agencies to submit their recommendations on existing provisions in the Governor's drought proclamations and executive orders. State agencies are required to submit their recommendations to the Governor no later than April 28, 2023.

Since then, Valley Water's water supply outlook has improved significantly, due to several atmospheric rivers since December 2022. In January 2023, California experienced one of the wettest three-week periods on record, yielding a snowpack that is well above average. In response to the improved hydrologic conditions, imported water allocations have been increased significantly. In

addition to imported water allocations improving, Valley Water's ten local reservoirs are collectively at 179% of restricted storage capacity and the 2023 end of year groundwater storage is projected to be in the normal range.

On March 24, 2023, the Governor announced that he is rescinding his voluntary call for 15 percent water use reduction and requirement that urban water suppliers activate Level 2 of their water shortage contingency plans; however, he left in place other State water use restrictions, including, but not limited to, a ban on watering lawns within 48 hours of rain, using hoses without shut-off nozzles, and using drinking water to irrigate non-functional turf on commercial industrial and institutional properties. Staff intends to present a proposed resolution for the Board's consideration on April 11, 2023, which would rescind the Amended Emergency Water Shortage Resolution. This approach would remove the mandatory call for water use reduction, consistent with the Governor's rescission of the State's call for a 15% reduction, and also remove the 2-day per week watering call for nonfunctional residential turf. Staff will also recommend suspending enforcement of prohibition 3.1 (a), the 2-day per week watering limit of residential nonfunctional turf, in Amended Water Use Restriction Ordinance 22-02. On March 27, 2023, the Water Conservation Demand Management Committee approved bringing these recommendations and proposed resolution to the Board on April 11, 2023.

Staff will continue to assess the water supply outlook in the County along with other related State actions. Staff is developing proposed actions to make water conservation a way of life following the rescission of the Amended Emergency Water Shortage Resolution. These actions may include a call for permanent water use reduction restrictions, amending or suspending the enforcement ordinance, a voluntary call for conservation, and/or other actions, and will align with the State's actions as appropriate.

Water Conservation Outreach and Programs

Our water conservation campaigns continue with tips for saving water and messaging to dial back on irrigation during rains. Program participation remains high, compared to pre-drought levels. In February, media interest focused on continued rain events, their effect on the drought and Santa Clara County's water supply. Staff launched a new campaign aimed at helping Commercial, Industrial and Institutional (CII) entities apply for rebates. Community outreach conducted three Speakers Bureau presentations in February.

Countywide Water Use Reduction

Countywide water savings compared to 2019 (Valley Water's baseline) and 2020 (State's baseline) is shown below. Countywide water savings were 6% in January 2023 compared to January 2019 and January 2020, both pre-COVID months. Winter use represents indoor water use, which increased following COVID generally due to increased water use for sanitation. January 2023 water use was the lowest January water use since 2016.

Baseline Year	Santa Clara County	
	2019	2020
January 2023 Savings	6%	6%
Cumulative*	7%	12%
* Cumulative for 2019 baseline begins in June 2021 and for 2020 baseline begins in July 2021		

Water Waste Enforcement

Valley Water's Water Waste Program is continuing its educational mission while enforcing mandatory water use restrictions for outdoor landscapes. Valley Water is addressing these complaints and coordinating with water retailers and municipalities on enforcement efforts. Over 2,000 water waste complaints were received since the enforcement program was launched in June. Enforcement has been successful as there have been only 9 complaints of water waste following the first complaint, which suggests that people are addressing their water waste following the first complaint.

ATTACHMENTS:

Attachment 1: PowerPoint Presentation

UNCLASSIFIED MANAGER:

Kirsten Struve, 408-630-3138

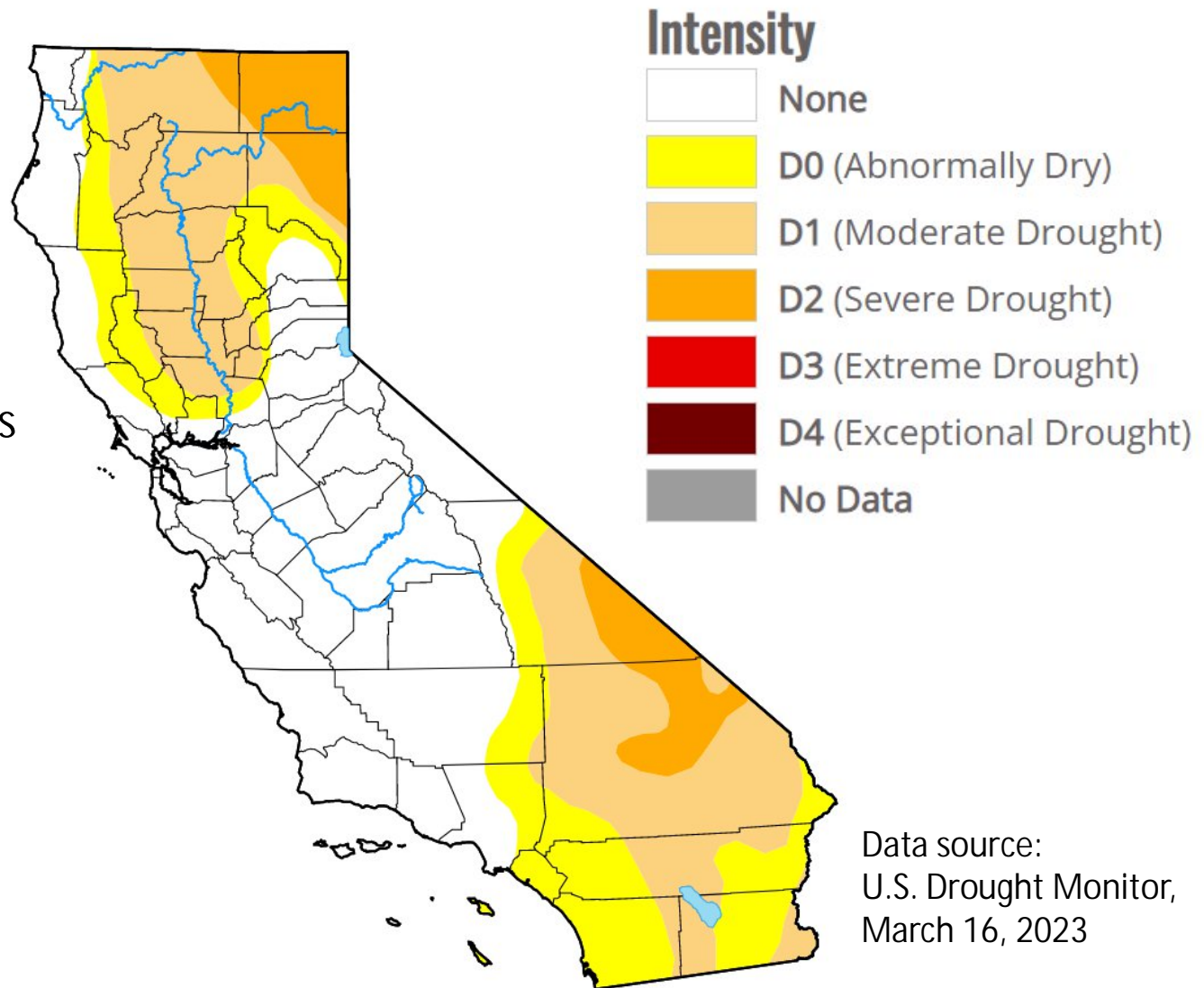


Monthly Drought Emergency Response and Water Supply Update

Agricultural Water Advisory Committee
April 3, 2023

Drought Status

- Improved state and local water availability
- Imported water allocations increased
- Statewide drought emergency still in place



Imported Water Allocations

- Increase in State's reservoir levels
- State Water Project – 75% allocation
- Central Valley Project – 80% Ag, 100% M&I allocation

Groundwater

- Countywide recharge in CY 2022 was normal
- CY 2023 recharge is projected to be 125% of normal
- Recharge in Morgan Hill resumed mid-March
- Groundwater levels increased throughout the county
- Most groundwater levels are above 2014 drought levels



Alamos Pond

Water Conservation

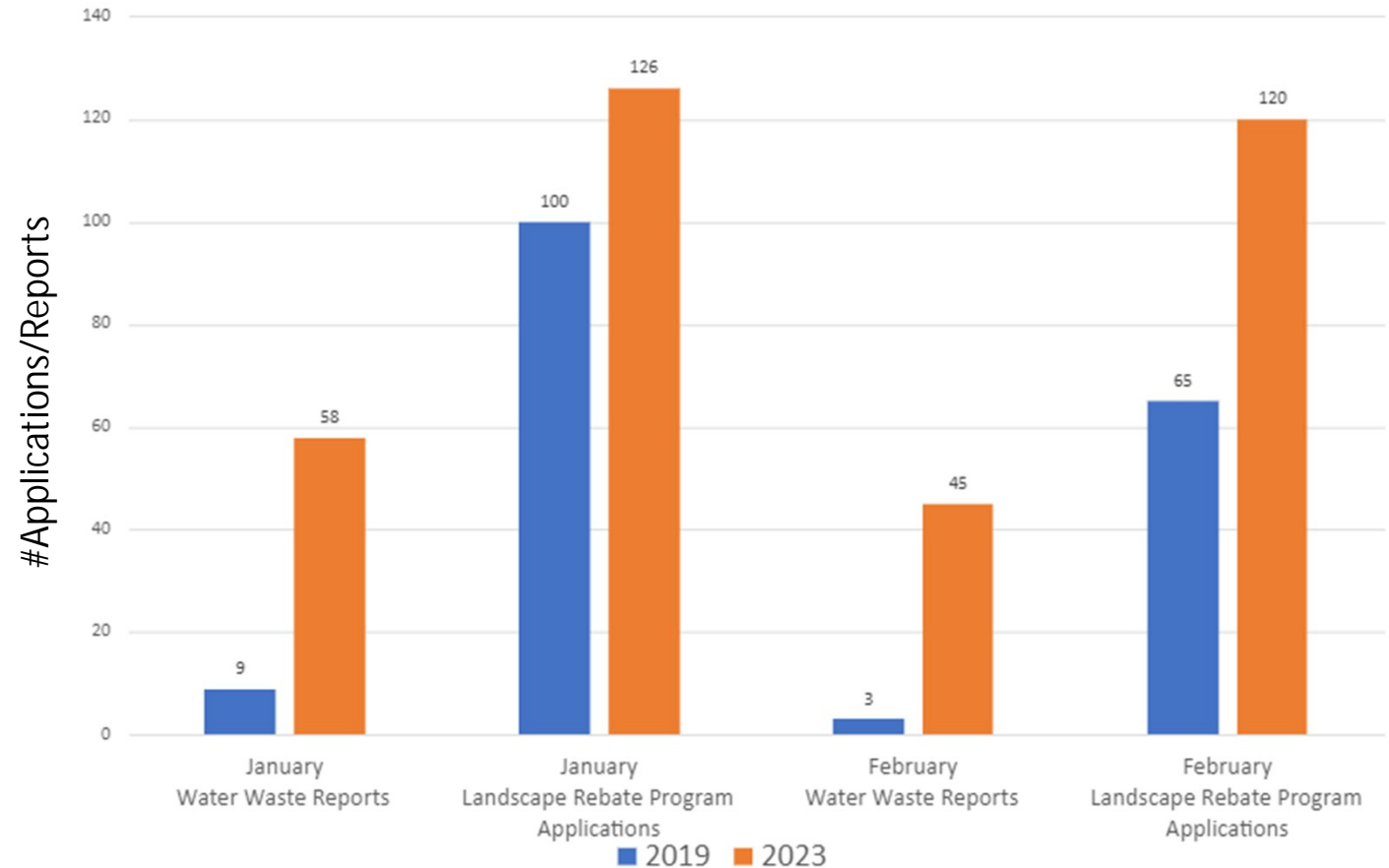
Participation

- Remains high relative to 2019

E-cart

- 230 orders

Participation Summary



Drought and Conservation Outreach

- Conservation campaigns
- Water allocation media responses
- ABC News purified water documentary
- Speakers Bureau presentations





Santa Clara Valley Water District

File No.: 23-0364

Agenda Date: 4/3/2023

Item No.: 4.3.

COMMITTEE AGENDA MEMORANDUM Agricultural Water Advisory Committee

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Provide Feedback to the Board Policy and Planning Committee on the Committee's Purpose and Accomplishments and Suggest Areas of Improvement.

RECOMMENDATION:

- A. Review feedback provided to the Board Policy and Planning Committee on February 6, 2023, by the Board Advisory Committees' Chairs/Vice Chairs on the Committees' purposes and accomplishments, and suggest areas of improvement; and
- B. Provide additional feedback for BPPC consideration.

SUMMARY:

One of the tasks assigned to the Board Policy and Planning Committee (BPPC) is to review the effectiveness of the Board's Advisory Committees. Regular feedback from the Board's Advisory Committees is an important part of ensuring that they are being productively engaged in the Board's work and District Mission.

To assist the BPPC in accomplishing this task, they invited the Board Advisory Committees' 2022 and/or 2023 Chairpersons and/or Vice Chairpersons to their February 6, 2023, meeting to provide feedback on the Committees' purposes and accomplishments and suggest areas of improvement.

The feedback that was provided has been placed into two groups - Board Advisory Committee Discussion and BPPC Discussion.

The feedback listed in the Board Advisory Committee Discussion table (below) is being presented for discussion and to obtain further feedback to present to the BPPC.

Any new information provided by the Advisory Committees will be combined with the information in the BPPC Discussion table and presented to the BPPC in May to consider and determine if there are any relevant recommendations to make to the full Board for consideration.

Board Advisory Committee Discussion

Encourage Board Advisory Committee members to considering joining the Water Ambassador Program.

EWRC working groups meeting on an ad hoc basis to address timely information to present to the full committee may work better than current structure.

BPPC Discussion

Request that an orientation be offered to incoming Board Advisory Committee members that contains information like that in the Water Ambassador Program.

Ensure new Board Advisory Committee membership appointments are timely to maximize membership time.

Bridge knowledge divide among Water Commission members by supporting less turnover of new members from appointing agencies.

When information on water rates is provided to the Water Commission, it would be helpful if it was packaged in a way that is simple and easy to communicate to constituents.

Board Advisory Committees could benefit from Board feedback on how they are performing and whether the Board is receiving what they were hoping to receive.

Create a process to timely inform Committees of Board agenda items that may be of interest.

Commission/Committee Chair/Vice Chair could benefit from direct staff support and assistance with proactively agendizing timely subjects for Committee discussion.

Growers needs to be educated on run off into creeks (Potential Agricultural Water Advisory Committee Agenda Item)

Underserved minority farmers could use help understanding conservation farming techniques. (Potential Agricultural Water Advisory Committee Agenda Item)

ATTACHMENTS:

None.

UNCLASSIFIED MANAGER:

Michele King, 408-630-2711



Santa Clara Valley Water District

File No.: 23-0365

Agenda Date: 4/3/2023

Item No.: 4.4.

COMMITTEE AGENDA MEMORANDUM Agricultural Water Advisory Committee

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Review Agricultural Water Advisory Committee Work Plan, the Outcomes of Board Action of Committee Requests; and the Committee's Next Meeting Agenda.

RECOMMENDATION:

Review the Committee work plan to guide the committee's discussions regarding policy alternatives and implications for Board deliberation.

SUMMARY:

The attached Work Plan outlines the topics for discussion to be able to prepare policy alternatives and implications for Board deliberation. The work plan is agendized at each meeting as accomplishments are updated and to review any work plan assignments by the Board.

BACKGROUND:

Governance Process Policy-8:

The District Act provides for the creation of advisory boards, committees, or commissions by resolution to serve at the pleasure of the Board.

Accordingly, the Board has established Advisory Committees, which bring respective expertise and community interest, to advise the Board, when requested, in a capacity as defined: prepare Board policy alternatives and provide comment on activities in the implementation of the District's mission for Board consideration. In keeping with the Board's broader focus, Advisory Committees will not direct the implementation of District programs and projects, other than to receive information and provide comment.

Further, in accordance with Governance Process Policy-3, when requested by the Board, the Advisory Committees may help the Board produce the link between the District and the public through information sharing to the communities they represent.

ATTACHMENTS:

Attachment 1: Agricultural Water Advisory Committee (AWAC) 2023 Work Plan

UNCLASSIFIED MANAGER:

Candice Kwok-Smith, 408-630-3193

2023 Work Plan: Agricultural Water Advisory Committee

Update: March 2023

The annual work plan establishes a framework for committee discussion and action during the annual meeting schedule. The committee work plan is a dynamic document, subject to change as external and internal issues impacting the District occur and are recommended for committee discussion. Subsequently, an annual committee accomplishments report is developed based on the work plan and presented to the District Board of Directors.

ITEM	WORK PLAN ITEM BOARD POLICY	MEETING DATE	INTENDED OUTCOME(S) (Action or Information Only)	ACCOMPLISHMENT DATE AND OUTCOME
1	Election of Chair and Vice Chair for 2023	January 9	<ul style="list-style-type: none"> Committee Elects Chair and Vice Chair for 2023. (Action) 	Accomplished January 9, 2023: The Committee unanimously approved Jan Garrod as the 2023 Agricultural Water Advisory Committee Chair and Peter Van Dyke as the 2023 Agricultural Water Advisory Committee Vice-Chair.
2	Annual Accomplishments Report	January 9	<ul style="list-style-type: none"> Review and approve 2022 Accomplishments Report for presentation to the Board. (Action) Submit requests to the Board, as appropriate. 	Accomplished January 9, 2023: The Committee unanimously approved the 2022 Annual Accomplishments Report. <i>The Board received the Committee's presentation at its March 28, 2023, meeting.</i>
3	Review and Comment to the Board on the Fiscal Year 2023 – 2024 Preliminary Groundwater Production Charges	January 9	<ul style="list-style-type: none"> Review and comment to the Board on the Fiscal Year 2023-2024 Preliminary Groundwater Production Charges. (Action) Submit requests to the Board, as appropriate. 	Accomplished January 9, 2023: The Committee reviewed and commented on the Fiscal Year 2023-2024 Preliminary Groundwater Production Charges and took the following action: The Committee unanimously approved the Committee forming a subcommittee to discuss the rates and comparison data from other agencies regarding farming.
4	Quarterly Drought Response Update	January 9 April 3 October 2	<ul style="list-style-type: none"> Receive an update on the Drought Response. (Information) 	Accomplished January 9, 2023: The Committee received an update on the Drought Response and took no action.

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

Attachment 1
Page 1 of 8

2023 Work Plan: Agricultural Water Advisory Committee

Update: March 2023

ITEM	WORK PLAN ITEM BOARD POLICY	MEETING DATE	INTENDED OUTCOME(S) (Action or Information Only)	ACCOMPLISHMENT DATE AND OUTCOME
5	Agricultural Water Use Baseline Study Update	January 9	•Receive information on the Agricultural Water Use Baseline Study. (Information)	Accomplished January 9, 2023: The Committee received information on the Agricultural Water Use Baseline Study and took no action.
6	Information on Proposal to Update the Untreated Surface Water Program	January 9	•Receive information on Proposal to Update the Untreated Surface Water Program. (Information)	Accomplished January 9, 2023: The Committee received information on Proposal to Update the Untreated Surface Water Program and took no action.
7	Review of Agricultural Water Advisory Committee Work Plan, the Outcomes of Board Action of Committee Requests and the Committee's Next Meeting Agenda	January 9 April 3 October 2	•Receive and review the 2023 Board-approved Committee work plan. (Action) •Submit requests to the Board, as appropriate.	Accomplished January 9, 2023: The Committee received and reviewed the 2023 Board-approved Committee work plan and took no action.
8	Standing Items Report Fiscal Year 2023 Goals and Strategies:	January 9	•Receive quarterly reports on standing items, FY2023. (Information)	Accomplished January 9, 2023: The Committee received the quarterly report on standing items for FY2023 and took no action.
GOAL	OBJECTIVE	FY23 TACTICS		MONITORING COMMITTEE
INTEGRATED WATER RESOURCES MANAGEMENT "Efficiently manage water resources across business areas."	<u>Objective #1 Challenge/Opportunity</u> <i>The maintenance of Valley Water's infrastructure is crucial to ensuring we continue to provide safe, clean water and critical flood protection for our communities. Timely maintenance is the most cost-effective investment, whereas deferred maintenance disproportionately increases costs and causes unplanned outages and failures risking the population of the county. In addition, aging assets are reaching the end of the design life and will require major recapitalization.</i>	<ul style="list-style-type: none"> • Develop a Fuel Management Policy to guide the incorporation of wildfire planning efforts in an integrated and programmatic way. • Continue a robust preventive maintenance program including monitoring asset condition and risk. • Strategically plan for larger infrastructure renewal projects through Safe Clean Water Project F8 – Sustainable Creek Infrastructure for Continued Public Safety; Water Treatment Plant, Distribution System, and SCADA Implementation Plans; 		Board Policy and Planning Committee (BPPC) CIP Committee (CIPC)

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

Attachment 1
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2023 Work Plan: Agricultural Water Advisory Committee

Update: March 2023

ITEM	WORK PLAN ITEM BOARD POLICY	MEETING DATE	INTENDED OUTCOME(S) (Action or Information Only)	ACCOMPLISHMENT DATE AND OUTCOME
			<p>Watersheds and Water Utility Operations and Maintenance Plans; and various Asset Management Plans.</p> <ul style="list-style-type: none"> • Advance infrastructure renewal projects identified in strategic planning efforts by initiating new Capital or Small Capital Projects, or by conducting work as part of ongoing operations projects. • Develop comprehensive infrastructure master plans for all water utility treatment plant and distribution infrastructure (e.g. pipelines and pump stations) to plan out 30-year capital investments that meet future regulatory requirements, and fold in projects identified in the Asset Management and Operations & Maintenance Plans. • Expedient execution of the adopted Capital program and projects. 	
	<p><u>Objective #2 Challenge/Opportunity</u> Valley Water continues to pursue legislative and administrative solutions to resolve regulatory and permitting issues at the federal and state levels. The Board's efforts will continue to focus on improving internal capacity when applying for permits, as well as continuing to build relationships with regulatory agencies and staying abreast of the regulatory environment.</p>		<ul style="list-style-type: none"> • Continue to provide for agency-wide regulatory planning and permitting effort and pursue other efforts at the state and federal level to expedite permit review. • Continue to foster better relationships with regulatory agencies and open dialogue with environmental, environmental justice and other stakeholders. • Continue to work with the Regional Water Quality Control Board (RWQCB) under the terms of our memorandum of understanding (MOU) to expedite issue resolution and prevent regulatory overreach. • Collaborate with RWQCB on the Steelhead Regional Temperature Study. 	BPPC
<p>WATER SUPPLY "Provide a reliable, safe, and affordable water supply for current and future generations in all communities served."</p>	<p><u>Objective #1 Challenge/Opportunity</u> Half of Santa Clara County's water supply is imported from outside the county. At this time, when there is a lot of water, Valley Water may not be able to take advantage of these supplies due to limitations in existing storage and transmission infrastructure as well as regulatory constraints. Having a diverse portfolio of storage options helps Valley Water be resilient. Therefore, Valley Water is evaluating whether diversifying its storage portfolio could help maximize our use of storage and stored water recovery under future conditions. Water storage in reservoirs also provides environmental, recreational, and incidental flood risk reduction benefits. Challenges include determining the appropriate level of participation for</p>		<ul style="list-style-type: none"> • Explore opportunities to develop new surface and groundwater storage projects that help Valley Water meet future water supply needs and be resilient to climate change. • Determine level of participation for projects and decisions about partnerships in accordance with the Water Supply Master Plan and water affordability. • Explore partnership opportunities for the Pacheco Reservoir Expansion Project • Validate Valley Water's continued participation in the Pacheco Reservoir Expansion Project during the MAP review process, bi-annual budget development, and following review and certification of the project's Environmental Impact Report (EIR). 	Water Storage Exploratory Committee (WSEC)

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

Attachment 1
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2023 Work Plan: Agricultural Water Advisory Committee

Update: March 2023

ITEM	WORK PLAN ITEM BOARD POLICY	MEETING DATE	INTENDED OUTCOME(S) (Action or Information Only)	ACCOMPLISHMENT DATE AND OUTCOME
	<p><i>Valley Water in collaborative water storage projects and prioritizing projects within funding constraints.</i></p> <p><u>Objective #2 Challenge/Opportunity</u> <i>The Water Supply Master Plan's "Ensure Sustainability" strategy includes securing existing water supplies and infrastructure. Valley Water's local and imported water supplies are vulnerable to climate change impacts, droughts, earthquake, and regulatory requirements that may restrict the amount of available water.</i></p>		<ul style="list-style-type: none"> • Participate in and influence decisions regarding the Delta Conveyance Project. • Participate in regional water supply resilience efforts. • Build and maintain effective partnerships to increase resiliency. • Complete and implement infrastructure master plans and asset management plans. • Partner with the California Department of Water Resources (DWR) to ensure reliability of the South Bay Aqueduct. 	<p>Water Conservation and Demand Management Committee (WCaDMC) (Groundwater) CIPC (infrastructure projects)</p>
	<p><u>Objective #3 Challenge/Opportunity</u> <i>Recycled and purified water is a drought resilient, locally controlled water supply important to long-term sustainability. The Water Supply Master Plan includes developing up to 24,000 acre-feet per year of purified water by 2040. Purified water is recycled water that has been treated further using reverse osmosis and other advanced treatment to make it fit for drinking. Valley Water is pursuing indirect potable reuse which would use this purified water to replenish our groundwater. Implementation challenges include securing wastewater supply contractual agreements with wastewater agencies, available land, stringent regulatory requirements, and implementation costs.</i></p>		<ul style="list-style-type: none"> • Implement the first phase of the Purified Water Program, including release of a Request For Proposal (RFP) and enter into a contract for an Indirect Potable Reuse project that is implemented via a Public Private Partnership. • Implement the Countywide Water Reuse Master Plan. • Develop a Comprehensive Water Reuse Agreement for South County to advance water reuse and its production, distribution, and wholesaling in South County. • Continue to actively be involved with the Direct Potable Reuse (DPR) guidance and ensure Valley Water is positioned to implement a DPR project in the future. • Continue collaboration on the Silicon Valley Advanced Water Purification Center including building a strong collaborative relationship with the San José-Santa Clara Regional Wastewater Facility to expand the facility. 	<p>Recycled Water Committee (RWC)</p>
	<p><u>Objective #4 Challenge/Opportunity</u> <i>As our largest reservoir, Anderson serves not only as a critical water supply facility, but also supports Valley Water's mission of flood protection and environmental stewardship. Given the reservoir's critical importance to ensuring safe, clean water for our communities and to protect public safety, it is imperative that the Anderson Dam Seismic Retrofit Project (ADSRP) move forward expeditiously. This includes the reconstruction of the Dam and completion of the interim risk reduction measures resulting from the February 20, 2020, directive from the Federal Energy Regulatory Commission (FERC).</i></p>		<ul style="list-style-type: none"> • Maintain the Anderson Reservoir level at the FERC directed level. • Complete the construction on the Anderson Dam Tunnel Project (ADTP). • Complete the design of the ADSRP. • Continue to work with appropriate regulatory agencies to advance the ADSRP. • Release the Draft Environmental Impact Report for the ADSRP. • Obtain all necessary permits for ADSRP construction. • Continue to educate and engage the public, key stakeholders, decision makers, and elected officials of the project progress and construction timeline. • Coordinate long term ADSRP operations with the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE). 	<p>CIPC Stream Planning and Operations Committee (SPOC)</p>
	<p><u>Objective #5 Challenge/Opportunity</u> <i>Droughts are a recurring feature of California's climate and may intensify with climate change. Water</i></p>		<ul style="list-style-type: none"> • Continue communication and educational outreach to promote Valley Water's water conservation programs. • Increase collaboration with our retailer partners to promote Valley 	<p>WCaDMC</p>

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

Attachment 1
Page 4 of 8

ITEM	WORK PLAN ITEM BOARD POLICY	MEETING DATE	INTENDED OUTCOME(S) (Action or Information Only)	ACCOMPLISHMENT DATE AND OUTCOME
	<i>conservation is an essential component in providing a reliable water supply and Valley Water has set a water conservation goal for annual water savings of 99,000 acre-feet (AF) by 2030 and 109,000 AF by 2040. As Valley Water faces challenges from climate change and drought, water conservation will continue to be amongst the most cost-effective tools for efficiently meeting current and future demands while mitigating droughts.</i>		<p>Water's water conservation programs.</p> <ul style="list-style-type: none"> •Implement new water conservation programs and engagement strategies identified within the Water Conservation Strategic Plan. •Engage and support private-sector stakeholders, local, state, and federal agencies that promote water conservation. •Develop and implement a Drought Response Plan with support and input from our retailer partners and the broader community to guide short-term behavioral changes during water shortages. 	
NATURAL FLOOD PROTECTION "Provide Natural Flood Protection to reduce risk and improve health and safety."	<u>Objective #1 Challenge/Opportunity</u> <i>Valley Water is challenged to sustain ecosystem health while managing local water resources for flood protection and water supply. By using an integrated approach to planning and designing flood protection planning, there is an opportunity to create projects with multiple benefits.</i>		<ul style="list-style-type: none"> •Make significant progress on One Water plans for the Guadalupe and Pajaro watersheds. •Complete construction of Reaches 1-3 of the Shoreline Phase I Project and pursue funding alternatives for Reaches 4-5 to provide 100-year coastal flood risk management, ecosystem restoration, recreational opportunities, and resiliency for sea level rise. •Complete construction of Phase 2A of the Upper Llagas Flood Protection Project to provide flood protection and habitat enhancement. •Advance the Palo Alto Flood Basin Project into construction, a repair project to ensure a functional flood basin with wetland habitat. •Advance the Sunnyvale East/West Channels Project into construction to provide 100-year storm water flood protection. •Complete the U.S. Army Corps of Engineers Upper Guadalupe River Project General Reevaluation Study to provide 100-year flood protection. •Advance the San Francisquito Creek upstream 101 Project into construction to provide flood protection. •Advance the Coyote Creek Flood Mitigation and Flood Protection Projects into construction to provide flood protection for an event equivalent to the 2017 storm event. 	CIPC BPPC
	<u>Objective #2 Challenge/Opportunity</u> <i>As Valley Water continues to advance flood protection projects, the Board has an opportunity to strengthen relationships and improve coordination with conservation and environmental justice groups, as well as other local jurisdictions, with a specific focus on ensuring the voices of disadvantaged communities are equitably represented.</i>		<ul style="list-style-type: none"> •Advance One Water Countywide Framework in a comprehensive manner that includes diverse community-wide stakeholders and the incorporation of environmental justice policies in all planning efforts. •Continue progress on flood protection capital projects consistent with Valley Water's commitment to the Safe, Clean Water Program and equitability in all regions. •Plan flood risk reduction projects to provide a minimum level of 	CIPC BPPC

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			protection countywide.	
ENVIRONMENTAL STEWARDSHIP “Sustain ecosystem health while managing local water resources for flood protection and water supply.”	<u>Objective #1 Challenge/Opportunity</u> Valley Water’s projects and programs require integrated planning to ensure capital improvements, operations, and maintenance activities are balanced with environmental stewardship goals. Valley Water strives to protect and restore habitats to support native species throughout Santa Clara County.		<ul style="list-style-type: none"> •Continue to develop an integrated water resource plan for each watershed, including appropriate metrics to monitor Valley Water’s impacts on and benefit to the environment. • Implement high priority actions included in the Climate Change Action Plan. • Make significant progress on the grant-funded planning study for the San Tomas Aquino Calabazas Creek Realignment Project. • Advance construction for the Bolsa Creek and Hale Creek projects to begin in Summer 2022. • Advance Almaden Lake Improvement Project to begin construction in 2023. • Continue to develop and build on partnerships with environmental organizations and tribal communities when developing projects. 	BPPC
	<u>Objective #2 Challenge/Opportunity</u> Valley Water continues to coordinate with local cities and agencies to improve the health of our local waterways, including pollution prevention and addressing threats to water quality. Opportunities exist to further collaborate with the County, cities, and social services agencies on encampment abatement efforts and to develop long-term solutions for the homeless to keep our creeks clean.		<ul style="list-style-type: none"> •Continue efforts to protect the ecosystem and water quality of our water Bodies and the integrity of our infrastructure. Such efforts include preventing stormwater pollution, increased implementation of green stormwater infrastructure, addressing mercury pollution, and homeless encampment clean ups. • Coordinate with the County, cities, and other service providers to try to ensure the permanent removal of homeless encampments from creeks and trails. • Continue partnerships and investments on a regional scale such as the South Bay Salt Pond Restoration and Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP). 	Environmental Creek Cleanup Committee (ECCC) (SPOC)
	<u>Objective #3 Challenge/Opportunity</u> For nearly 20 years, Valley Water has been working to resolve a water rights complaint surrounding fish, wildlife, water quality, and other beneficial uses in Coyote Creek, Guadalupe River, and Stevens Creek watershed areas. Challenges include completing the environmental review process, obtaining federal and state permits from multiple regulatory agencies, refining and processing water rights change petitions, the technical complexity of the fisheries impacts analysis, coordination with other ongoing related projects and managing stakeholder expectations.		<ul style="list-style-type: none"> •Finalize the June 2021 Guadalupe River and Stevens Creek Environmental Impact Report (EIR) consistent with existing stakeholder agreement. •Advance 10 water right change petitions for securing water right orders. • Continue to implement the pilot flow program in Guadalupe and Stevens Creek. • Continue to implement feasibility studies, monitoring activities, and Planning and construction of various fish passage improvements as identified in existing stakeholder agreement. • Continue fisheries monitoring program. • Continue to support an adaptive management program that encompasses all three creeks. 	SPOC

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	CLIMATE CHANGE <i>"Mitigate Carbon Emissions and Adapt Valley Water Operations to Climate Change Impacts."</i>	<u>Objective #1 Challenge/Opportunity</u> <i>Valley Water's ability to fulfill its mission will be challenged in the future by warmer temperatures, changing precipitation patterns, reduced snowpack, and rising sea levels. Valley Water has been working on greenhouse reduction efforts since 2008 and many adaptation actions over the past decade; however, with adoption of the Climate Change Action Plan there is an opportunity for greater impact.</i>	<ul style="list-style-type: none"> •Update carbon accounting and establish new emissions reduction goal if needed. •Make significant progress on development of an agency-wide greenhouse gas reduction plan. 	Climate Adaptation and Sustainability Committee (CAASC)
	BUSINESS MANAGEMENT <i>"Promote effective management of water supply, flood protection, and environmental stewardship through responsive and socially responsible business services."</i>	<u>Objective #1 Challenge/Opportunity</u> <i>Valley Water is committed to creating and maintaining a diverse, inclusive, and equitable work environment that is devoid of discrimination and harassment and provides equal opportunity employment and advancement. Valley Water aims to implement the same values in the community through its flood protection, water supply, and environmental stewardship projects, and has an opportunity to serve as a leader for racial equity, diversity, and inclusion throughout the state.</i>	<ul style="list-style-type: none"> •Develop and implement a Diversity, Equity and Inclusion Master Plan that institutes best practices to address internal and external disparities and builds an organizational culture that is consistent with the Board's Resolution addressing racial equity, diversity, and inclusion. •Remain committed to environmental justice and the fair treatment and meaningful engagement of all people regardless of race, color, national origin, religion, gender identity, disability status, tribe, culture, income, immigration status, or English language proficiency, with respect to the planning, projects, policies, services, and operations of Valley Water. •Continue to collaborate with external stakeholders that are engaged in developing diversity, equity, and inclusion initiatives and actively participate in and provide leadership for diversity, equity, and inclusion efforts throughout the state. •Advance and foster mutually beneficial partnerships with regional tribal communities. 	Diversity & Inclusion Ad Hoc Committee (DIAHC)
9	Review Proposed Fiscal Year 2023-24 Groundwater Production Charges and Receive Committee Feedback	April 3	<ul style="list-style-type: none"> •Review Proposed Fiscal Year 2023-24 Groundwater Production Charges and Receive Committee Feedback. (Action) 	
10	Provide Feedback to the Board Policy and Planning Committee on the Committee's Purpose and Accomplishments and Suggest Areas of Improvement.	April 3	<ul style="list-style-type: none"> •Review feedback provided to the Board Policy and Planning Committee on February 6, 2023, by the Board Advisory Committees' Chairs/Vice Chairs on the Committees' purposes and accomplishments, and suggest areas of improvement. (Action) •Provide additional feedback for 	

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			BPPC consideration.	
11	Flood-Managed Aquifer Recharge Preliminary Feasibility Study for Santa Clara County	October 2	•Receive a presentation on the Flood-Managed Aquifer Recharge Preliminary Feasibility Study for Santa Clara County. (Information)	

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