

January 20, 2023

MEETING NOTICE & REQUEST FOR RSVP

TO: SANTA CLARA VALLEY WATER COMMISSION

Municipality

City of Campbell
 City of Cupertino
 City of Gilroy
 City of Los Altos
 Town of Los Altos Hills
 Town of Los Gatos
 City of Milpitas
 City of Monte Sereno
 City of Morgan Hill
 City of Mountain View
 City of Palo Alto
 City of San Jose
 City of Santa Clara
 City of Saratoga
 City of Sunnyvale
 Santa Clara County Board of
 Supervisors
 Midpeninsula Regional Open Space
 District
 Open Space Authority Santa Clara
 Valley

Representative

Hon. Susan M. Landry
 Hon. Kitty Moore
 Hon. Dion Bracco
 Hon. Neysa Fligor
 Hon. Lisa Schmidt
 Hon. Maria Ristow
 Hon. Carmen Montano
 Hon. Evert Wolsheimer
 Hon. Rich Constantine
 Hon. Lucas Ramirez
 Hon. Lydia Kou
 Hon. Pam Foley
 Hon. Karen Hardy
 Hon. Chuck Page
 Hon. Alysa Cisneros

 Hon. Jed Cyr

 Hon. Mike Flaughner

Alternate

Hon. Sergio Lopez
 Hon. Liang Chao
 Hon. Fred Tovar
 Hon. Pete Dailey

 Hon. Matthew Hudes

 Hon. Bryan Mekechuk
 Hon. Yvonne Martinez Beltran
 Hon. Pat Showalter
 Hon. Vicki Veenker
 Kerrie Romanow
 Hon. Kathy Watanabe
 Hon. Belal Aftab
 Hon. Richard Mehlinger
 Hon. Cindy Chavez

 Hon. Yoriko Kishimoto

 Hon. Helen Chapman

The regular meeting of the Santa Clara Valley Water Commission is scheduled to be held on **Wednesday, January 25, 2023, at 12:00 p.m., In-Person at, Santa Clara Valley Water District, Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California 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-line 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 Members with two or more consecutive unexcused absences will be subject to rescinded membership.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 Monday January 23, 2023; noon** by contacting Glenna Brambill at 1-408-630-2408, or gbrambill@valleywater.org.

Enclosures

Join Zoom Meeting for Public and Non-presenting Staff

<https://valleywater.zoom.us/j/91095453959>

Meeting ID: 910 9545 3959

One tap mobile

+16699009128,,91095453959# US (San Jose)

Dial by your location

+1 669 900 9128 US (San Jose)

Meeting ID: 910 9545 3959

Find your local number: <https://valleywater.zoom.us/j/aAkvNqMhu>



Santa Clara Valley Water District Santa Clara Valley Water Commission Meeting

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

REGULAR MEETING AGENDA

**Wednesday, January 25, 2023
12:00 PM**

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

Hon. Pam Foley, Chair
Vice Chair

Director Tony Estremera
Director Barbara Keegan
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.

Melanie Richardson
Rachael Gibson
(Staff Liaisons)

Glenna Brambill (Commission
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
Santa Clara Valley Water Commission
REGULAR MEETING
AGENDA

Wednesday, January 25, 2023

12:00 PM

Headquarters Building Boardroom

*****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/91095453959>

Meeting ID: 910 9545 3959

Join by Phone:

1 (669) 900-9128, 91095453959#

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 Commission 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 Commission Chair in order requests are received and granted speaking access to address the Commission. Speakers comments should be limited to two minutes or as set by the Chair. The law does not permit Commission action on, or extended discussion of, any item not on the agenda except under special circumstances. If Commission 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 Commission may take action on any item of business appearing on the posted agenda.

3. APPROVAL OF MINUTES:

3.1. Approval of Minutes.

[23-0083](#)

Recommendation: Approve the October 26, 2022, Meeting Minutes.

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

Attachments: [Attachment 1: 10262022 Water Comm Draft Mins](#)

Est. Staff Time: 5 Minutes

4. CONSENT CALENDAR

5. REGULAR AGENDA:

- 5.1. Election of Chair and Vice Chair. [23-0084](#)

Recommendation: Elect 2023 Chair and Vice Chair.

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

Est. Staff Time: 5 Minutes

- 5.2. Review and Approve 2022 Annual Accomplishments Report for Presentation to the Board (Commission Chair). [23-0085](#)

Recommendation: A. Approve the 2022 Accomplishments Report for presentation to the Board; and
B. Provide comments to the Commission Chair to share with the Board as part of the Accomplishments Report presentation pertaining to the purpose, structure, and function of the Commission.

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

Attachments: [Attachment 1: Water Comm 2022 Accomplishments Report](#)

Est. Staff Time: 5 Minutes

- 5.3. Update on progress towards Valley Water's drought emergency response and drought-related water conservation efforts. [23-0086](#)

Recommendation: Receive an update on Valley Water's drought emergency response, progress towards meeting the Board's call for water use reduction in response to the water shortage emergency condition, and water conservation efforts.

Manager: Donald Rocha, 408-630-2338

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

Est. Staff Time: 15 Minutes

- 5.4. Discuss Preliminary Fiscal Year 2023-24 Preliminary Groundwater Production Charge Analysis; Provide Comment to the Board. [23-0087](#)

Recommendation: Discuss staff's preliminary Fiscal Year 2023-24 Groundwater Production Charge analysis; Provide comment to the Board as desired.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: PowerPoint](#)

Est. Staff Time: 15 Minutes

- 5.5. Review Santa Clara Valley Water Commission Work Plan, the Outcomes of Board Action of Commission Requests; and the Commission's Next Meeting Agenda. [23-0089](#)

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

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

Attachments: [Attachment 1: Water Comm 2023 Work Plan](#)

Est. Staff Time: 5 Minutes

6. INFORMATION ITEMS:

- 6.1. Standing Items Report. [23-0090](#)

Recommendation: Standing Items Report allows the Santa Clara Valley Water Commission to receive verbal or written updates and discuss the Board's Fiscal Year 2023 Work Plan Strategies. These items are generally informational; however, the Commission may request additional information and/or provide collective input to the assigned Board Committee.

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

Attachments: [Attachment 1: Standing Items Report](#)

Est. Staff Time: 5 Minutes

7. 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.

8. REPORTS

- 8.1. Director's Report
- 8.2. Manager's Report
- 8.3. Commission Member Report

8.4. Informational Links:

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

- Board Policy and Planning Committee (BPPC)
- Stream Planning and Operations Committee (SPOC) (formerly FAHCE Ad Hoc Committee)
- Environmental Creek Cleanup Committee formerly Homeless Encampment Committee
- 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

9. ADJOURN:

9.1. Adjourn to Regular Meeting at 12:00 p.m., on Wednesday, April 12, 2023.



Santa Clara Valley Water District

File No.: 23-0083

Agenda Date: 1/25/2023
Item No.: 3.1.

COMMITTEE AGENDA MEMORANDUM Santa Clara Valley Water Commission

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

SUBJECT:

Approval of Minutes.

RECOMMENDATION:

Approve the October 26, 2022, 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: 10262022 Water Comm Draft Meeting Minutes

UNCLASSIFIED MANAGER:

Candice Kwok-Smith, 408-630-3193



SANTA CLARA VALLEY WATER COMMISSION MEETING

DRAFT MINUTES

WEDNESDAY, OCTOBER 26, 2022

(Paragraph numbers coincide with agenda item numbers)

A regular scheduled meeting of the Santa Clara Valley Water Commission (Commission) was held on October 26, 2022, at Santa Clara Valley Water District, Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose CA 95118.

1. CALL TO ORDER/ROLL CALL

Chair Hon. Pam Foley called the meeting to order at 12:02 p.m. A quorum of 13 was established.

Members in attendance were:

<u>Municipality</u>	<u>Representative</u>	<u>Alternate</u>
City of Campbell	Hon. Susan M. Landry	
City of Cupertino	Hon. Hung Wei	
City of Gilroy	Hon. Peter Leroe-Muñoz	
City of Los Altos	Hon. Lynette Lee Eng	
Town of Los Altos Hills	Hon. Lisa Schmidt*	
Town of Los Gatos	Hon. Maria Ristow	
City of Monte Sereno		Hon. Bryan Mekechuk
City of Morgan Hill	Hon. Rich Constantine*	
City of Mountain View	Hon. Lucas Ramirez	
City of Palo Alto	Hon. Greg Tanaka*	
City of San José	Hon. Pam Foley	
City of Santa Clara	Hon. Karen Hardy	
City of Saratoga	Hon. Rishi Kumar*	
City of Sunnyvale		
County of Santa Clara	Hon. Mike Wasserman	
Santa Clara Valley Open Space Authority		Hon. Helen Chapman
Midpeninsula Regional Open Space District	Hon. Jed Cyr	

Members not in attendance were:

<u>Municipality</u>	<u>Representative</u>	<u>Alternate</u>
City of Campbell		Hon. Sergio Lopez
City of Cupertino		Hon. Jon Willey
City of Milpitas	Hon. Carmen Montano	
City of Monte Sereno	Hon. Liz Lawler	
City of Morgan Hill		Hon. Yvonne Martinez Beltran
City of Mountain View		Hon. Pat Showalter
City of San José		Kerrie Romanow
City of Santa Clara		Hon. Kathy Watanabe
City of Saratoga		Hon. Mary-Lynne Bernald
City of Sunnyvale	Hon. Omar Din	Hon. Gustav Larsson
County of Santa Clara		Hon. Cindy Chavez
Santa Clara Valley Open Space Authority	Hon. Mike Flaughner	
Midpeninsula Regional Open Space District		Hon. Yoriko Kishimoto

*Commission Members arrived at time indicated below.

Board members in attendance were: Directors Barbara F. Keegan (District 2) and John L. Varela (District 1), (Board Representatives).

Staff members in attendance were: Gina Adriano, Aaron Baker, Roseryn Bhudsabourg, Neeta Bijoor, Glenna Brambill, Justin Burks, Rachael Gibson, Vincent Gin, Christopher Hakes, Marta Lugo, Leslie Orta, Melanie Richardson, Don Rocha, Ashley Shannon, and Kirsten Struve.

Guests in attendance were: Elizabeth Flegel (City of Mountain View), Katja Irvin (Sierra Club Loma Prieta Chapter), Gary Welling (City of Santa Clara), and James Sylvain (City of Morgan Hill).

Public in attendance were: Elizabeth Sanford.

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

There was no one present who wished to speak.

3. APPROVAL OF MINUTES

It was moved by Hon. Mike Wasserman, seconded by Hon. Jed Cyr , and unanimously approved the April 13, 2022, Santa Clara Valley Water Commission meeting minutes as presented.

4. CONSENT CALENDAR:

It was moved by Hon. Pam Foley, seconded by Mike Wasserman, and unanimously approved to move Agenda Item 6.1 on consent.

5. REGULAR AGENDA ITEMS:

5.1 UPDATE ON PROGRESS TOWARDS SANTA CLARA VALLEY WATER DISTRICT'S DROUGHT EMERGENCY RESPONSE AND DROUGHT-RELATED WATER CONSERVATION EFFORTS.

Ms. Neeta Bijoor reviewed the materials as outlined in the agenda item.

*Hon. Rishi Kumar arrived at 12:06 p.m.

*Hon. Rich Constantine arrived at 12:10 p.m.

The Santa Clara Valley Water Commission discussed the following: complaints, easy access links, water used by municipalities or retailers, usage data, MWENDO, educating needs to happen, and monitoring wells,

Kirsten Struve, Director John L. Varela, Sherilyn Tran, and Aaron Baker were available to answer questions.

The Santa Clara Valley Water Commission took no action.

5.2 REVIEW SANTA CLARA VALLEY WATER COMMISSION WORK PLAN, THE OUTCOMES OF BOARD ACTION OF COMMISSION REQUESTS AND THE COMMISSION'S NEXT MEETING AGENDA

Commission Chair Hon. Pam Foley reviewed the materials as outlined in the agenda item.

The Santa Clara Valley Water Commission took no action.

6. INFORMATIONAL ITEMS:

6.1 REVIEW FISCAL YEAR 2022-2023 BOARD WORK PLAN

Agenda Item was moved on consent calendar above.

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

Glenna Brambill reported there were no action items.

8. REPORTS

8.1 Director's Report

Director John L. Varela reported on:

- On behalf of the Board of Directors he thanked Hon. Mike Wasserman for his many years of service, dedication and working with his constituents
- The Board's work plan is continuing to concentrate on water recycling, expanding water storage, potable water, offering safe, clean, and reliable water

8.2 Manager's Report

Donald Rocha reported on:

- Water Conservation Outreach Campaign "Say Yes to Saving Water"
- Valley Water Board approved \$2 million for the Low-Income Residential Water Rate

Assistance Program to help families pay water bills. Valley Water partnered with Sacred Heart Community Service to implement the program and continue providing this critical service to low-income households in Santa Clara County.

Rachael Gibson also reported on

- Water Conservation's co-branding with the cities and other agencies.

8.3 Commission Member Report

Hon. Mike Wasserman bid the Commissioners and Valley Water Staff farewell as he was retiring and termed out of office. He has been part of the Committees/Commission over the past twenty years and has had a successful partnership with Valley Water.

*Hon. Greg Tanaka arrived at 12:40 p.m.

7.4 Informational Links Report

None, information located on the agenda.

Hon. Rishi Kumar left at 12:42 p.m. and did not return.

8. ADJOURNMENT

Commission Chair Hon. Pam Foley adjourned at 12:46 p.m. to the next regular meeting on Wednesday, January 25, 2023, at 12:00 p.m.

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

Approved:



Santa Clara Valley Water District

File No.: 23-0084

Agenda Date: 1/25/2023

Item No.: 5.1.

COMMITTEE AGENDA MEMORANDUM Santa Clara Valley Water Commission

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

SUBJECT:

Election of Chair and Vice Chair.

RECOMMENDATION:

Elect 2023 Chair and Vice Chair.

SUMMARY:

Per the Board Resolution, the duties of the Chair and Vice-Chair are as follows:

The officers of each Committee shall be a Chair and Vice-Chair, both of whom shall be members of that Committee. The Chair and Vice-Chair shall be elected by the Committee, each for a term of one year commencing on January 1 and ending on December 31 and for no more than two consecutive terms. The Committee shall elect its officers at the first meeting of the calendar year. All officers shall hold over in their respective offices after their term of office has expired until their successors have been elected and have assumed office.

The Chair shall preside at all meetings of the Committee, and he or she shall perform other such duties as the Committee may prescribe consistent with the purpose of the Committee.

The Vice-Chair shall perform the duties of the Chair in the absence or incapacity of the Chair. In case of the unexpected vacancy of the Chair, the Vice-Chair shall perform such duties as are imposed upon the Chair until such time as a new Chair is elected by the Committee.

Should the office of Chair or Vice-Chair become vacant during the term of such office, the Committee shall elect a successor from its membership at the earliest meeting at which such election would be practicable, and such election shall be for the unexpired term of such office.

Should the Chair and Vice-Chair know in advance that they will both be absent from a meeting, the Chair may appoint a Chair Pro-tempore to preside over that meeting. In the event of an unanticipated absence of both the Chair and Vice-Chair, the Committee may elect a Chair Pro-tempore to preside over the meeting in their absence.

BACKGROUND:

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.

The Board may also establish Ad-hoc Committees to serve in a capacity as defined by the Board and will be used sparingly.

ATTACHMENTS:

None

UNCLASSIFIED MANAGER:

Candice Kwok-Smith, 408-630-3193



Santa Clara Valley Water District

File No.: 23-0085

Agenda Date: 1/25/2023

Item No.: 5.2.

COMMITTEE AGENDA MEMORANDUM Santa Clara Valley Water Commission

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

SUBJECT:

Review and Approve 2022 Annual Accomplishments Report for Presentation to the Board
(Commission Chair).

RECOMMENDATION:

- A. Approve the 2022 Accomplishments Report for presentation to the Board; and
- B. Provide comments to the Commission Chair to share with the Board as part of the Accomplishments Report presentation pertaining to the purpose, structure, and function of the Commission.

SUMMARY:

The Accomplishments Report summarizes the committee's discussions and actions to prepare Board policy alternatives and implications for Board deliberation throughout 2022. The Commission Chair, or designee, presents the Accomplishments Report to the Board at a future Board meeting.

The Commission may provide feedback to the Commission Chair, at this time, to share with Board as part of the Accomplishments Report presentation pertaining to the purpose, structure, and function of the Commission.

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: Water Comm 2022 Accomplishments Report

UNCLASSIFIED MANAGER:

Candice Kwok-Smith, 408-630-3193

2022 Accomplishments Report: Santa Clara Valley Commission

Update: January 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	ACCOMPLISHMENT DATE AND OUTCOME
1	Election of Chair and Vice Chair for 2022	January 26	Accomplished January 26, 2022: The Commission unanimously approved: Hon. Pam Foley as the 2022 Water Commission Chair and Hon. Lynette Lee Eng as the 2022 Water Commission Vice Chair.
2	Annual Accomplishments Report	January 26	Accomplished January 26, 2022: The Commission unanimously approved the 2021 Annual Accomplishments Report on consent. <i>The Board received the Commission's presentation at its March 8, 2022, meeting.</i>
3	Update on progress towards Valley Water's drought emergency response and drought-related water conservation efforts.	January 26 April 13 October 26	Accomplished January 26, 2022: Accomplished April 13, 2022: Accomplished October 26, 2022: The Commission received an update on the Drought Response and took no action.
4	Review and Comment to the Board on the Fiscal Year 2022 - 2023 Preliminary Groundwater Production Charges.	January 26	Accomplished January 26, 2022: The Commission received a presentation on the Fiscal Year 2022-2023 Preliminary Groundwater Production Charges and took no action.
5	Review of Santa Clara Valley Water Commission Work Plan, the Outcomes of Board Action of Commission Requests, and the Commission's Next Meeting Agenda	January 26 April 13 October 26	Accomplished January 26, 2022: The Commission unanimously approved the Board-approved Commission work plan on consent. The Commission took the following action under Agenda 7.3: Water Commission unanimously approved adding Water Surcharges to April's Agenda. <i>The Board received the Commission's requests at its March 8, 2022, meeting and approved adding the Homeless Encampment to the commission's work plan. The surcharges request was not approved.</i>

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

Attachment 1
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2022 Accomplishments Report: Santa Clara Valley Commission

Update: January 2023

ITEM	WORK PLAN ITEM BOARD POLICY	MEETING DATE	ACCOMPLISHMENT DATE AND OUTCOME	
			Accomplished April 13, 2022: Accomplished October 26, 2022: The Commission reviewed the Board-approved Commission work plan and took no action.	
6	Standing Items Reports Fiscal Year 2022:	January 26	Accomplished January 26, 2022: The Commission unanimously approved the quarterly reports on consent.	
GOAL	STRATEGY	FY22 FOCUS AREAS		MONITORING COMMITTEE
INTEGRATED WATER RESOURCES MANAGEMENT	Strategy #1 Protect and maintain existing assets and infrastructure and advance new infrastructure projects.	<ul style="list-style-type: none">• Be strategic in managing existing flood protection assets consistent with the Safe Clean Water Program.• Advance new infrastructure projects identified in the Asset Management Plan and Operations & Maintenance Plan.• Increase engagement with cities on flood plain management, Community Rating System (CRS) program, and emergency action plans.		Board Policy and Planning Committee (BPPC)
	Strategy #2 Pursue opportunities to improve internal capacity to acquire regulatory permits.	<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.• Implement memorandum of understanding (MOU) with Regional Water Quality Control Board.		BPPC
	Strategy #3 Engage and educate the community, elected officials and staff on our management of water resources in Santa Clara County	<ul style="list-style-type: none">• Continue to apply strategies for effective outreach, engagement, and education.• Continue to develop and refine metrics to understand and improve the return on investment (ROI) of outreach strategies.• Continue increasing efforts to educate the public about the mix of different types of water in Valley Water's portfolio, as well as our flood protection and environmental stewardship efforts.• Engage directly with local government jurisdictions through joint meetings.		Board of Directors

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

Attachment 1
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2022 Accomplishments Report: Santa Clara Valley Commission

Update: January 2023

ITEM	WORK PLAN ITEM BOARD POLICY	MEETING DATE	ACCOMPLISHMENT DATE AND OUTCOME
GOAL	STRATEGY	FY22 FOCUS AREAS	MONITORING COMMITTEE
WATER SUPPLY	Strategy #1 Actively Pursue New Water Supply and Storage Opportunities.	<ul style="list-style-type: none"> Explore opportunities to develop new surface and groundwater storage projects that align with Valley Water's mission. Determine level of participation for projects and decisions about partnerships in accordance with the Water Supply Master Plan and water affordability. Make decisions on the Pacheco Reservoir Expansion Project following review of the project's Environmental Impact Report (EIR). 	Water Storage Exploratory Committee (WSEC)
	Strategy #2 Actively Participate in decisions regarding the CA Delta Conveyance.	<ul style="list-style-type: none"> As a voice for Northern California, continue to engage and negotiate, through serving on the Delta Conveyance Design and Construction Authority and Finance Authority and Stakeholder Engagement Committee in adherence to Board approved Guiding Principles, to protect Santa Clara County's interests. 	Board of Directors
	Strategy #3 Lead Recycled and Purified Water Efforts with committed partners.	<ul style="list-style-type: none"> Advance the Expedited Purified Water Program by releasing a Request for Proposal (RFP) for at least one Locally Sponsored Project. Implement the Countywide Water Reuse Master Plan. Continue to monitor Direct Potable Reuse (DPR) guidance and implement actions as needed. Finalize negotiations on term sheet for South County recycled water and agreement on governance. 	Recycled Water Committee (RWC)
	Strategy #4 Advance Anderson Dam Seismic Retrofit Project.	<ul style="list-style-type: none"> Continue construction on the Anderson Dam Tunnel Project (ADTP). Continue to work with appropriate regulatory agencies to advance the ADSRP. Release for review the Draft Environmental Report for the ADSRP. 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). 	Capital Improvement Program (CIP) Stream Planning and Operations Committee (SPOC)
	Strategy #5 Promote Making Water Conservation a California Way of Life in Santa Clara County.	<ul style="list-style-type: none"> Increase communication and education outreach to promote Valley Water's water conservation programs to customers. Increase collaboration with retailers to promote Valley Water's water conservation programs. 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. 	Water Conservation and Demand Management Committee (WCaDMC)
GOAL	STRATEGY	FY22 FOCUS AREAS	MONITORING COMMITTEE
	Strategy #1 Plan, design and maintain	<ul style="list-style-type: none"> Continue to advance Shoreline EIA 11 levee construction. Finalize the One Water Coyote Creek Watershed plan and make significant progress on 	CIP BPPC

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NATURAL FLOOD PROTECTION	flood protection projects with multiple benefits, including protecting ecosystem functions and enhancing habitat.	the Guadalupe and Pajaro watershed plans. <ul style="list-style-type: none"> Use a holistic approach to maintaining streams for flow conveyance and habitat enhancement. Complete construction of Phase I of the Upper Llagas Flood Protection Project, a multi-benefit project providing flood protection while restoring habitat and benefiting the environmental ecosystem. 	
	Strategy #2 Provide flood protection equitably in all regions of the County, prioritizing disadvantaged communities.	<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 equitably in all regions. 	CIP BPPC
ENVIRONMENTAL STEWARDSHIP	Strategy #1 Attain net positive impact on the environment when implementing flood protection and water supply projects.	<ul style="list-style-type: none"> As part of the One Water Countywide Framework planning process, 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. Ensure that stewardship efforts are integrated and not focused primarily on mitigation. 	BPPC
	Strategy #2 Promote the protection of creeks, bay, and other aquatic ecosystems from threats of pollution and degradation.	<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. 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). 	Homeless Encampment Committee (HEC) SPOC
	Strategy #3 Continue the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE).	<ul style="list-style-type: none"> Continue implementation of feasibility studies, monitoring activities, and planning and construction of various fish passage improvements. Advance the Guadalupe River and Stevens Creek Environmental Impact Report (EIR) consistent with all stakeholder agreements. Develop a programmatic approach to implementing FAHCE settlement. Advance Adaptive Management Plan to encompass all three creeks. 	SPOC

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GOAL	STRATEGY	FY22 FOCUS AREAS	MONITORING COMMITTEE
BUSINESS MANAGEMENT	Strategy #1 Advance racial equity, diversity, and inclusion.	<ul style="list-style-type: none"> •Begin implementation of best practices to address internal and external disparities and build an organizational culture 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, gender identity, disability status, national origin, tribe, culture, income, immigration status, or English language proficiency, with respect to the planning, projects, policies, services, and operations of Valley Water. 	Diversity and Inclusion Ad Hoc Committee (D&I)
	Strategy #2 Maintain appropriate staffing levels and expertise and ensure the safety of our staff.	<ul style="list-style-type: none"> •Develop and finalize a long-term staffing strategy that aligns with future capital and operational needs. •Develop classification career ladders to provide understanding of requirements for professional growth. •Advance the development of a skilled trades apprenticeship program. •Maximize the safety of staff working in creeks, homeless encampments and Valley Water facilities and continue to promote health & safety guidance to protect staff from public health emergencies and environmental impacts. 	D&I
	Strategy #3 Provide affordable and cost- effective level of services.	<ul style="list-style-type: none"> •Continue to establish benchmarking with other agencies, particularly water agencies, in order to understand areas for improvement. •Research and identify best practices from other agencies around water affordability, particularly with disadvantaged communities. •Establish Valley Water as a statewide leader in conversations around water affordability. 	Financial Sustainability Working Group (FSWG) Board Audit Committee (BAC)
GOAL	STRATEGY	FY22 FOCUS AREAS	MONITORING COMMITTEE
CLIMATE CHANGE	Strategy #1 Address future impacts of climate change to Valley Water's mission and operations.	Begin implementation of Climate Change Action Plan.	BPPC
7	Consent Calendar	April 13 October 26 <ul style="list-style-type: none"> •Consent Calendar (the Chair will note those items on each agenda that are of no impact (information only) to move the meeting more efficiently). 	Accomplished April 13, 2022: None. Accomplished October 26, 2022: Review FY2023 Board Work Plan was moved on consent calendar.

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8	Review and Comment to the Board on the Fiscal Year 2022 - 2023 Proposed Groundwater Production Charges.	April 13	Accomplished April 13, 2022: •The Commission reviewed and comment to the Board on the Fiscal Year 2023 Proposed Groundwater Production Charges and took no action. <i>Note: The Commission's motion not to have the groundwater production charges rates raised across all zones failed 3 Yes and 14 Nay.</i>
9	Review FY2023 Board Work Plan	October 26	Accomplished October 26, 2022: The Commission received the FY2023 Board Work Plan was accepted on consent calendar.
GOAL	OBJECTIVE	FY23 TACTICS	MONITORING COMMITTEE
INTEGRATED WATER RESOURCES MANAGEMENT <i>"Efficiently manage water resources across business areas."</i>	<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; Watersheds and Water Utility Operations and Maintenance Plans; and various Asset Management Plans. • 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. 	Board Policy and Planning Committee (BPPC) CIP Committee (CIPC)
	<u>Objective #2 Challenge/Opportunity</u> <i>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.</i>	<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. 	BPPC

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		<ul style="list-style-type: none"> •Collaborate with RWQCB on the Steelhead Regional Temperature Study. 	
WATER SUPPLY <i>“Provide a reliable, safe, and affordable water supply for current and future generations in all communities served.”</i>	<u>Objective #1 Challenge/Opportunity</u> <i>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 Valley Water in collaborative water storage projects and prioritizing projects within funding constraints.</i>	<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)
	<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>	<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. 	Water Conservation and Demand Management Committee (WCaDMC) (Groundwater) CIPC (infrastructure projects)
	<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>	<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. 	Recycled Water Committee (RWC)
	<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</i>	<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. 	CIPC Stream Planning and Operations Committee (SPOC)

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	<p>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).</p>	<ul style="list-style-type: none"> • 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><u>Objective #5 Challenge/Opportunity</u> Droughts are a recurring feature of California's climate and may intensify with climate change. Water 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.</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 Water's water conservation programs. • 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. 	WCaDMC
<p>NATURAL FLOOD PROTECTION "Provide Natural Flood Protection to reduce risk and improve health and safety."</p>	<p><u>Objective #1 Challenge/Opportunity</u> 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.</p>	<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

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	<p><u>Objective #2 Challenge/Opportunity</u> 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.</p>	<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 protection countywide. 	CIPC BPPC
<p>ENVIRONMENTAL STEWARDSHIP "Sustain ecosystem health while managing local water resources for flood protection and water supply."</p>	<p><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.</p>	<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
	<p><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.</p>	<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)
	<p><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.</p>	<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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<p>CLIMATE CHANGE "Mitigate Carbon Emissions and Adapt Valley Water Operations to Climate Change Impacts."</p>	<p><u>Objective #1 Challenge/Opportunity</u> 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.</p>	<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. 	<p>Climate Adaptation and Sustainability Committee (CAASC)</p>
<p>BUSINESS MANAGEMENT "Promote effective management of water supply, flood protection, and environmental stewardship through responsive and socially responsible business services."</p>	<p><u>Objective #1 Challenge/Opportunity</u> 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.</p>	<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. 	<p>Diversity & Inclusion Ad Hoc Committee (DIAHC)</p>

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Santa Clara Valley Water District

File No.: 23-0086

Agenda Date: 1/25/2023

Item No.: 5.3.

COMMITTEE AGENDA MEMORANDUM Santa Clara Valley Water Commission

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

SUBJECT:

Update on progress towards Valley Water's drought emergency response and drought-related water conservation efforts.

RECOMMENDATION:

Receive an update on Valley Water's drought emergency response, progress towards meeting the Board's call for water use reduction in response to the water shortage emergency condition, and water conservation efforts.

SUMMARY:

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.

In 2022, Santa Clara County (County) and the State of California entered the third year of drought, and experienced the driest January, February and March on record. Valley Water's Federal and State imported water allocations were drastically reduced to historic lows. On March 28, 2022, Governor Gavin Newsom issued Executive Order N-7-22 to call on local water suppliers to move to at least Stage 2 of their water shortage contingency plans.

While recent early season rainstorms have improved the drought status, they have not completely eliminated the drought. The U.S. Drought Monitor Report from January 5, 2023 indicates that the

county is in primarily moderate drought. Rainstorms have increased local reservoir storage, and as of January 11, 2023, local reservoir storage is above the January average. State reservoir levels have also increased, though levels are generally still low due to drought. The latest available snowpack data from January 11, 2023 shows that the northern Sierra Nevada snowpack, a primary source of Valley Water's imported water, was at 184% of normal, indicating significant improvement. Staff will provide updates regarding latest drought conditions.

Groundwater levels have stabilized in much of the county and continue to recover due to recent rains, conservation, and Valley Water's managed recharge operations. As drought conditions may continue, water use reduction is essential to minimize the risk of resumed subsidence in North County and wells going dry, particularly in South County. Conservation is an important strategy to help reach the Board's 15% call for water use reduction and mitigate against negative impacts.

Water Conservation Programs and Outreach

Valley Water is continuing its water conservation messaging through the winter months, and is continuing to see high participation rates in water conservation programs. In December, Valley Water provided the media information on the progress of the tunnel portion of the Anderson Dam Seismic Retrofit Project, including the round-the-clock work being done and the project's overall importance to our future water supply. Media interest has also focused on winter rain events. Valley Water communications addressed the storms, the drought and the need to conserve water even when it rains.

Our water conservation campaigns continue with tips for saving water and messaging on dialing back on irrigation during the winter. We are also promoting our landscape, irrigation and graywater rebates, outdoor water surveys and e-cart. A campaign focused on the commercial watering ban of non-functional turf continued until December 31. Ads run on audio and video streaming platforms, digital, social media, newspapers and supermarket shopping carts. Our monthly newsletter continues to feature water conservation tips and resources.

Valley Water has public service announcements involving local professional sports teams to promote conservation. Staff also shared a news release on all social platforms in early December to address the California Department of Water Resources initial allocation numbers.

Countywide Water Use Reduction

Countywide water savings were 23% in November 2022 compared to November 2019, showing that the county exceeded Valley Water's water savings target. The following table shows countywide water savings compared to 2019 (Valley Water's baseline for conservation) and 2020 (Governor's baseline for conservation).

Baseline Year	Santa Clara County	
	2019	2020
November 2022 Savings	23%	21%
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 outdoor water use restrictions. Valley Water is addressing these complaints and coordinating with water retailers and municipalities on enforcement efforts. Over 1,900 water waste complaints were received since enforcement of Ordinance 22-02 was launched in June 2022. Enforcement has been successful as there have been only seven complaints of water waste following the first complaint, which suggests that people are addressing their water waste following the first complaint.

Model Water Efficient New Development Ordinance

Valley Water continues to monitor and take actions related to the adoption of the Model Water Efficient New Development Ordinance (MWENDO) and provide staff support to municipalities as part of ongoing efforts to support cities' and the County's interests in expanding water efficiency measures. Currently, the County and several cities are considering select MWENDO measures to include as part of their jurisdictions' updated building code.

ATTACHMENTS:

Attachment 1: Drought Emergency Response Update PowerPoint

UNCLASSIFIED MANAGER:

Donald Rocha, 408-630-2338

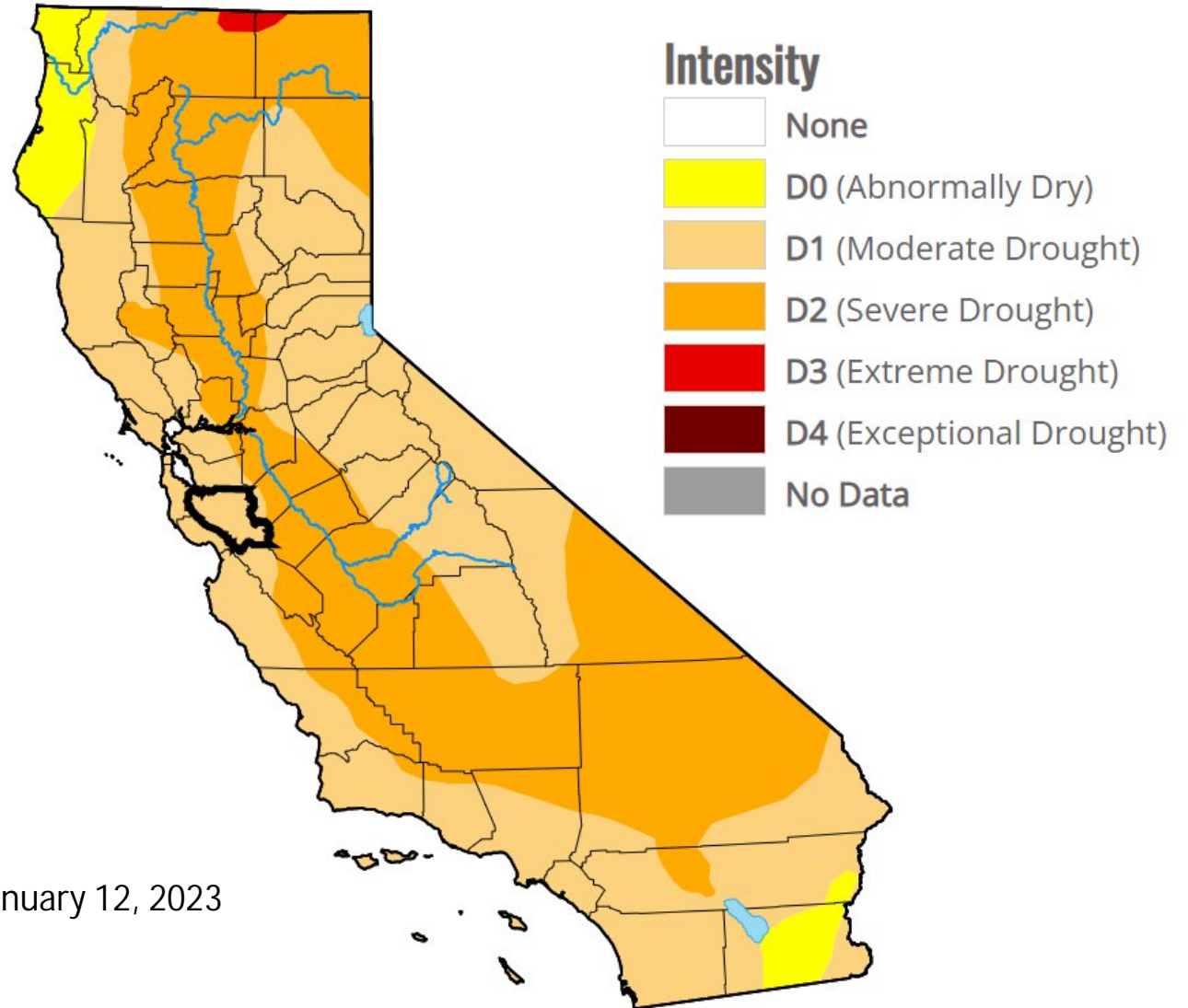


Drought Emergency Response and Water Supply Update

Water Commission
January 25, 2023

Drought Status

- Recent storms

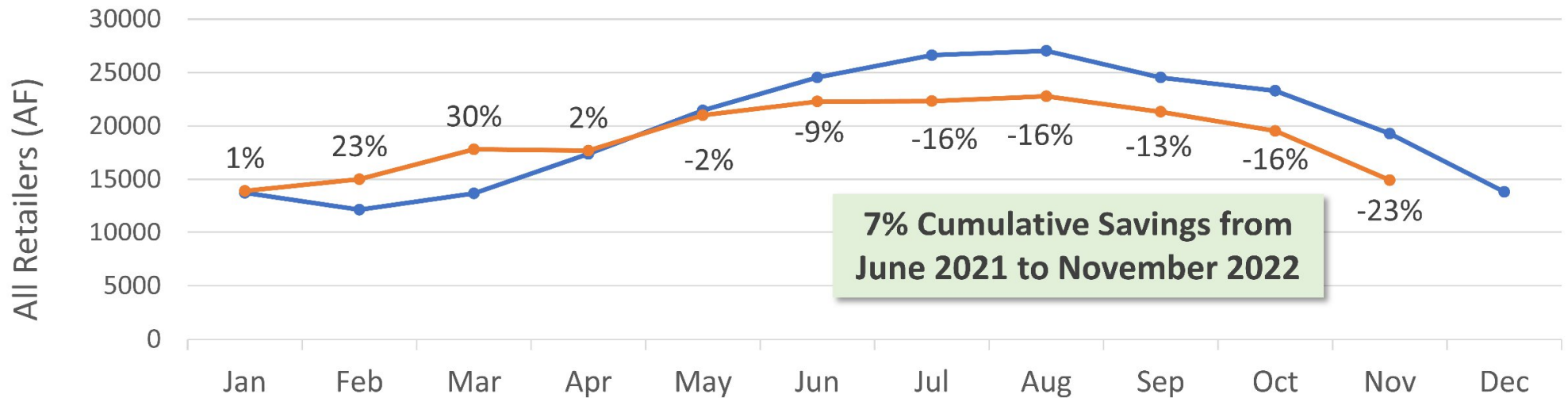


Data source: U.S. Drought Monitor, January 12, 2023

Countywide Water Savings

— 2019 — 2022

The percent increase (+) or percent decrease (-) in water use from 2019 to 2022 is shown for each month.



Valley Water's call for 15% savings compared to 2019 was exceeded in November 2022.

Historically Low Imported Water Allocations

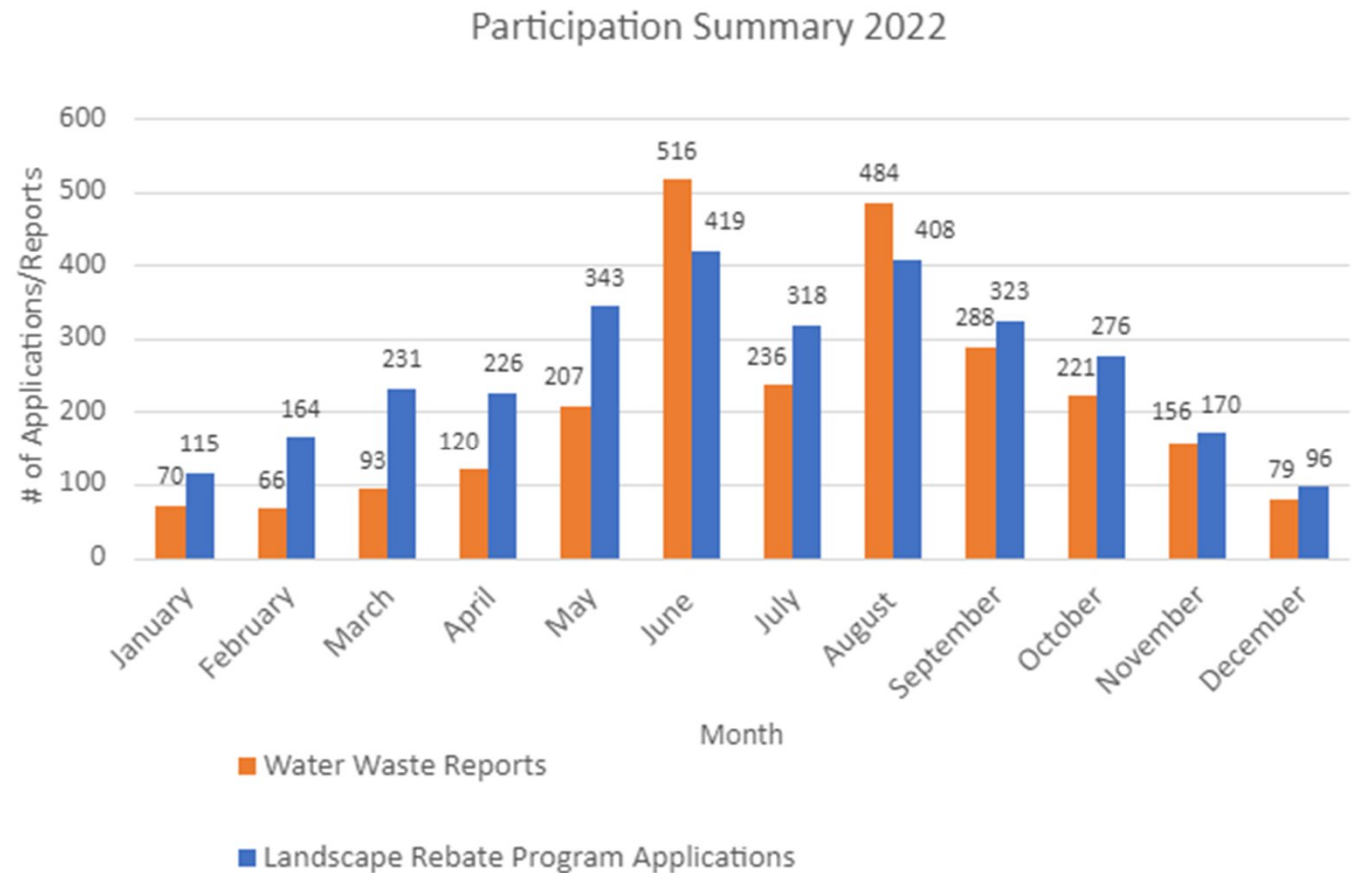
- State Water Project - 5% (initial) and possibility of Human Health and Safety safety
- Central Valley Project
- Semitropic water bank withdrawals
- Emergency transfers

Groundwater

- Managed recharge in 2022 was at 97% of long-term average
- Water levels have increased in many areas of the county
- Most water levels remain above 2014 drought levels

Water Conservation

- Participation decreasing as winter approaches
- E-cart
 - Over 10,000 orders



Water Use Reduction Enforcement Updates

Over 1,900 reports received since June (enforcement launch)

Enforceable Water Waste Violations	June	July	Aug	Sept	Oct	Nov	Dec
More than 2 days of watering per week	76	39	113	83	54	26	17
Watering from 9AM-6PM	84	30	92	45	29	14	4
Watering within 48 hours of rainfall	11	4	3	21	4	19	17
Runoff	199	95	210	129	118	46	21
Watering CII non-functional turf	n/a	n/a	n/a	15	38	18	5

Model Water Efficient New Development Ordinance

- MWENDO measures can be adopted at any time
- Valley Water provides staff support to interested municipalities
- Supplemental measure for 2023:
 - Prohibition of non-functional CII turf

Drought and Conservation Outreach

- Winter conservation campaign
- Sports partnership videos
- Water allocation news release
- Educational outreach



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Santa Clara Valley Water District

File No.: 23-0087

Agenda Date: 1/25/2023

Item No.: 5.4.

COMMITTEE AGENDA MEMORANDUM Santa Clara Valley Water Commission

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

SUBJECT:

Discuss Preliminary Fiscal Year 2023-24 Preliminary Groundwater Production Charge Analysis;
Provide Comment to the Board.

RECOMMENDATION:

Discuss staff's preliminary Fiscal Year 2023-24 Groundwater Production Charge analysis; Provide comment to the Board as desired.

SUMMARY:

Staff has prepared the preliminary FY 2023-24 groundwater production charge analysis, which includes several scenarios for Board review. Staff is seeking Board input on the preliminary analysis to incorporate into the development of the groundwater production charge recommendation.

The groundwater production charge reflects the benefit of Santa Clara Valley Water District (Valley Water) 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 or 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 groundwater production charge recommendation will be detailed in the 52nd Annual Report on the Protection and Augmentation of Water Supplies that is planned to be 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. It is anticipated that the Board would set the FY 2023-24 groundwater production charges by May 9, 2023, that would become effective on 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.

Water Use Assumptions

District managed water use for FY 2021-22 is estimated to be approximately 220,800 acre-feet (AF), roughly 11,500 AF lower than budgeted due to drought conditions and the Board's call for 15% mandatory conservation compared to 2019. In response to the ongoing drought, water use is budgeted for FY 2022-23 at a multi-decade low of 192,100 AF. In FY 2023-24 and beyond, water usage has been adjusted based on trends from the last drought (2014-2017) returning to "normal" water use by FY 2025-26. Water usage is projected to be 207,000 AF for FY 2023-24. Recent winter rains align with the current water use assumptions.

Staff are carefully monitoring monthly water use actuals and working closely with the water retailers during the drought and will continue to do so during the upcoming rate setting process, modifying the water usage forecast as necessary. Recent winter rains have improved local water supplies; however, the drought is not over yet.

Groundwater Production Charge Projection Scenarios

Staff has prepared a preliminary baseline groundwater production charge projection scenario for Board review, with several additional scenarios including an extended drought scenario and scenarios reflecting a range of assumptions for the Pacheco Reservoir Expansion Project and the Purified Water Program. Staff can model additional scenarios for the Board as needed.

For the baseline scenario, the increase in the North County Zone W-2 Municipal and Industrial (M&I) groundwater production charge is 15.0% for FY 2023-24. In the South County, for FY2023-24 baseline scenario, increases in the M&I groundwater production charge projections are 6.0% for Zone W-5; 12.9% for Zone W-7; and 8.0% for Zone W-8.

The overall impact of the preliminary analysis baseline scenario for FY 2023-24 to the average household would be an estimated increase of \$8.91 per month in North County, \$1.06 per month in South County Zone W-5, \$2.59 per month in South County in Zone W-7, and \$1.02 per month in South County in Zone W-8.

Staff assumes the continuation of the Contract Treated Water Surcharge at \$115/AF to maintain alignment with the cost that retailers would incur to pump water from their wells.

Staff has prepared the following scenarios for Board consideration:

Scenario 1) Baseline with Return to Prior Projection Water Use by FY26:

This scenario includes the following projects and assumptions:

- Conservation: 15% achieved by FY 2022-23, returning to prior projections by FY 2025-26
- Anderson Reservoir leveraging WIFIA loan (up to 49% of TPC)
- Pacheco Reservoir Expansion Project (PREP) with \$504 Proposition 1 grants, WIFIA loan (up to 49% of TPC) and Partnership Participation at 35% of TPC
- Purified Water Expansion operational by FY28, assumes 100% debt financed by P3 entity

- Los Vaqueros (Transfer Bethany Pipeline) with up to 50 kAF storage
- Delta Conveyance SWP portion at 3.23%
- Ongoing, additional emergency water supply purchases in FY2023-24 and FY 2024-25 (\$24.5M total)
- Leverage existing Supplemental Water and Rate Stabilization reserves (around \$50M total from FY 2023-24 and FY 2024-25)
- Master Plan Project Placeholder - Assumes \$333M in anticipated costs from FY 24 to FY 33 for new pipelines, pipeline rehabilitations, treatment plant upgrades and SCADA implementation projects.
- Agricultural rates remain set at 10% of lowest groundwater benefit zone M&I rate

Scenario 2) Baseline with Extended Drought:

Water use remains at a low of 192kAF in FY 2023-24 and FY 2024-25, combined with \$20M/year in Emergency Water Purchases.

Scenario 3) Baseline with 0% Partnership Participation Funding for Pacheco Reservoir Expansion Project:

Includes the same projects and assumptions as Scenario 1.

Scenario 4) Baseline excluding Pacheco Reservoir Expansion Project:

Includes the same projects and assumptions as Scenario 1; excludes Pacheco Reservoir Expansion Project.

Scenario 5) Baseline with \$100M Reduction in Total Project Costs for the Purified Water Program:

Includes the same projects and assumptions as Scenario 1, but with a \$100M reduction in total project costs (TPC) for the Purified Water Project.

Scenario 6) Baseline with \$100M Reduction in Total Project Costs combined with \$183M in Potential Grant Funding for the Purified Water Program:

Includes the same projects and assumptions as Scenario 1, with a \$100M reduction in total project costs (TPC) for the Purified Water Project and inclusion of \$183M grant funding for the project.

Staff can model additional scenarios for the Board as needed.

Other Assumptions

All scenarios assume the continued practice of relying on the State Water Project (SWP) Tax to pay for 100% of the SWP contractual obligations. Pursuant to Water Code Section 11652, Valley Water, whenever necessary, is required to levy on all property in its jurisdiction not exempt from taxation, a tax sufficient to provide for all payments under its SWP contract with the California Department of Water Resources (DWR). All scenarios assume holding the SWP Tax flat for FY 2023-24, setting it at \$27M. The SWP Tax for the average household in Santa Clara would remain at about \$41 per year.

A Drought Reserve was established in FY 2015-16 to help minimize future rate impacts and complements the Supplemental Water Supply Reserve. The reserve (\$10M) was used fully in FY 2022-23 due to the ongoing drought. The staff analysis assumes that future reserve levels build back up over subsequent years beginning in FY 2025-26.

The Baseline scenario assumes Water Utility operations cost of \$269.9M in FY 2023-24 versus the FY 2022-23 adopted budget of \$264.7M.

The preliminary analysis does not include unfunded capital projects or additional unfunded operations cost needs identified by staff.

Summary of Groundwater Production Charge Analysis Issues

Staff is seeking Board direction on the following issues to be incorporated into the Report on Protection and Augmentation of Water Supplies (PAWS) scheduled to be filed with the Clerk of the Board on February 24, 2023:

- Rate Impact Minimization Strategies
- Project Prioritization Strategies

ATTACHMENTS:

Attachment 1: PowerPoint

UNCLASSIFIED MANAGER:

Darin Taylor, 408-630-3068



PRELIMINARY FISCAL YEAR 2023-24

Groundwater Production Charge Analysis

Presented by
Darin Taylor, Chief Financial Officer
Santa Clara Valley Water Commission, January 25, 2023



Preliminary FY24 Groundwater Production Charge Analysis

3

PRESENTATION OUTLINE

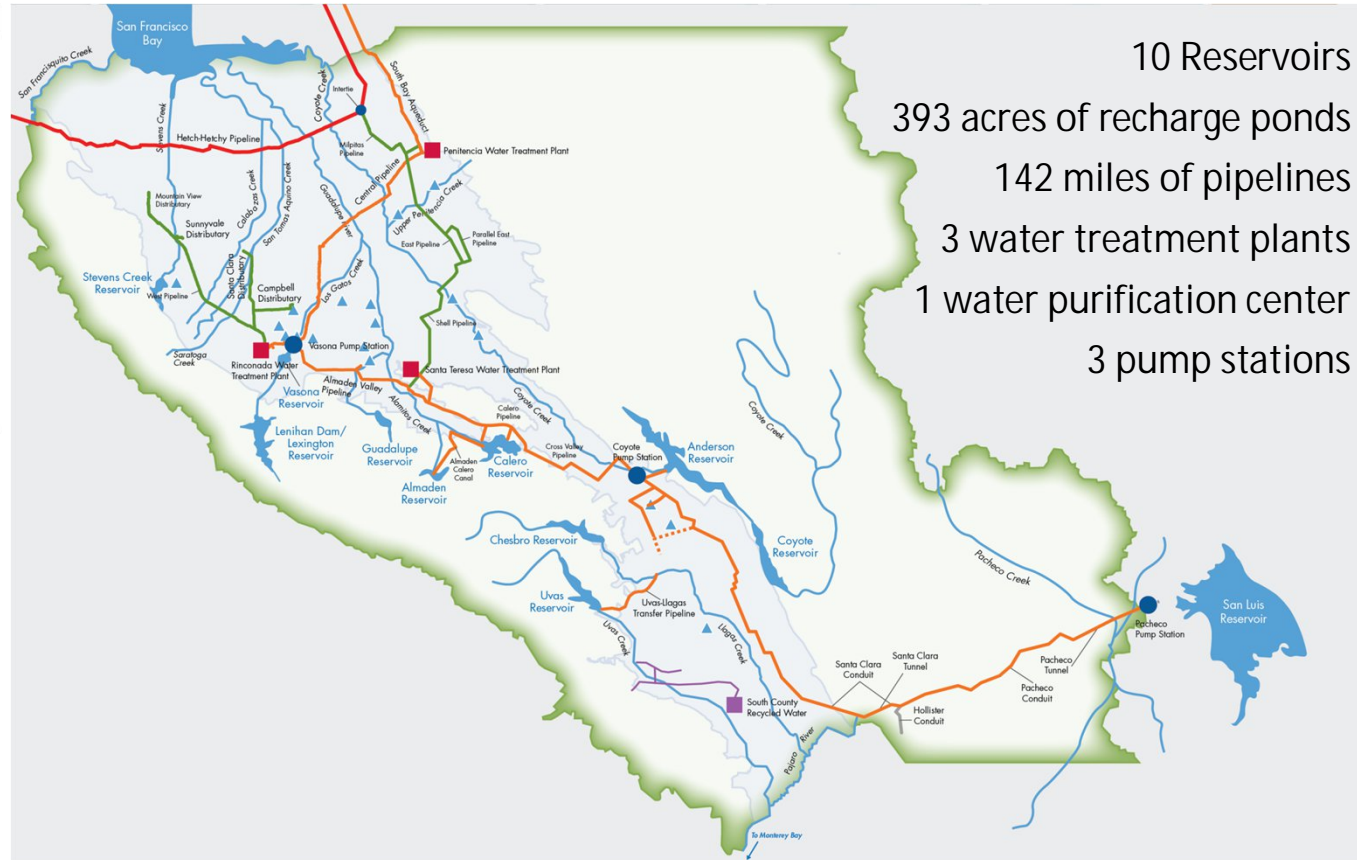
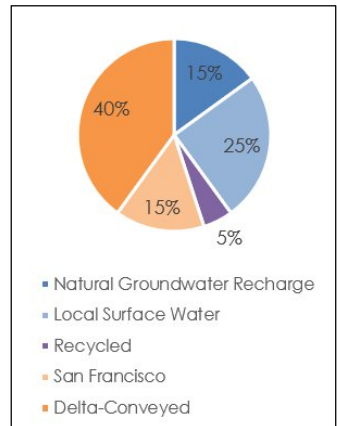
1. Background & System Information
2. Impact of Ongoing Drought, Inflation & Recession on Preliminary Analysis
3. Water Usage & Water Utility Cost Projections
4. Baseline Scenario Assumptions & Alternative Scenarios
5. Preliminary Groundwater Charge Forecast (Baseline & Alt. Scenarios)
6. Other Information
7. Schedule & Summary



A comprehensive, flexible water system

SERVING OVER 2.0 MILLION PEOPLE

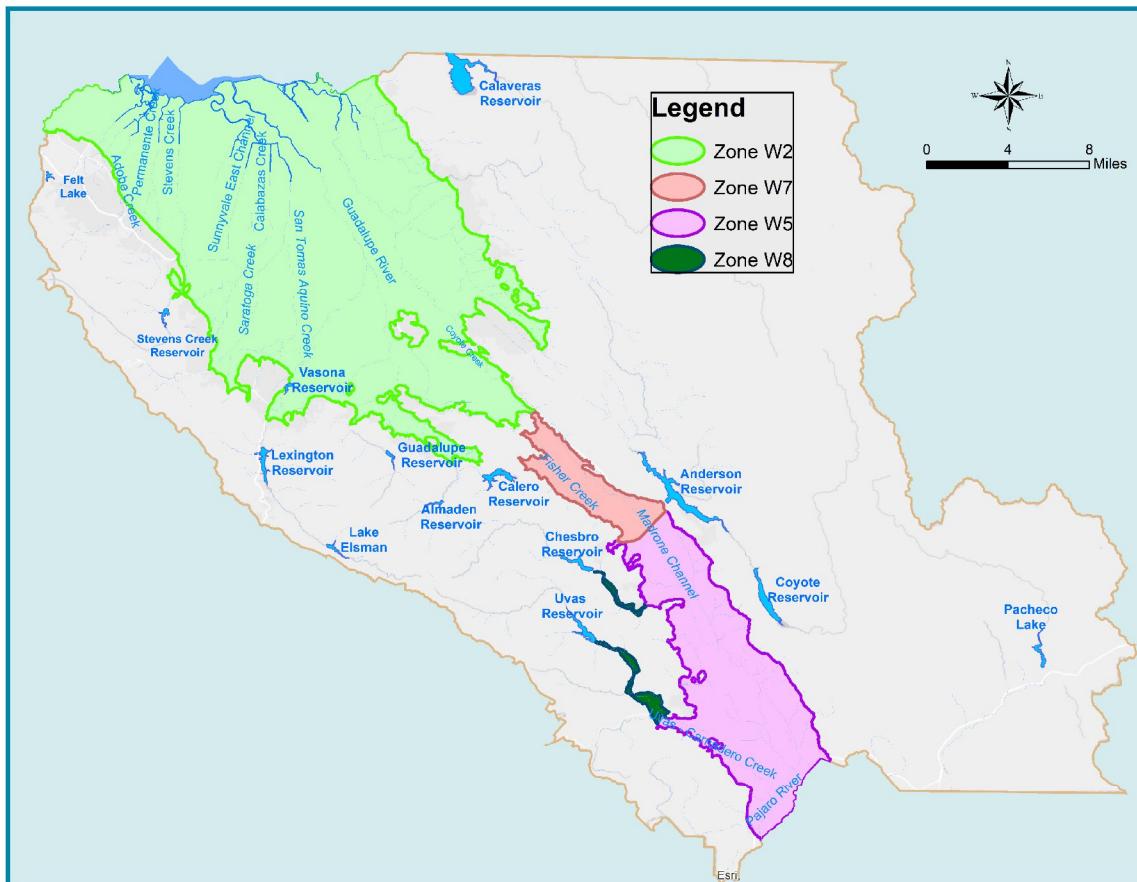
4



Valley Water Groundwater Charge Zones of Benefit

SERVING OVER 2.0 MILLION PEOPLE

5



Board Pricing Policy Summary

- Groundwater charges are levied within a zone for benefits received
- All water sources and water facilities contribute to common benefit within a zone regardless of cost, known as “pooling” concept
 - Helps maximize effective use of available resources
- Agricultural water charge shall not exceed 10% of M&I water charge



Infrastructure

DRIVES DIFFERENT GROUNDWATER PRODUCTION CHARGES IN EACH ZONE

North County

- 3 water treatment plants
- Reservoirs –
 - Almaden
 - Calero
 - Guadalupe
 - Lexington
 - Stevens Creek
 - Vasona
- Silicon Valley Advanced Water Purification Center
- Imported Water – State Water Project

Shared

- Reservoirs –
 - Anderson
 - Coyote
 - Pacheco
- Imported Water –
 - Central Valley Project
- Shared facilities do not benefit Zone W-8

South County

- Reservoirs –
 - Chesbro
 - Uvas
 - Does not benefit Zone W-7
- SCRWA Recycled Water System
 - Benefits Zone W-5 only

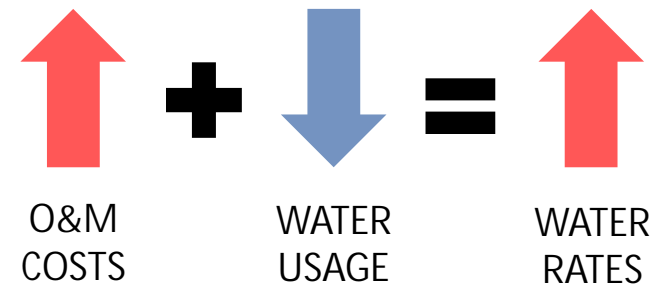
Ongoing drought has significant impact on preliminary analysis

DROUGHT PUTTING PRESSURE ON NEAR-TERM (FY24 & FY25) WATER RATES:

Ongoing Drought Puts Pressure on Water Rates:

O&M Costs up

- Emergency Water Purchases projected to be \$24.5M in FY24 & FY25
- Emergency Conservation activities projected to be \$7.0M in FY24 & FY25



Water Usage down: Mandatory 15% call for conservation compared to 2019 (on track to achieve in FY23)

- Results in lower revenue to pay for highly fixed cost structure

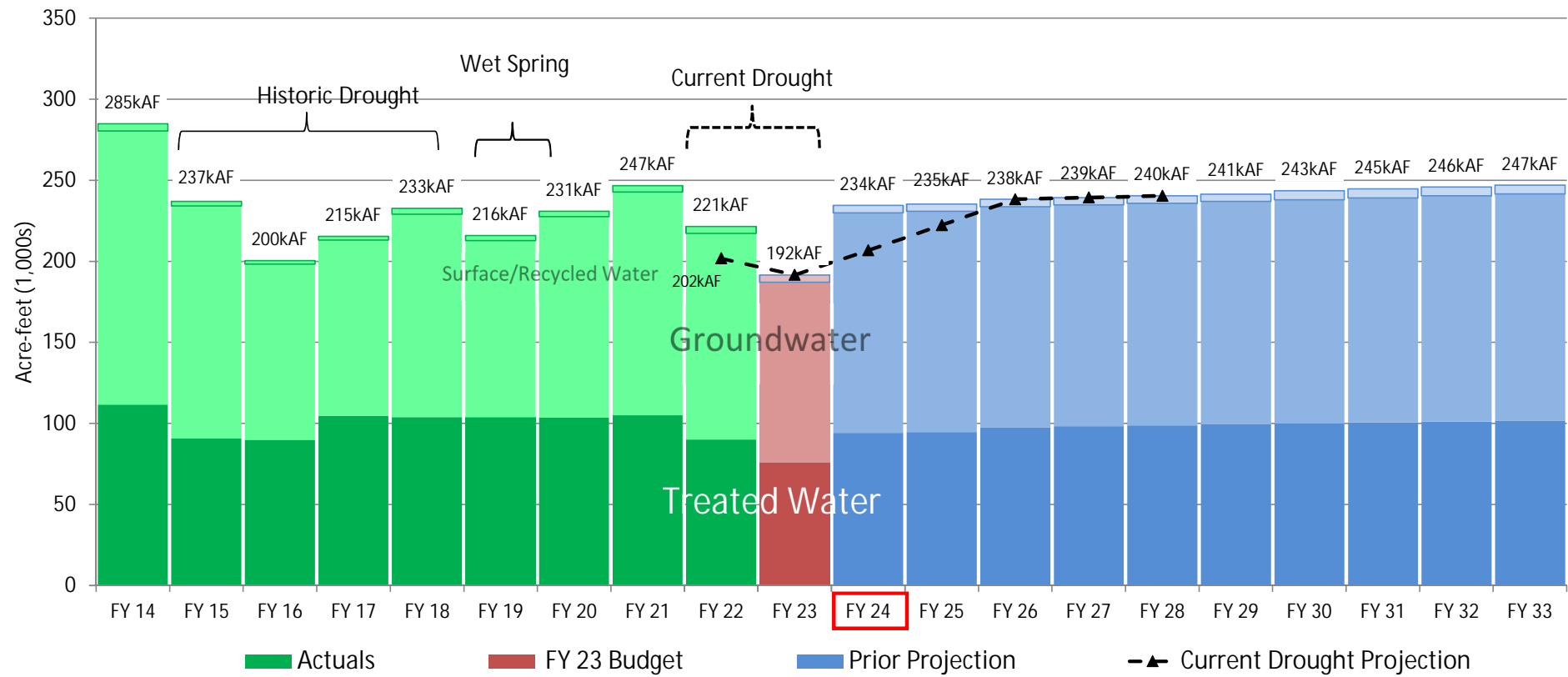
Continued Measures to Soften Water Rate Impact:

- Draw down Rate Stabilization & Supplemental Water reserves in FY 24 & FY 25
- Suspension of certain position backfills, sharing certain positions between multiple divisions, careful scrutiny of draft biennial budget to offset inflation impact



Water Usage (District Managed)

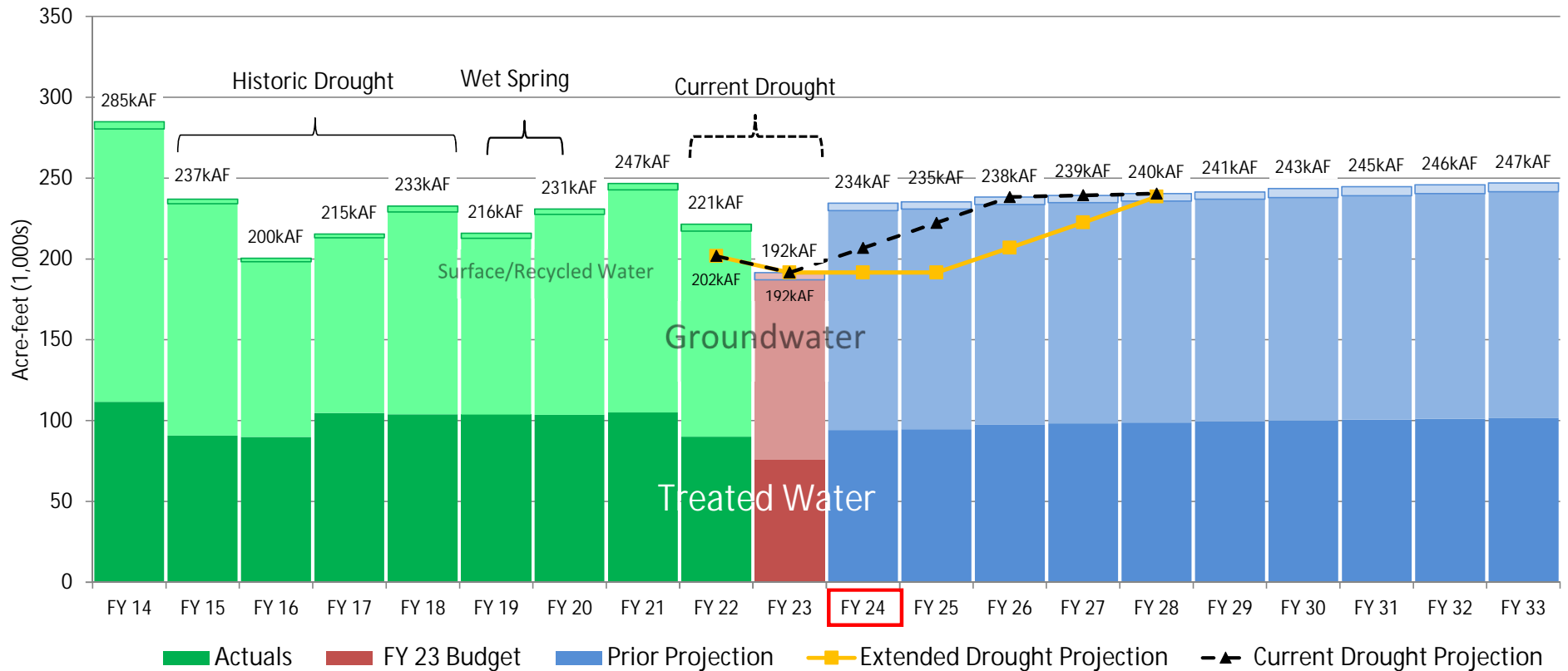
Water Usage (District Managed)



Water Usage (District Managed) – Extended Drought Scenario

9

Water Usage (District Managed)



Impacts of Inflation & Potential Recession

TO THE WATER UTILITY

10

Water Utility Revenue

Water Charge Revenue: Likely immaterial impact to water usage from inflation trends or recession

State Water Project Tax: No impact expected unless Teeter Plan suspended (unlikely)

Operations & Maintenance, Capital and Debt Financing

Significant cost increases, but recession may ease inflation

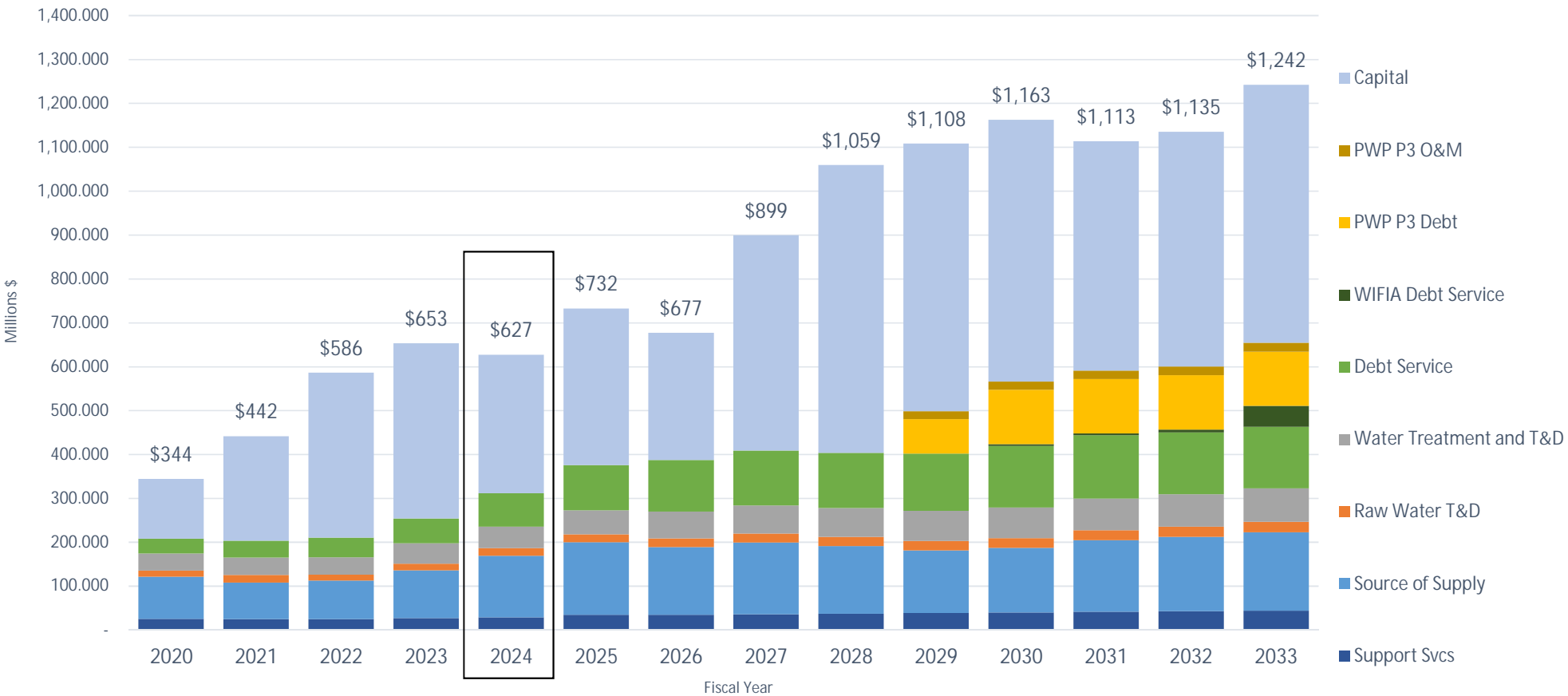
Draft FY2024-28 CIP is significantly higher than Adopted FY2023-27 CIP

Rising interest rates mean more costly debt issuances, partially offset by higher investment earnings

Bottom Line: Cost increases will drive additional upward pressure on water rates



Preliminary Cost Projection



Infrastructure Repair and Water Supply Investments Drive Medium-Term and Long-Term Water Rates

Key drivers of medium-term rate projection (FY 26 thru FY 30)

RWTP Reliability Improvement

(\$166M TPC increase to \$628M)

- Extend service life of plant for next 50 years and expand plant capacity

Purified Water Program

(\$466M TPC increase to \$1.218B)

- Provide incremental drought proof water supply



Infrastructure Repair and Water Supply Investments Drive Medium-Term and Long-Term Water Rates

13

Key drivers of medium-term (FY 26 thru FY 30) & long-term rate projection (Beyond FY 30)

Anderson Dam Seismic Retrofit all projects combined (\$183.1M TPC increase to \$1.419B)

- Address public health and safety concerns and relieve operations restrictions
- Medium-term rate impact partially mitigated by WIFIA loan repayment terms

Key drivers of long-term rate projection (Beyond FY 30)

Pacheco Reservoir Expansion (\$319M TPC increase to \$2.780B)

- Add water storage to help face extended droughts
- Medium-term rate impact mitigated by grant funding and WIFIA loan repayment terms



Rate setting strategy for FY 2023-24

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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
- 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



Preliminary Groundwater Charge Increase Projection Baseline Scenario

15

M&I Groundwater Charge Year to Year Growth %

Baseline Scenario 1	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
North County Zone W-2	15%	15%	11.5%	11.5%	11.5%	11.5%	11.5%	7.0%	7.0%	7.0%
Prior Year	15%	15%	9.1%	9.1%	9.1%	9.1%	9.1%	5.0%	5.0%	
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%	



Rate setting strategy for FY 2023-24 – additional scenarios

16

ADDITIONAL FY 24 SCENARIOS:

- | | |
|------------|--|
| Scenario 2 | Baseline with Extended Drought: Water use projection remains about 192kAF in FY24 and FY25 combined with \$20M/year in Emergency Water Purchases |
| Scenario 3 | Baseline with 0% Partnership Participation Funding for Pacheco Reservoir Expansion |
| Scenario 4 | Baseline excluding Pacheco Reservoir Expansion Project |
| Scenario 5 | Baseline with \$100M Reduction in Total Project Costs for the Purified Water Program |
| Scenario 6 | Baseline with \$183M Potential Grant Funding for PWP combined with \$100M Reduction in Total Project Costs for the Purified Water Program (Board Preferred Scenario) |

All scenarios assume annual water use growth of ~ 0.5% based on Urban Water Management Plan.

Financial modeling for Scenarios 2 – 6 includes the same projects and assumptions as Baseline Scenario 1 unless noted otherwise.



Preliminary Groundwater Charge Increase Scenarios

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M&I Groundwater Charge Year to Year Growth %

North County Zone W-2	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Baseline Scenario #1	15.0%	15.0%	11.5%	11.5%	11.5%	11.5%	11.5%	7.0%	7.0%	7.0%
Scenario #2 – Baseline with Extended Drought	24.5%	22.0%	9.4%	9.4%	9.4%	9.4%	9.4%	5.0%	5.0%	5.0%
Scenario #3 – Baseline with 0% PREP Partnership Funding	15.0%	15.0%	12.0%	12.0%	12.0%	12.0%	12.0%	7.0%	7.0%	7.0%
Scenario #4 – Baseline excluding Pacheco	15.0%	15.0%	11.5%	11.3%	11.3%	11.3%	11.3%	5.5%	5.5%	5.5%
Scenario #5 – Baseline with \$100M lower PWP TPC	15.0%	15.0%	11.5%	11.0%	11.0%	11.0%	11.0%	6.8%	6.8%	6.8%
Scenario #6 – Scenario #5 + \$183M PWP Grant Funding (Board Preferred Scenario)	15.0%	15.0%	9.9%	9.9%	9.9%	9.9%	9.9%	6.3%	6.3%	6.3%



Preliminary Monthly Impact to Average Household Scenarios

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M&I Groundwater Charge – Monthly impact to Average Household

North County Zone W-2	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Baseline Scenario #1	\$8.91	\$10.24	\$9.03	\$10.07	\$11.23	\$12.52	\$13.96	\$9.47	\$10.14	\$10.85
Scenario #2 – Baseline with Extended Drought	\$14.55	\$16.26	\$8.48	\$9.27	\$10.15	\$11.10	\$12.14	\$7.07	\$7.42	\$7.79
Scenario #3 – Baseline with 0% PREP Partnership Funding	\$8.91	\$10.24	\$9.42	\$10.55	\$11.82	\$13.24	\$14.83	\$9.69	\$10.36	\$11.09
Scenario #4 – Baseline excluding Pacheco	\$8.91	\$10.24	\$9.03	\$9.89	\$11.01	\$12.26	\$13.64	\$7.39	\$7.80	\$8.22
Scenario #5 – Baseline with \$100M lower PWP TPC	\$8.91	\$10.24	\$9.03	\$9.63	\$10.69	\$11.87	\$13.17	\$9.04	\$9.65	\$10.31
Scenario #6 – Scenario #5 + \$183M PWP Grant Funding (Board Preferred Scenario)	\$8.91	\$10.24	\$7.77	\$8.54	\$9.39	\$10.32	\$11.34	\$7.93	\$8.43	\$8.96

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



Preliminary Groundwater Charge Increase Scenarios

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M&I Groundwater Charge Year to Year Growth %

South County Zone W-5	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Baseline Scenario #1										
Scenario #2 – Baseline with Extended Drought										
Scenario #3 – Baseline with 0% PREP Partnership Funding	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Scenario #5 – Baseline with \$100M lower PWP TPC										
Scenario #6 – Scenario #5 + \$183M PWP Grant Funding (Board Preferred Scenario)										
Scenario #4 – Baseline excluding Pacheco	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%



Preliminary Monthly Impact to Average Household Scenarios

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M&I Groundwater Charge – Monthly impact to Average Household

South County Zone W-5	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Baseline Scenario #1										
Scenario #2 – Baseline with Extended Drought										
Scenario #3 – Baseline with 0% PREP Partnership Funding	\$1.06	\$1.12	\$1.19	\$1.26	\$1.34	\$1.42	\$1.50	\$1.59	\$1.69	\$1.79
Scenario #5 – Baseline with \$100M lower PWP TPC										
Scenario #6 – Scenario #5 + \$183M PWP Grant Funding (Board Preferred Scenario)										
Scenario #4 – Baseline excluding Pacheco	\$0.87	\$0.91	\$0.95	\$1.00	\$1.05	\$1.10	\$1.15	\$1.21	\$1.27	\$1.33

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



Preliminary Groundwater Charge Increase Scenarios

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M&I Groundwater Charge Year to Year Growth %

South County Zone W-7	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Baseline Scenario #1										
Scenario #2 – Baseline with Extended Drought										
Scenario #3 – Baseline with 0% PREP Partnership Funding	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%
Scenario #5 – Baseline with \$100M lower PWP TPC										
Scenario #6 – Scenario #5 + \$183M PWP Grant Funding (Board Preferred Scenario)										
Scenario #4 – Baseline excluding Pacheco	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%



Preliminary Monthly Impact to Average Household Scenarios

22

M&I Groundwater Charge – Monthly Impact To Average Household

South County Zone W-7	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Baseline Scenario #1										
Scenario #2 – Baseline with Extended Drought										
Scenario #3 – Baseline with 0% PREP Partnership Funding	\$2.59	\$2.92	\$3.30	\$3.72	\$4.20	\$4.75	\$5.36	\$6.05	\$6.83	\$7.71
Scenario #5 – Baseline with \$100M lower PWP TPC										
Scenario #6 – Scenario #5 + \$183M PWP Grant Funding (Board Preferred Scenario)										
Scenario #4 – Baseline excluding Pacheco	\$2.05	\$2.25	\$2.48	\$2.74	\$3.02	\$3.33	\$3.66	\$4.04	\$4.45	\$4.90

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



Preliminary Groundwater Charge Increase Scenarios

23

M&I Groundwater Charge Year To Year Growth %

South County Zone W-8	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Baseline and all Scenarios	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

M&I Groundwater Charge – Monthly Impact To Average Household

South County Zone W-8	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Baseline and all Scenarios	\$1.02	\$1.10	\$1.18	\$1.28	\$1.38	\$1.49	\$1.61	\$1.74	\$1.88	\$2.03

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



Other Charges, Taxes, Reserves Information

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	FY 2023	FY 2024	FY 2025
<u>Other Charges</u>	<u>Budget</u>	<u>Projection</u>	<u>Projection</u>
Contract TW Surcharge (\$/AF)	\$115.00	\$115.00	\$115.00
Non-contract TW Surcharge (\$/AF)	\$200.00	\$200.00	\$200.00
Surface Water Master Charge (\$/AF)	\$47.10	\$54.20	\$62.40
Agricultural Groundwater Charge (\$/AF)	\$36.85	\$39.80	\$42.98
<u>SWP Tax</u>			
Revenue	\$27M	\$27M	\$28M
Cost per average household	\$41/Yr.	\$41/Yr.	\$42/Yr.
<u>Reserves</u>			
Supplemental Water Reserve	\$5.3M	\$2.7M	\$2.7M
Drought Reserve	\$0M	\$0M	\$0M
Rate Stabilization Reserve	\$41.0M	\$6.0M	\$27.5M *
Operating and Capital Reserve	\$38.0M	\$57.7M	\$63.8M

* FY 25 Rate Stabilization Reserve balance assumes full replenishment to target offset by \$15M draw down for debt service coverage purposes.



2023 Schedule

25

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 TBD	Water Commission Meeting
Apr 11	Open Public Hearing
Apr TBD	Continue Public Hearing in South County
Apr 25	Conclude Public Hearing
Apr 26-27	Board Meeting: Budget work study session
May 9	Adopt budget & groundwater production and other water charges



Summary

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Key Drivers for Water Rate Projection:

- Near Term (FY 24 & FY 25): Driven by Drought
 - Emergency water purchases to ensure water supply for Silicon Valley
- Medium Term (FY 26 – FY 30): Driven by Rinconada, Purified Water Program & partially Anderson Dam Seismic Retrofit
- Long Term (Beyond FY 30): Pacheco Reservoir Expansion & partially Anderson Dam Seismic Retrofit

Valley Water is leveraging all available tools to minimize rate impacts now

- Continue to reassess drought status & recovery for future year rate impacts

Next Steps

Discuss Preliminary Fiscal Year 2023-24 Preliminary Groundwater Production Charge Analysis & Provide Comment to the Board as Desired





Valley Water

Clean Water • Healthy Environment • Flood Protection



Santa Clara Valley Water District

File No.: 23-0089

Agenda Date: 1/25/2023

Item No.: 5.5.

COMMITTEE AGENDA MEMORANDUM Santa Clara Valley Water Commission

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

SUBJECT:

Review Santa Clara Valley Water Commission Work Plan, the Outcomes of Board Action of Commission Requests; and the Commission's Next Meeting Agenda.

RECOMMENDATION:

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

SUMMARY:

The attached Work Plan outlines the Board-approved 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 additional 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: Water Commission 2023 Work Plan

UNCLASSIFIED MANAGER:

Candice Kwok-Smith, 408-630-3193

2023 Work Plan: Santa Clara Valley Commission

Update: January 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 25	•Commission Elects Chair and Vice Chair for 2023 (Action)	
2	Annual Accomplishments Report	January 25	•Review and approve 2022 Accomplishments Report for presentation to the Board. (Action) •Submit requests to the Board, as appropriate.	
3	Update on progress towards Valley Water's drought emergency response and drought-related water conservation efforts.	January 25 April 12 July 26 October 25	•Receive Update on progress towards Valley Water's drought emergency response and drought-related water conservation efforts. (Action)	
4	Review and Comment to the Board on the Fiscal Year 2023–2024 Preliminary Groundwater Production Charges.	January 25	•Review and comment to the Board on the Fiscal Year 2024 Preliminary Groundwater Production Charges. (Action) •Submit comments to the Board, as appropriate.	

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

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2023 Work Plan: Santa Clara Valley Commission

Update: January 2023

ITEM	WORK PLAN ITEM BOARD POLICY	MEETING DATE	INTENDED OUTCOME(S) (Action or Information Only)	ACCOMPLISHMENT DATE AND OUTCOME
5	Consent Calendar	January 25 April 12 July 26 October 25	•Consent Calendar (the Chair will note those items on each agenda that are of no impact (information only) to move the meeting more efficiently).	
6	Review of Santa Clara Valley Water Commission Work Plan, the Outcomes of Board Action of Commission Requests, and the Commission's Next Meeting Agenda	January 25 April 12 July 26 October 25	•Receive and review the 2023 Board-approved Commission work plan. (Action) •Submit requests to the Board, as appropriate.	
7	Standing Items Reports Fiscal Year 2023:	January 25	•Receive quarterly reports on standing items. (Information)	
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; Watersheds and Water Utility Operations and Maintenance Plans; and various Asset Management Plans. • 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 		Board Policy and Planning Committee (BPPC) CIP Committee (CIPC)

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ITEM	WORK PLAN ITEM BOARD POLICY	MEETING DATE	INTENDED OUTCOME(S) (Action or Information Only)	ACCOMPLISHMENT DATE AND OUTCOME
			<p>future regulatory requirements, and fold in projects identified in the Asset Management and Operations & Maintenance Plans.</p> <ul style="list-style-type: none"> • 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 Valley Water in collaborative water storage projects and prioritizing projects within funding constraints.</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)
	<p><u>Objective #2 Challenge/Opportunity</u> 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</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 	Water Conservation and Demand Management Committee (WCaDMC) (Groundwater) CIPC (infrastructure projects)

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ITEM	WORK PLAN ITEM BOARD POLICY	MEETING DATE	INTENDED OUTCOME(S) (Action or Information Only)	ACCOMPLISHMENT DATE AND OUTCOME
	<i>regulatory requirements that may restrict the amount of available water.</i>		management plans. • Partner with the California Department of Water Resources (DWR) to ensure reliability of the South Bay Aqueduct.	
	<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>		• 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.	Recycled Water Committee (RWC)
	<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>		• 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).	CIPC Stream Planning and Operations Committee (SPOC)
	<u>Objective #5 Challenge/Opportunity</u> <i>Droughts are a recurring feature of California's climate and may intensify with climate change. Water 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</i>		• Continue communication and educational outreach to promote Valley Water's water conservation programs. • Increase collaboration with our retailer partners to promote Valley Water's water conservation programs. • 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	WCaDMC

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ITEM	WORK PLAN ITEM BOARD POLICY	MEETING DATE	INTENDED OUTCOME(S) (Action or Information Only)	ACCOMPLISHMENT DATE AND OUTCOME
	<i>for efficiently meeting current and future demands while mitigating droughts.</i>		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 protection countywide. 	CIPC BPPC
ENVIRONMENTAL STEWARDSHIP “Sustain ecosystem health while managing local water resources for flood	<u>Objective #1 Challenge/Opportunity</u> <i>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</i>		<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. 	BPPC

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<i>protection and water supply."</i>	<i>habitats to support native species throughout Santa Clara County.</i>		<ul style="list-style-type: none"> • 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. 	
	<u>Objective #2 Challenge/Opportunity</u> <i>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.</i>		<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> <i>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.</i>		<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
CLIMATE CHANGE "Mitigate Carbon Emissions and Adapt Valley Water Operations to Climate Change Impacts."	<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</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)

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	<p><i>decade; however, with adoption of the Climate Change Action Plan there is an opportunity for greater impact.</i></p> <p>BUSINESS MANAGEMENT <i>"Promote effective management of water supply, flood protection, and environmental stewardship through responsive and socially responsible business services."</i></p>	<p><i>Objective #1 Challenge/Opportunity</i> <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></p>	<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. 	<p>Diversity & Inclusion Ad Hoc Committee (DIAHC)</p>
8	Review and Comment to the Board on the Fiscal Year 2022 - 2023 Proposed Groundwater Production Charges.	April 12	<ul style="list-style-type: none"> •Review and comment to the Board on the Fiscal Year 2023 Proposed Groundwater Production Charges. (Action) • 	
9	Updates on Valley Water's Encampment Cleanup Operations.	TBD	<ul style="list-style-type: none"> •Received information on the Updates on Valley Water's Encampment Cleanup Operations. (Information) 	

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Santa Clara Valley Water District

File No.: 23-0090

Agenda Date: 1/25/2023

Item No.: 6.1.

COMMITTEE AGENDA MEMORANDUM Santa Clara Valley Water Commission

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

SUBJECT:

Standing Items Report.

RECOMMENDATION:

Standing Items Report allows the Santa Clara Valley Water Commission to receive verbal or written updates and discuss the Board's Fiscal Year 2023 Work Plan Strategies. These items are generally informational; however, the Commission may request additional information and/or provide collective input to the assigned Board Committee.

SUMMARY:

The Santa Clara Valley Water Commission was established to assist the Board with policy review and development, provide comment on activities in the implementation of Valley Water's mission, and to identify Board-related issues.

On January 2022, the Board of Directors approved aligning the Board Advisory Committees' agendas and work plans with the Board's yearly work plan.

The new agenda format will allow regular reports on the Board's priorities from the Board's committees and/or Board committee representative and identify subjects where the committees could provide advice to the Board on pre-identified subjects in a timely manner to meet the Board's schedule and distribute information/reports that may be of interest to committee members.

ATTACHMENTS:

Attachment 1: Standing Items Report

UNCLASSIFIED MANAGER:

Candice Kwok-Smith, 408-630-3193

FY2022-2023 BOARD WORK PLAN – STANDING ITEMS REPORT

December 2022

INTEGRATED WATER RESOURCES MANAGEMENT GOAL: Efficiently manage water resources across business areas.	
Objective 1:	Protect and maintain existing assets and infrastructure and advance new projects.
Updates:	<ul style="list-style-type: none"> The Draft Watersheds and Water Utility Five-Year Operations and Maintenance and Asset Renewal Program Plans is scheduled to be presented to the Board of Directors at the January 10, 2023 Board Meeting. On a monthly basis, updates on the current status and phases of all projects that are part of Valley Water's Capital Improvement Program (CIP) are provided to the Board's CIP Committee. The Board will hold a Work Study Session on the Draft Preliminary Five-Year FY2023-2027 CIP at the January 10, 2023 Board Meeting.
Objective 2:	Improve internal capacity to acquire regulatory permits.
Updates:	<ul style="list-style-type: none"> Valley Water continues to hold and participate in regular technical and permitting discussions with resource agencies including monthly interagency or Technical Work Group meetings as well as single agency meetings with National Marine Fisheries Service, California Department of Fish and Wildlife, U.S. Fish and Wildlife, State Water Resources Control Board, Regional Water Quality Control Board, U.S. Army Corps of Engineers, and the Federal Energy Regulatory Commission. On September 14, 2022, Valley Water hosted staff from National Marine Fisheries Service (NMFS), California Department of Fish and Wildlife (CDFW), and San Francisco Bay Regional Water Quality Control Board (SFWQB) on a site tour of three watershed project sites: a fish ladder project at Evelyn Avenue on Stevens Creek, currently under design, Upper Guadalupe gravel augmentation site, which completed construction in 2021, and Coyote Percolation Ponds flashboard dam replacement, currently under design. All three sites have fish ladder/habitat improvement elements where resource agencies were interested in understanding site conditions, assess effectiveness as well as give feedback.
Objective 3:	Educate the community, elected officials and external stakeholders on our management of water resources in Santa Clara County.
Updates:	<ul style="list-style-type: none"> On August 26, 2022, Valley Water convened elected officials, business leaders, agricultural leaders, and environmental advocates from throughout Silicon Valley at the 2022 Water Summit to discuss current water supply challenges and address the drought and worsening climate change impacts. For the first time since the pandemic, Valley Water returned to Washington, D.C., September 19–21, 2022 to meet with congressional offices and agency staff, including Members of the Santa Clara County congressional delegation, the offices of Senators Feinstein and Padilla, key committees, and the Bureau of Reclamation to advocate for drought funding and passage of important legislation, such as the Water Resources Development Act. On October 14, 2022, Valley Water hosted elected officials and key advocacy stakeholders from the public, non–profit, and private sectors on a VIP Water Walk Tour to educate and engage them on critical water infrastructure projects including Anderson Dam, Alamos Groundwater Recharge Ponds, the Upper Guadalupe River Flood Protection and South San Francisco Bay Shoreline Projects, and Silicon Valley Advanced Water Purification Center. In October 2022, Valley Water relaunched in-person public tours of the Silicon Valley Advanced Water Purification Center and experienced maximum capacity turnout in its first few tours. So far in FY23, Valley Water's Education Outreach Program has reached nearly 4,300 students and educators and its Water Infrastructure and Purification Tours have been given to 384 members of the public. Valley Water continues to provide an update on the current drought response and water supply status at the first Board Meeting of each month.

WATER SUPPLY GOAL: Provide a reliable, safe, and affordable water supply for current and future generations in all communities served.	
Objective 1:	Pursue new and diversified water supply and storage opportunities.
Updates:	<ul style="list-style-type: none"> Valley Water continues to 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, including determining participation levels and identifying partnerships. At the November 22, 2022 Board Meeting, the Board approved the Los Vaqueros Reservoir Expansion Multi-party Agreement Amendment No. 4 to continue the planning and design of the Los Vaqueros Project.
Objective 2:	Secure existing water supplies and water supply infrastructure
Updates:	<ul style="list-style-type: none"> Valley Water continues to participate in and influence decisions regarding the Delta Conveyance Project. On December 19, 2022, the U.S. Army Corps of Engineers (USACE) released a Draft Environmental Impact Statement (DEIS) for the proposed Delta Conveyance Project (DCP). Valley Water is reviewing the DEIS and will provide comments if warranted.
Objective 3:	Lead Recycled and Purified Water Efforts with committed partners.
Updates:	<ul style="list-style-type: none"> In September 2022, the Palo Alto City Council conducted a study session on a future water purification facility in the City of Palo Alto and since then Valley Water has been meeting with staff from Palo Alto to collaborate on agreements and refine regulatory requirements. Discussions have continued with the City of San Jose on future purified water projects.
Objective 4:	Complete the Anderson Dam Seismic Retrofit Project.
Updates:	<ul style="list-style-type: none"> Construction has begun on the Anderson Dam Tunnel Project, a component of the Federal Energy Regulatory Commission Order Compliance Project (FOCP). A soil nail wall to strengthen roughly 15,000 square feet of hillside was completed and excavation for the new diversion outlet tunnel has commenced.
Objective 5:	Making water conservation a California way of life in Santa Clara County.
Updates:	<ul style="list-style-type: none"> Valley Water continues to provide an update on the current drought response and water supply status at the first Board Meeting of each month. At the August 9, 2022 Board Meeting, Valley Water's Youth Commission presented a Drought Awareness & Conservation Toolkit to engage their peers and bring attention to the severity of the drought. The Toolkit includes a social media campaign, a series of conservation stickers, video resources and a push for young people to take a conservation pledge. At the September 9, 2022 Board Meeting, the Board adopted a First Amended and Restated Ordinance that provides water retailers additional opportunities to undertake enforcement measures that address water waste and ban irrigation of commercial, industrial and institutional non-functional turf. On September 29, 2022, a collaborative press conference with the state's Save Our Water team supporting California Secretary of Natural Resources Wade Crowfoot was held at the Google Bay View campus in Mountain View. The event put a spotlight on the continuous need to conserve water and our commercial rebate offerings to the local business community. Since July 2022, Valley Water has met or exceeded our countywide conservation targets of a 15% reduction in water use compared to 2019.

NATURAL FLOOD PROTECTION GOAL: Provide Natural Flood Protection to reduce risk and improve health and safety.	
Objective 1:	Protect people and property from flooding by applying a comprehensive, integrated watershed management approach that balances environmental quality, sustainability, and cost.
Updates:	<ul style="list-style-type: none"> As part of the One Water Plan, Valley Water continues to develop watershed plans for Upper Pajaro River and Guadalupe River Watersheds. On a monthly basis, updates on the current status and phases of all projects that are part of Valley Water's Capital Improvement Program (CIP) are provided to the Board's CIP Committee. The Board will hold a Work Study Session on the Draft Preliminary Five-Year FY2023-2027 CIP at the January 10, 2023 Board Meeting.
Objective 2:	Provide flood protection equitably in all regions of the County, prioritizing disadvantaged communities.
Updates:	<ul style="list-style-type: none"> On a monthly basis, updates on the current status and phases of all projects that are part of Valley Water's Capital Improvement Program (CIP) are provided to the Board's CIP Committee. The Board will hold a Work Study Session on the Draft Preliminary Five-Year FY2023-2027 CIP at the January 10, 2023 Board Meeting.

ENVIRONMENTAL STEWARDSHIP GOAL: Sustain ecosystem health while managing local water resources for flood protection and water supply.	
Objective 1:	Plan and design projects with multiple benefits, including protecting ecosystem functions, enhancing habitat, and improving connectivity, equitably in all regions of the county.
Updates:	<ul style="list-style-type: none"> As part of the One Water Plan, Valley Water continues to develop watershed plans for Upper Pajaro River and Guadalupe River Watersheds. In June 2022, Valley Water began construction of the Hale Creek Enhancement Pilot Project, which is designed to increase channel flood capacity and improve the ecology of the creek system. In coordination with the San Francisco Bay Regional Water Quality Control Board, this project has been prioritized and selected for a pilot study to restore geomorphic creek features in a confined urban setting.
Objective 2:	Protect creeks, bay, and other aquatic ecosystems from threats of pollution and degradation.
Updates:	<ul style="list-style-type: none"> At the August 23, 2022 Board Meeting, the Board approved the implementation of a Water Resources Encampment Risk Assessment to aid staff in documenting and assessing risks related to encampments on Valley Water lands and help determine how to prioritize encampments for abatement. In the first quarter of FY23, Valley Water staff removed 246.15 tons of trash, debris and hazardous pollutants along our waterways. Valley Water, in partnership with the California Coastal Commission and the Creek Connections Action Group (CCAG), coordinated Coastal Cleanup Day in Santa Clara County on September 17, 2022. This year, 1,056 volunteers at 40 cleanup sites removed 28,130 pounds of litter from 53 miles of waterways and natural spaces in Santa Clara County.
Objective 3:	Complete and implement the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) agreement.
Updates:	<ul style="list-style-type: none"> Valley Water continues to coordinate the FAHCE Plus Pilot Flow Project for Guadalupe Creek and Stevens Creek initiated on October 1, 2020. Valley Water is preparing for a one-year extension of the two-year pilot flow study. In August 2022, Valley Water completed the Uvas Creek Fish Habitat Improvement Project which helps restore and maintain healthy steelhead trout populations by improving fish passage and habitat.

CLIMATE CHANGE GOAL: Mitigate carbon emissions and adapt Valley Water operations to climate change impacts.	
Objective:	Address future impacts of climate change to Valley Water's mission and operations.
Updates:	<ul style="list-style-type: none"> • Since the Board's adoption of Valley Water's Climate Change Action Plan (CCAP), Valley Water is in the process of developing an agency-wide Greenhouse Gas (GHG) Reduction Plan.

BUSINESS MANAGEMENT GOAL: Promote effective management of water supply, flood protection, and environmental stewardship through responsive and socially responsible business services.	
Objective 1:	Incorporate racial equity, diversity and inclusion throughout Valley Water as a core value.
Updates:	<ul style="list-style-type: none"> • Valley Water's Board of Directors have passed resolutions recognizing the following so far this fiscal year: National Hispanic Heritage Month, National Polish American Heritage Month, National German American Heritage Month, National Italian American Heritage Month, Filipino American History Month, National Disability Employment Awareness Month & the 32nd Anniversary of the Americans with Disabilities Act, and National Native American Heritage Month. • Valley Water Board Members continue to actively collaborate with and support the Association of California Water Agencies (ACWA) on their efforts to promote diversity, equity and inclusion (DEI) within the water industry.
Objective 2:	Maintain appropriate staffing levels and expertise while prioritizing the safety of our staff.
Updates:	<ul style="list-style-type: none"> • Valley Water successfully partnered with its three bargaining groups to implement new four-year Memorandums of Understanding (MOUs). • 185 open positions have been filled so far in FY23, with nearly 40% filled through internal promotions. • In partnership with Valley Water's Human Resources and Communications teams, a one-minute recruitment video was developed promoting Valley Water as a great place to work and shared widely on social media.
Objective 3:	Provide affordable and cost-effective level of services.
Updates:	<ul style="list-style-type: none"> • A biennial budget was implemented for the FY23 budget cycle, the first time a biennial budget has been used at Valley Water since 2005. • At the September 27, 2022 Board Meeting, the Board approved changes to update Board Governance Policy Executive Limitations EL-4: Financial Management. • So far in FY23, Valley Water has received \$6.7 million in grant awards, including \$5.8 million for the Cross Valley Pipeline Extension Project. • As of December 2022, Valley Water's Low Income Water Rate Assistance Program (WRAP), in partnership with Sacred Heart Community Services, has assisted over 1,600 households with funding towards their water bills.

