

October 5, 2023

MEETING NOTICE

WATER STORAGE EXPLORATORY COMMITTEE

Board Members of the Water Storage Exploratory Committee

Director Rebecca Eisenberg

Director Nai Hsueh (Committee Chair)

Director Richard P. Santos (Committee Vice Chair)

Staff Support of the Water Storage Exploratory Committee

Rick L. Callender, Esq., Chief Executive Officer

Melanie Richardson, Assistant Chief Executive Officer

Aaron Baker, Chief Operating Officer, Water Utility

Rachael Gibson, Chief of External Affairs

Christopher Hakes, Chief Operating Officer, Watersheds

Darin Taylor, Chief Financial Officer

J. Carlos Orellana, District Counsel

Andrew Gschwind, Assistant District Counsel

Vincent Gin, Deputy Operating Officer, Water Supply Division

Emmanuel Aryee, Deputy Operating Officer, Water Utility Capital Division

Marta Lugo, Deputy Administrative Officer, Office of the Government Relations

Ryan McCarter, Acting Deputy Operating Officer, Dam Safety & Capital Delivery Division

Gregory Williams, Deputy Operating Officer, Raw Water Division

Kirsten Struve, Assistant Officer, Water Supply Division

Cindy Kao, Imported Water Manager, Imported Water Unit

Julianne O'Brien, Pacheco Project Manager, Pacheco Project Delivery Unit

Metra Richert, Unit Manager, Water Supply Planning & Conservation Unit

Charlene Sun, Treasury and Debt Manager

Andrew Garcia, Senior Water Resources Specialist, Imported Water Unit

Samantha Greene, Senior Water Resources Specialist, Water Supply Planning & Conservation Unit

A special meeting of the Santa Clara Valley Water District (SCVWD) Water Storage Exploratory Committee is to be held on **Friday, October 13, 2023, at 12:00 p.m. at Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose CA 95118. The Public and non-presenting staff may Join Zoom Meeting** <https://valleywater.zoom.us/j/98246045660>.

The meeting agenda and corresponding materials can be found on our website for your convenience. <https://www.valleywater.org/how-we-operate/committees/board-committees>



WATER STORAGE EXPLORATORY COMMITTEE MEETING

Public Join Zoom Meeting

<https://valleywater.zoom.us/j/98246045660>

Meeting ID: 982 4604 5660

One tap mobile

+16699009128,,98246045660# US (San Jose)

Dial by your location

+1 669 900 9128 US (San Jose)

Meeting ID: 982 4604 5660



Santa Clara Valley Water District Water Storage Exploratory Committee Meeting

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

REGULAR MEETING AGENDA

**Friday, October 13, 2023
12:00 PM**

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

Water Storage Exploratory Committee

Director Nai Hsueh, (District 5,
Committee Chair)

Director Rebecca Eisenberg, (District
7)

Director Richard P. Santos, (District
3, Committee Vice Chair)

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

Vincent Gin
Ryan McCarter
(Staff Liaisons)

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

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
Water Storage Exploratory Committee
REGULAR MEETING
AGENDA

Friday, October 13, 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 during public comment or on any item listed on the agenda, may do so by filling out a Speaker Card and submitting it to the Clerk or using the “Raise Hand” tool located in the Zoom meeting application to identify yourself in order to speak, at the time the item is called. Speakers will be acknowledged by the Board/Committee 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/98246045660>

Meeting ID: 982 4604 5660

Join by Phone:

1 (669) 900-9128, 98246045660#

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 Board/Committee on any item not listed on the agenda may do so by filling out a Speaker Card and submitting it to the Clerk or using the "Raise Hand" tool located in the Zoom meeting application to identify yourself to speak. Speakers will be acknowledged by the Board/Committee Chair in the order requests are received and granted speaking access to address the Board/Committee. Speakers' comments should be limited to two minutes or as set by the Chair. The law does not permit Board/Committee action on, or extended discussion of, any item not on the agenda except under special circumstances. If Board/Committee action is requested, the matter may be placed on a future agenda. All comments that require a response will be referred to staff for a reply in writing. The Board/Committee may take action on any item of business appearing on the posted agenda.

3. APPROVAL OF MINUTES:

3.1. Approval of Minutes.

[23-1037](#)

Recommendation: Approve the August 18, 2023, Meeting Minutes.

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

Attachments: [Attachment 1: 08182023 WSEC Draft Mins](#)

Est. Staff Time: 5 Minutes

4. REGULAR AGENDA:

4.1. Consider follow-up topics from the August 22, 2023, Board of Directors meeting regarding the Pacheco Reservoir Expansion Project.

[23-1038](#)

Recommendation: A. Review and provide feedback on potential future discussion topics regarding Pacheco Reservoir Expansion Project.
B. Consider which topics to prioritize for future discussion before the Board.

Manager: Ryan McCarter, 408-630-2983

Est. Staff Time: 15 Minutes

4.2. Update on the Los Vaqueros Reservoir Expansion Project Cost and Schedule.

[23-1039](#)

Recommendation: Receive and discuss update on the Los Vaqueros Reservoir Expansion Project.

Manager: Vincent Gin, 408-630-2633

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

Est. Staff Time: 15 Minutes

4.3. Update on Potential Groundwater Banking Projects.

[23-1040](#)

Recommendation: Receive and discuss information regarding the status of potential groundwater banking projects.

Manager: Vincent Gin, 408-630-2633

Attachments: [Attachment 1: Map](#)
[Attachment 2: PowerPoint Presentation](#)

Est. Staff Time: 15 Minutes

- 4.4. Review Water Storage Exploratory Committee Work Plan and the Committee's Next Meeting Agenda.

[23-1041](#)

Recommendation: Review the Committee's Work Plan to guide the Committee's discussions regarding policy alternatives and implications for Board deliberation.

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

Attachments: [Attachment 1: WSEC 2023 Workplan](#)

Est. Staff Time: 5 Minutes

5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.

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

6. ADJOURN:

- 6.1. Adjourn to Regular Meeting at 12:00 p.m., on Friday, November 10, 2023.



Santa Clara Valley Water District

File No.: 23-1037

Agenda Date: 10/13/2023

Item No.: 3.1.

COMMITTEE AGENDA MEMORANDUM Water Storage Exploratory Committee

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

SUBJECT:

Approval of Minutes.

RECOMMENDATION:

Approve the August 18, 2023, Meeting Minutes.

SUMMARY:

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

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

ENVIRONMENTAL JUSTICE IMPACT:

There are no Environmental Justice impacts associated with this item.

ATTACHMENTS:

Attachment 1: 08182023 WSEC Draft Minutes

UNCLASSIFIED MANAGER:

Candice Kwok-Smith, 408-630-3193



SANTA CLARA VALLEY WATER DISTRICT (VALLEY WATER)
WATER STORAGE EXPLORATORY COMMITTEE

DRAFT MINUTES

FRIDAY, AUGUST 18, 2023

(Paragraph numbers coincide with agenda item numbers)

A special meeting of the Water Storage Exploratory Committee (Committee) was held on August 18, 2023, at Santa Clara Valley Water District, 5700 Almaden Expressway, San Jose CA 95118.

1. CALL TO ORDER

The Water Storage Exploratory Committee was called to order by Committee Chair Director Nai Hsueh at 12:03 p.m.

1.1 ROLL CALL

Valley Water Board Members in attendance were: Committee Chair Director Nai Hsueh (District 5), Committee Vice Chair Director Richard P. Santos (District 3), and Director Rebecca Eisenberg (District 7-arrived at 12:07 p.m.).

Valley Water Staff in attendance were: Gabriel Alcantar (Contractor), Aaron Baker, Lisa Bankosh, Glenna Brambill, Theresa Chinte, Andrew Garcia, Vincent Gin. Samantha Greene, Andy Gschwind, Michael Hagerty, Brian Hopper, Dana Jacobson, Cindy Kao, Michele King, Candice Kwok-Smith, Dave Leon, Katherine Maher, Carmen Narayanan, Max Overland, Carlos Orellana, Don Rocha, Diahann Soleno, Kirsten Struve, Darin Taylor, Jing Wu, and Bhavani Yerrapotu.

Public in attendance were: Pablo Arroyave (Chief Operating Officer, San Luis & Delta-Mendota Water Authority-SLDMWA), Jerry Brown (Executive Director, Sites Project Authority), James Crowder, Molly Culton (Sierra Club California), Scott Dellinger-So. Cal Stormwater Leader/Env. SP, Virginia Roach-Green Infrastructure Discipline Leader, and Hala Titus-Unit President (CDM Smith), Chuck Gardner (Hallmark Group), Ted Feldsher, Gavin Downs, Jason Gianquinto (General Manager-Semitropic-Water Storage District), Bob Green, Chuck Hammerstad (NCCFFI), Katja Irvin (Sierra Club-Loma Prieta Chapter), Arthur M. Keller, Ph. D., Shani Kleinhaus, Ken Lawler, Kevin Padway, Sarah Palmer, Jennifer Pratt (Carrollo), Hon. Brian Schmidt, Ed Soong, Gavin Tasker (Barnard Construction), Bill Tuttle (San Jose Water Company-SJWC). and Hon. John Varela (Valley Water Board Chair-District 1).

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

There were no public comments received.

3. APPROVAL OF MINUTES

3.1 APPROVAL OF MINUTES

It was moved by Director Richard P. Santos, second by Director Nai Hsueh, and by unanimous vote carried to approve the minutes of the June 9, 2023, meeting of the Water Storage Exploratory Committee as presented.

4. REGULAR AGENDA ITEMS

4.1 STORMWATER CAPTURE OPPORTUNITIES: LESSONS LEARNED IN SOUTHERN CALIFORNIA AND LOCAL STORMWATER CAPTURE OPPORTUNITIES

Presenters from CDM Smith, Hala Titus-Unit President, Scott Dellinger-So. Cal Stormwater Leader/Env. SP, and Virginia Roach-Green Infrastructure Discipline Leader, reported on their various projects of stormwater capture and were available to answer questions as needed.

Samantha Greene reviewed the materials as outlined in the agenda item and was available to answer questions as needed.

The Water Storage Exploratory Committee discussed the following: rebate program, funding concerns, roadblocks (should be discussed with the full board), water storage and availability of staff.

Kirsten Struve and Darin Taylor were available to answer questions.

The Water Storage Exploratory Committee took no action.

4.2 UPDATE ON THE SEMITROPIC GROUNDWATER BANKING & EXCHANGE PROGRAM

Andrew Garcia reviewed the materials as outlined in the agenda item and was available to answer questions as needed.

Jason Gianquinto (General Manager-Semitropic-Water Storage District), reported on Kern County, Federal Water and State banking programs and was available to answer questions as needed.

The Water Storage Exploratory Committee discussed the following: climate changes, underground storage, banking agreements, and water quality issues regarding Groundwater Sustainability Plan (GSP).

The Water Storage Exploratory Committee took no action.

4.3 B.F. SISK DAM RAISE AND RESERVOIR EXPANSION PROJECT UPDATE

Dana Jacobson reviewed the materials as outlined in the agenda item and was available to answer questions as needed. Chuck Gardner (Hallmark Group) and Pablo Arroyave (Chief Operating Officer, San Luis & Delta-Mendota Water Authority-SLDMWA) were also available to answer questions if needed. Vincent Gin gave some information on the project partners.

The Water Storage Exploratory Committee took no action.

4.4 UPDATE ON SITES RESERVOIR PROJECT

Katherine Maher reviewed the materials as outlined in the agenda item and was available to answer questions as needed.

Jerry Brown (Executive Director, Sites Project Authority) was also available to answer questions if needed.

The Water Storage Exploratory Committee discussed the following: Sites rely on Delta Tunnel, and loan application progress.

Public Comment:

Molly Culton-Sierra Club California commented that they are, along with other environmental organizations are filing a petition against the water rights application for Sites because of many adverse environmental impacts to the fish, wildlife, and violation of the public's interest and trust.

The Water Storage Exploratory Committee took no action.

4.5 UPDATE ON THE PACHECO RESERVOIR EXPANSION PROJECT

Ryan McCarter reviewed the materials as outlined in the agenda item and was available to answer questions as needed.

The Water Storage Exploratory Committee discussed the following: staff's incorporation of this committee's input, lost opportunities concentrating on this project, cessation of project, current costs, lawsuit. Committee Chair Hsueh acknowledge Handout for this agenda item from Soluri Meserve a Law Corporation.

Public Comment:

Hon. Brian Schmidt feels this project should cease.

The Water Storage Exploratory Committee took no action.

4.6 REVIEW WATER STORAGE EXPLORATORY COMMITTEE WORK PLAN AND THE COMMITTEE'S NEXT MEETING AGENDA

Committee Chair Director Nai Hsueh reviewed the materials as outlined in the agenda item.

The Committee canceled the September 8, 2023, meeting, and will resume the schedule on October 13, 2023, 12:00 p.m.

The Water Storage Exploratory Committee took no action.

5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS

Glenna Brambill noted there were no action items for Board consideration.

6. ADJOURNMENT

Committee Chair Director Nai Hsueh adjourned the meeting at 2:09 p.m.

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

Approved:



Santa Clara Valley Water District

File No.: 23-1038

Agenda Date: 10/13/2023

Item No.: 4.1.

COMMITTEE AGENDA MEMORANDUM Water Storage Exploratory Committee

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

SUBJECT:

Consider follow-up topics from the August 22, 2023, Board of Directors meeting regarding the Pacheco Reservoir Expansion Project.

RECOMMENDATION:

- A. Review and provide feedback on potential future discussion topics regarding Pacheco Reservoir Expansion Project.
- B. Consider which topics to prioritize for future discussion before the Board.

SUMMARY:

On August 22, 2023, staff provided a Pacheco Reservoir Expansion Project (Project) update to the Board of Directors with a focus on actual and projected costs of the Project.

To support the Board's decision-making process, staff has summarized the Board's and public's comments made at the August 22, 2023, meeting into the following topics. Staff proposes to schedule discussion of one or more of these topic(s) before the Board in future quarterly Project updates. The next quarterly Project update is scheduled for December 2023.

Potential topics for future Board discussion:

- Review of Project's environmental impacts;
- Discussion of connection between Project and the 2050 Water Supply Master Plan's Portfolio Recommendation which is scheduled for 2024;
- Description of planned Project operations and Project benefits;

- Comparison of Project cost to those of other water storage projects;
- Discussion and review of current Board-directed partnership approach;
- Discussion and review of requirements unique to the Project.

ENVIRONMENTAL JUSTICE IMPACT:

There are no Environmental Justice impacts associated with this item.

ATTACHMENTS:

None.

UNCLASSIFIED MANAGER:

Ryan McCarter, 408-630-2983



Santa Clara Valley Water District

File No.: 23-1039

Agenda Date: 10/13/2023

Item No.: 4.2.

COMMITTEE AGENDA MEMORANDUM Water Storage Exploratory Committee

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

SUBJECT:

Update on the Los Vaqueros Reservoir Expansion Project Cost and Schedule.

RECOMMENDATION:

Receive and discuss update on the Los Vaqueros Reservoir Expansion Project.

SUMMARY:

The Santa Clara Valley Water District (Valley Water) continues to participate in the Los Vaqueros Reservoir Expansion (LVE) Project as a potential option for diversifying out-of-county storage. The Valley Water Board of Directors approved the Multi-Party Agreement Amendment #5, which provides cost sharing to support continued project planning. This memorandum provides a summary of the key items project partners are discussing, the updated project cost estimate, and the updated project schedule.

The LVE Joint Powers Authority (JPA) is developing draft agreements related to project operations, partner shares, financial obligations, public benefits, facilities usage, and design and construction.

Key items that members are discussing include:

1. Storage allocation among partners
2. Conveyance shares among partners
3. Usage fees for existing facilities
4. Administration of public benefits to receive grant funding
5. Contract amendments to state and federal water project contracts

At the September 2023 JPA Board meeting, the JPA announced updated project costs and provided an updated project schedule. Project cost is estimated to be approximately \$1.443 billion, a 10% increase from 2022. The LVE project schedule has been extended three years with a completion date in late 2031. Chuck Gardner, the JPA Project Manager, will present on the updated cost estimate and project schedule.

ENVIRONMENTAL JUSTICE IMPACT:

There are no Environmental Justice impacts associated with this item.

ATTACHMENTS:

Attachment 1: PowerPoint Presentation

UNCLASSIFIED MANAGER:

Vincent Gin, 408-630-2633



LOS VAQUEROS RESERVOIR EXPANSION PROJECT

**Construction Schedule and Cost Estimate Update for
Valley Water Storage Exploratory Committee
October 13, 2023**

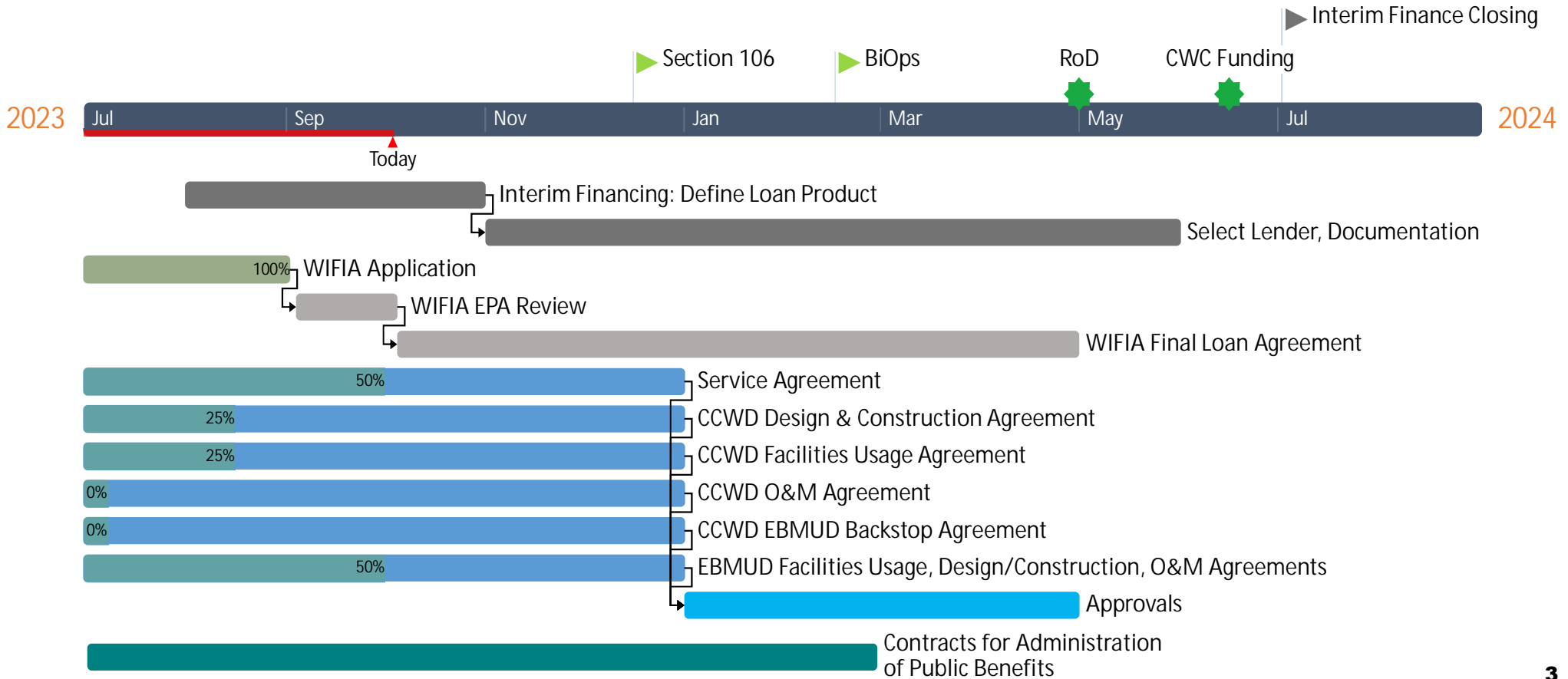


Agenda

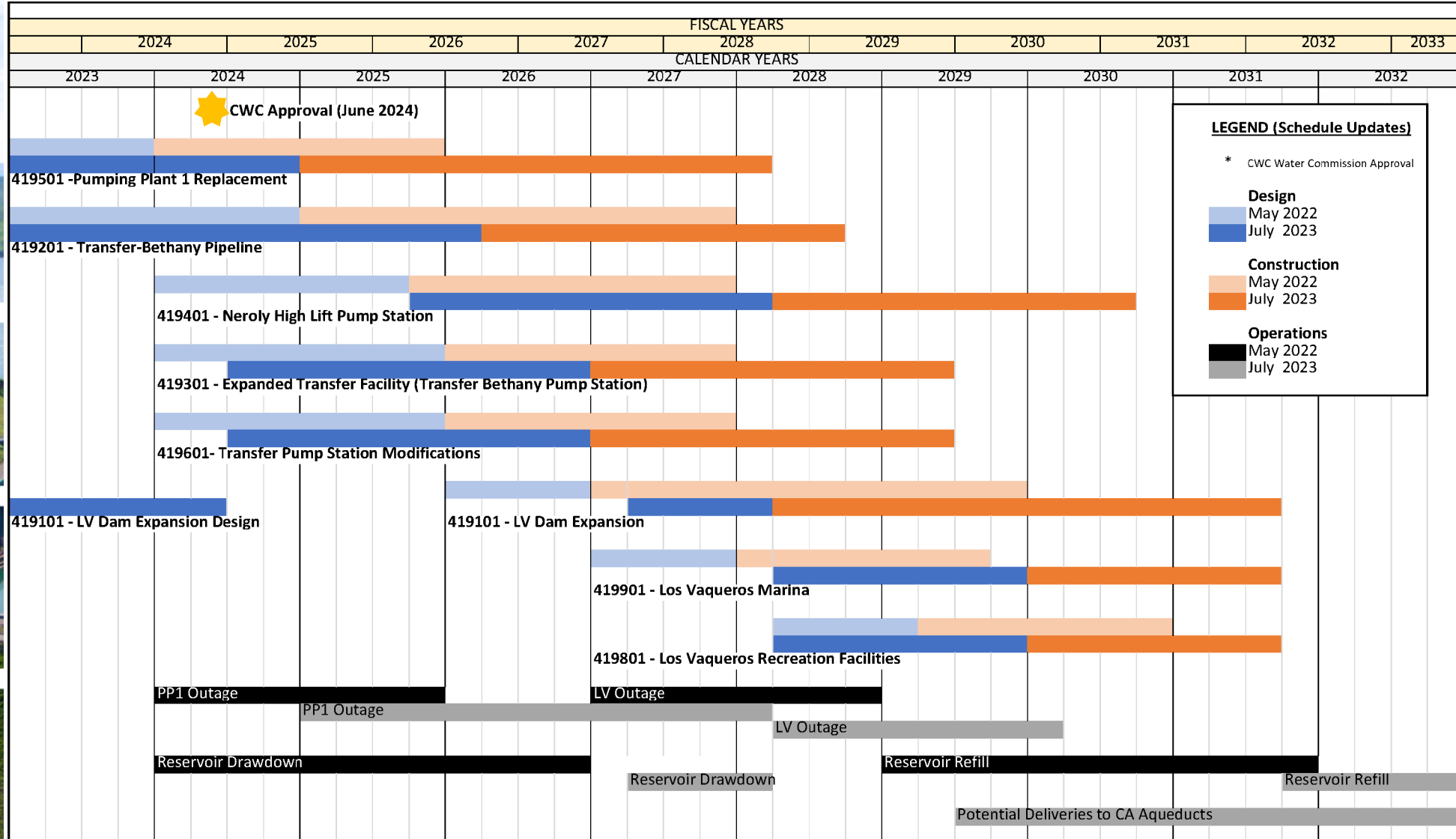
1. Project Agreements Status
2. Construction Schedule
3. Sources of Schedule Changes
4. Construction Cost Estimate
5. Sources of Cost Estimate Increase
6. Questions

Planning Phase Funding Schedule

September 2023



LVE MASTER PROJECT SUMMARY SCHEDULE (Updated: July 13, 2023)





Sources of Schedule Changes

Task	Cause	Duration
CWC Funding	Extended planning efforts	1 year
Pumping Plant 1	Electrical component lead times	1 year
Division of Safety of Dams (DSOD)	Requirement to build coffer dam prior to start of construction	1 year
Overall Schedule Impact		3 years

Table 6 – Estimated Cost at Completion – All Costs Comparison (Costs in \$1,000)¹

¹ All costs shown are multiples of \$1,000 and are rounded up to the nearest \$100,000.

² Program Reserves in 2022 include: Applied Program Contingency (\$47.121M); Capital Project Reserve (\$47.573M); Debt Service Reserve Fund (\$39.995M); and Administrative and Operating Fund Reserve (\$3.731M)



Project Element	June 2022 Capital Cost Estimate Cost at Completion	June 2023 Capital Cost Estimate Cost at Completion	Changes Between Updates	Percent Change (%)
Implementation Costs	\$88,600	\$89,700	\$1,100	1%
Los Vaqueros Dam Expansion	\$449,200	\$532,800	\$83,600	19%
Transfer Bethany Pipeline	\$219,400	\$264,600	\$45,200	21%
Expanded Transfer Facility	\$94,700	\$99,000	\$4,300	5%
Neroly High Lift Pump Station	\$68,900	\$77,400	\$8,500	12%
Pumping Plant No. 1 Replacement	\$94,100	\$112,200	\$18,100	19%
Transfer Pump Station Modifications	\$60,700	\$57,100	\$(3,600)	(6%)
Los Vaqueros Recreation Facilities	\$14,400	\$10,000	\$(4,400)	(31%)
Los Vaqueros Marina Relocation	\$84,700	\$100,500	\$15,800	19%
Program Reserves ²	\$138,400	\$100,000	\$(38,400)	(27%)
Total	\$1,313,000	\$1,443,300	\$130,300	10%
EBMUD Mokelumne Aqueduct	\$23,700			
JPA Costs				
Financing Cost	\$19,100			
JPA Admin Costs (Pre-Operations)	\$18,500			
Interest on LAP Contributions	\$2,300			
Program Total	\$1,376,600			

Sources of Increase

1. Cost estimates for the Dam Expansion, Transfer Bethany Pipeline, Pumping Plant 1, and Los Vaqueros Marina Relocation and Recreation Enhancements have been updated to reflect refined designs.
2. All Element costs have been escalated to reflect the LVE Project Summary Schedule.
3. Construction management services have been updated based on the latest Project understanding and estimated effort to manage and oversee the construction of each Element.
4. Updated construction services costs have been provided for the Los Vaqueros Marina Relocation. The updated costs for this project Element reflect the cost to construct the existing facilities at the higher elevation.
5. Staffing plans have been updated to reflect the LVE Project Summary Schedule and represent historical and future CCWD labor costs.
6. Funding for water supply alternative conveyance needs in the amount of \$2.9 million (including payment to EBMUD for use of their facilities) is added to the June 2023 Cost Update.



Project Timeline

July 2018
Preliminary CWC
eligibility and
funding decisions

2020-2024
Permitting, local
agreements, and design

Summer 2024
Final award of CWC
funding agreement

February 2020
Final Supplement to the
Final EIS/EIR

August 2020
Final Federal
Feasibility Report

October 2021
Formation of Joint
Powers Authority

2025-2031
Construction



Questions

Thank You

Project Information
www.losvaquerosjpa.com

Contact Information

Chuck Gardner

Program Manager, Los Vaqueros Reservoir JPA

cgardner@hgcpm.com

[916-708-8767](tel:916-708-8767)



Santa Clara Valley Water District

File No.: 23-1040

Agenda Date: 10/13/2023

Item No.: 4.3.

COMMITTEE AGENDA MEMORANDUM Water Storage Exploratory Committee

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

SUBJECT:

Update on Potential Groundwater Banking Projects.

RECOMMENDATION:

Receive and discuss information regarding the status of potential groundwater banking projects.

SUMMARY:

In August 2023, the Water Storage Exploratory Committee (WSEC) was provided an update on several milestones reached by the Department of Water Resources (DWR) and the State Water Resources Control Board (State Board) related to implementation of the Sustainable Groundwater Management Act (SGMA). Santa Clara Valley Water District (Valley Water) continues to follow SGMA developments that could lead to groundwater management changes in the Kern subbasin where the Semitropic Water Bank (Semitropic) is operated.

As described in the Water Supply Master Plan (WSMP), Valley Water's water supply planning analysis recognizes that diversification of storage investments could support meeting level of service goals in the future. The analysis suggests that a diversified out-of-county groundwater banking program will require an increase in both recharge and recovery capacities to meet future demands. Accordingly, staff has been exploring additional new groundwater banking projects to expand these capacities.

Staff continues to coordinate with numerous agencies responsible for developing groundwater banking projects, compiling project information, and evaluating project parameters. Additionally, staff has begun conversations with DWR and the Bureau of Reclamation (Reclamation) to understand the review and approval processes for implementing each potential project.

Although staff are exploring several groundwater banking projects, two projects of interest seemingly have more momentum to be developed. Each of these two projects is detailed below.

Sacramento Regional Water Bank

The Sacramento Regional Water Authority (RWA) is proposing to establish the Sacramento Regional Water Bank by the middle of 2025. RWA is a Joint Powers Authority representing approximately two dozen water agencies and affiliates in the greater Sacramento region, including the City of Roseville, the City of Sacramento, and others. The Sacramento Regional Water Bank would coordinate and expand the conjunctive use practices of its member agencies within the local groundwater basins, as shown in Attachment 1. Previously, these conjunctive use practices supported dry year transfers to Valley Water and other south-of-Delta (SOD) entities. As described in the Notice of Preparation of an Environmental Impact Report for the Sacramento Regional Water Bank, released on September 25, 2023, the project includes the following elements:

- Coordinate and expand the conjunctive use practices of RWA members that choose to participate, and establish governance, accounting, and other protocols to conduct a regional water banking program.
- Establish a Water Accounting System to track groundwater recharge (deposits) and extraction (withdrawals) associated with the project to ensure proper and transparent accounting of banked balances. The project would include annual recharge of up to 65,000 acre-feet (AF) or annual recovery of up to 55,000 AF.

Additionally, it is anticipated that RWA will seek approval of the project as an acknowledged facility for the banking of Central Valley Project (CVP) water by Reclamation. Federal acknowledgement of the project would provide an opportunity to maximize recharge during wet conditions using CVP water across both local subbasins.

Valley Water and RWA staff have been meeting regularly since the start of 2023 to discuss the potential to store SOD CVP supplies in the proposed bank. Initial estimates for deposits and withdrawals for SOD partners range between 10,000 to 20,000 AF per year. Initially, the water bank will utilize existing infrastructure and will require SOD partners to pay operational costs for recharge, extraction, and conveyance. Expanded capacity may be possible with future infrastructure investments. RWA is coordinating discussions for a potential Pilot Agreement between Valley Water and the City of Roseville for a short-term banking exchange to understand the mechanisms and costs to store SOD CVP allocation north-of-Delta. Once the mechanism for the movement of CVP water is better understood, staff will continue to coordinate with RWA to support their efforts for Reclamation approval as a federally acknowledged facility. WSEC will be updated with the Pilot Agreement exchange terms and project details as those discussions progress in 2024.

Antelope Valley-East Kern Water Bank (Phase 1 and Phase 2)

In 2019, Metropolitan Water District (Metropolitan) executed an agreement with Antelope Valley-East Kern Water Agency (AVEK) allowing Metropolitan to store up to 280,000 AF of its State Water Project (SWP) supplies in Phase 1 of the High Desert Water Bank, which is currently under construction. Metropolitan receives priority to 70,000 AF per year of deposit and withdrawal capacity by paying for the construction, operation, and maintenance facilities related to Phase 1. The original budget estimate for the capital costs of Phase 1 was \$131 million. In September 2023, the Metropolitan Board of Directors authorized up to \$80 million for additional costs associated with higher-than-

anticipated inflation rates, recharge and recovery system design revisions, additional electrical infrastructure to support facility operation, and the construction of a water treatment facility due to changes in the anticipated quality of recovered water. Although AVEK began to recharge water this year on behalf of Metropolitan, AVEK does not anticipate the ability to recover water until 2026 given challenges with off-site power facilities.

AVEK proposes to build an adjacent facility located near the bifurcation of the West and East Branch of the California Aqueduct as Phase 2 of the High Desert Water Bank (Phase 2). AVEK has put forward a proposed project with a design groundwater storage capacity of 440,000 AF and annual recharge and recovery capacities of 110,000 AF per year. It will feature the development of new recharge, storage, and direct recovery infrastructure. Information gathered and lessons learned by AVEK during Phase 1 can facilitate project development for Phase 2. Using Phase 1 to estimate capital construction costs for Phase 2, staff estimates a cost of approximately \$360 million in 2023 dollars, not including financing costs. Valley Water submitted an Expression of Interest (XOI) in Phase 2 in September 2022. The non-binding XOI did not commit Valley Water to funding or project participation but did request a 45% share of Phase 2.

In February 2023, Valley Water and AVEK entered into a Pilot Water Banking Storage Agreement (Pilot Agreement), allowing AVEK and Valley Water to determine the administrative requirements and associated costs for the conveyance of Valley Water's supplies to AVEK and subsequent return to Valley Water. This Pilot Agreement will also demonstrate a process to coordinate operations between AVEK and Valley Water, increasing the reliability of both agency's supplies, while also establishing a working relationship to better ensure a reliable partnership leading into a potential long-term commitment on Phase 2. However, upon submittal to DWR, it was determined that AVEK will need to update its environmental documentation for its Westside Water Bank prior to storing Valley Water SWP supply.

Staff and other interested agencies had been coordinating with AVEK for nearly a year in drafting an initial term sheet for a Memorandum of Understanding (MOU) to formalize a partnership. However, AVEK recently transitioned to a new General Manager who expressed to us that they would be putting Phase 2 partnership discussions on hold. Throughout 2023, AVEK worked to make progress on Phase 1, which has progressed slower than anticipated. Prior to committing to Phase 2, AVEK would like to closely coordinate with its Board of Directors to carefully evaluate Phase 1 development and possible Phase 2 capabilities.

Phase 2 has drawn attention from various contractors, including interest from Metropolitan to expand their partnership with AVEK in this next phase, and AVEK has informed Valley Water that it will likely be the second quarter of 2024 before there is definitive direction to resume conversations with interested parties. Staff will continue tracking Phase 1 progress and re-initiate conversations with AVEK in spring 2024.

Water Supply Master Plan Context

As described in the WSMP, Valley Water's existing supplies exceed our needs in some years, and additional banking facilities would increase our operational flexibility and ability to store excess supplies for later use in dry years. Investment in new groundwater banking facilities will provide additional storage and diversify Valley Water's storage, potentially increasing our ability to realize the benefits of future water supply projects that will may produce water supplies in wetter years. Valley Water is in the process of updating the WSMP, and these projects, in addition to other storage projects, will be evaluated as part of this process.

ATTACHMENTS:

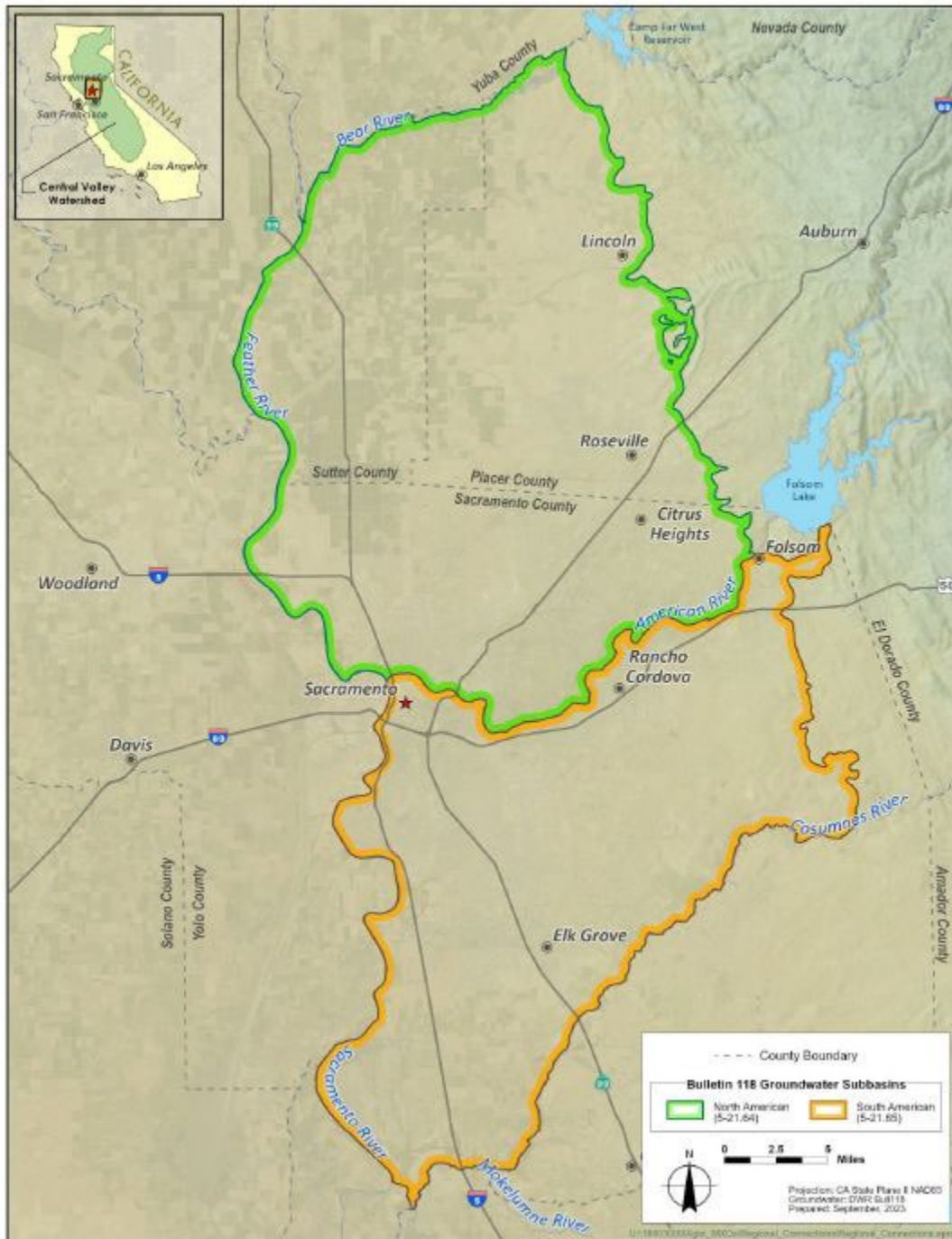
Attachment 1: Sacramento Regional Water Bank Area Map

Attachment 2: PowerPoint Presentation

UNCLASSIFIED MANAGER:

Vincent Gin, 408-630-2633

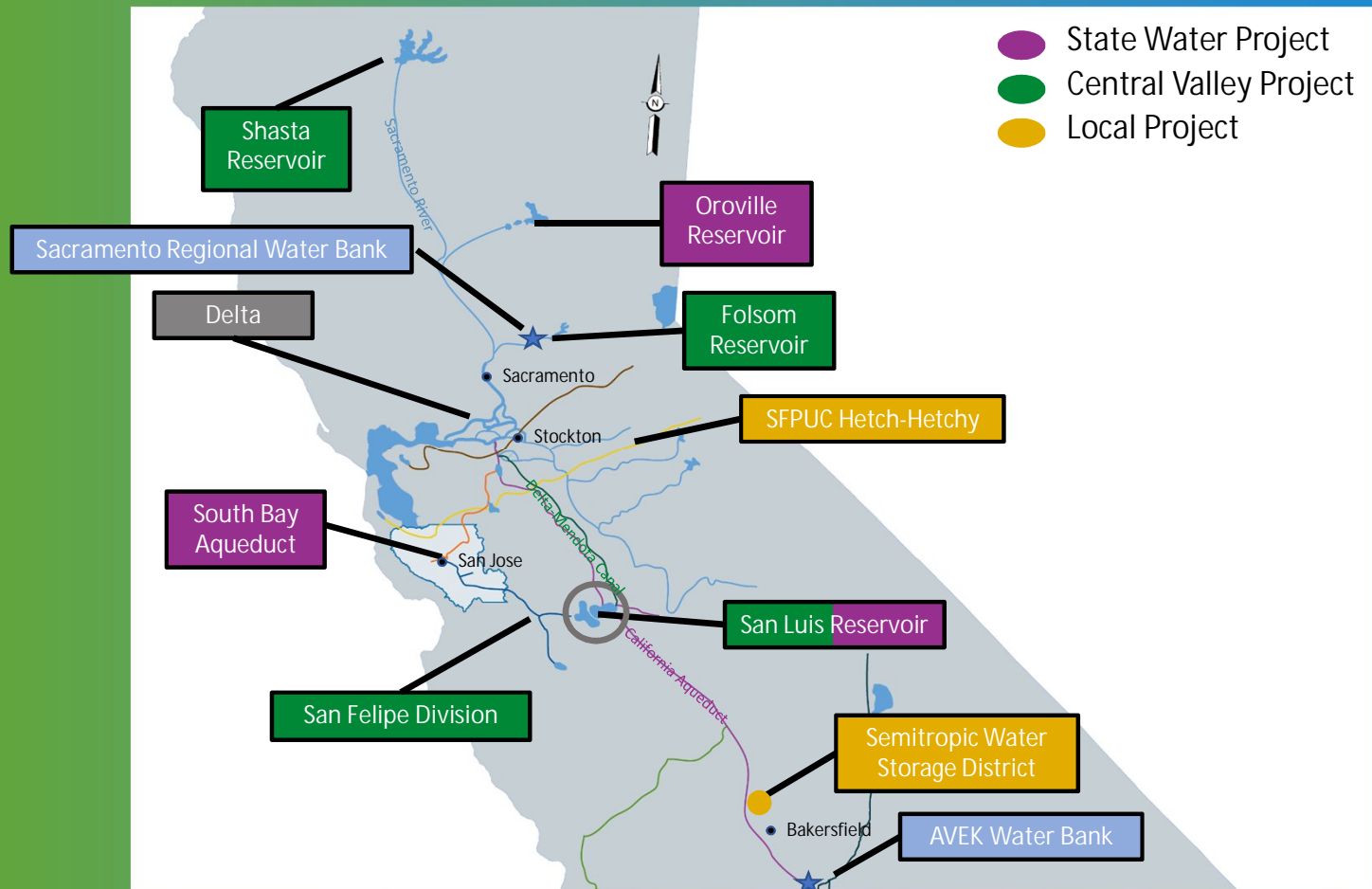
Sacramento Regional Water Bank Area Map North
American and South American Subbasins



Update on Groundwater Banking Projects

Water Storage Exploratory Committee Meeting, October 13, 2023





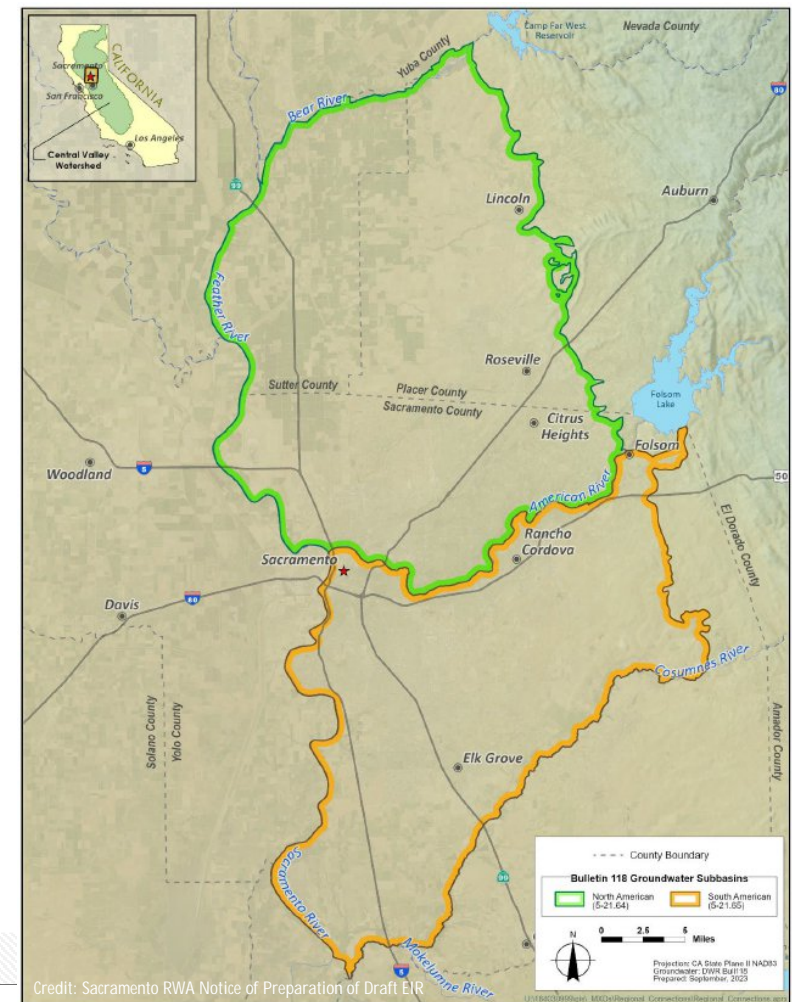
Sacramento Regional Water Bank

Currently Under Development by Sacramento
Regional Water Authority (RWA)

- RWA leading and coordinating Water Bank development
- RWA agencies supporting funding, guidance, and direction
- Valley Water has been engaging with RWA
- Recharge capacity: 65,000 AFY
- Recovery capacity: 55,000 AFY
- Estimated SOD Partner Capacity: 10-20 TAFY

Scheduled Operation

- Locally in 2025, TBD for SOD Partners
- Targeting Federal Recognition by 2025



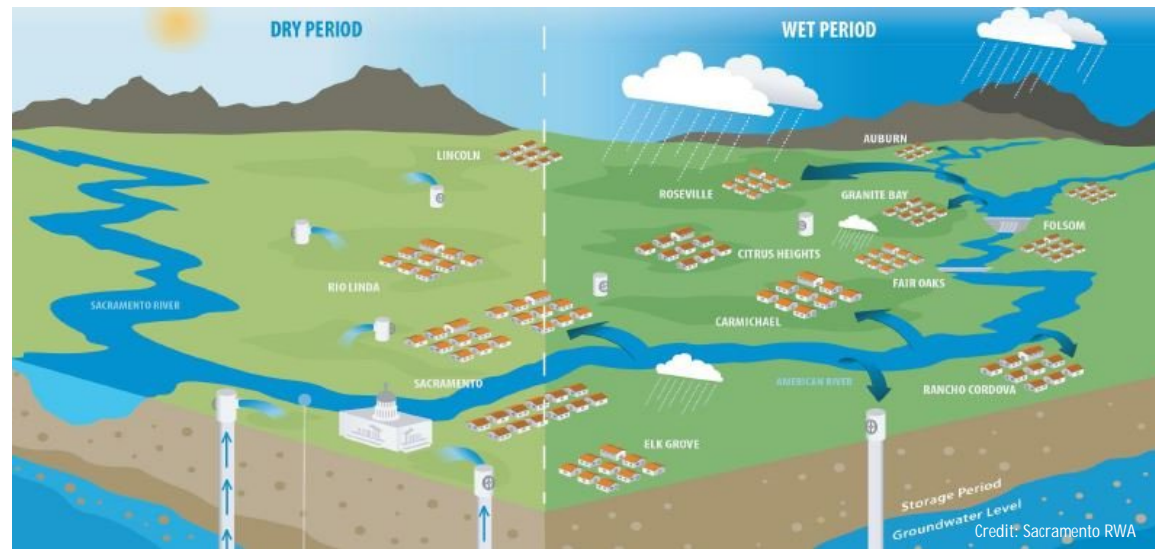
How it Works

Recharge During Wet Conditions

- Surface water used for in-lieu or direct recharge (ASR wells)

Recovery During Dry Conditions

- Portion of banked supply reduces reliance on surface water
- Leave-behind supports sustainability
- Foregone diversions increase Folsom storage and released to beneficiaries



Where We Are Today

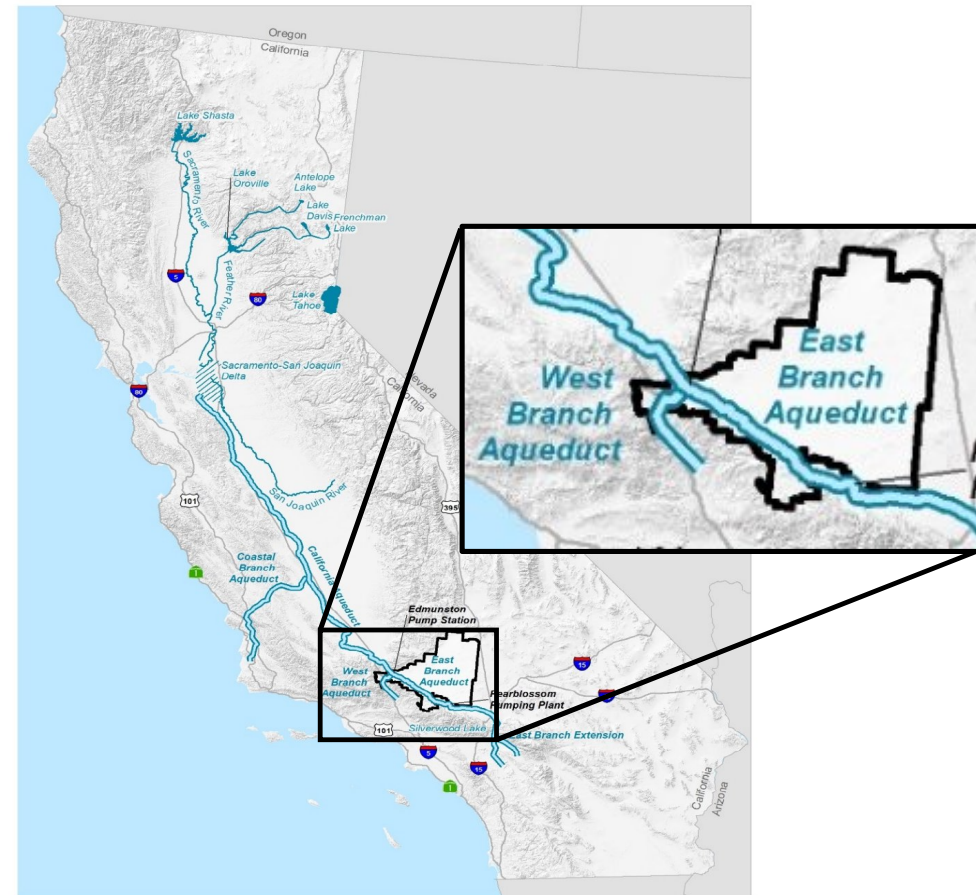
- Regular coordination with RWA
- Developing Pilot Exchange Agreement with City of Roseville
 - Establish procedure for storage and recovery to SOD partner
 - Understand agreement mechanisms and program costs
- Coordinating with RWA, Roseville, and Reclamation to discuss the Pilot and seek approval
- Developing long-term transfer agreements with local agencies north-of-Delta

Potential Valley Water Benefits

- Storage diversification
- Manage surplus supplies and provides dry year reliability
- Cost competitive to alternatives
- Strengthens partnerships with other entities
- Reliable north of Delta supplemental supplies
- Provides greater operational flexibility

AVEK High Desert Water Bank

- Phase 1
 - Continues to make slow, but steady progress
 - Cost Estimate: ~\$210M
 - Storage: 280,000 AF
 - Recharge/Recovery: 70,000 AFY
 - Metropolitan was able to recharge in 2023
 - Expect recovery capability in ~2026
- Phase 2
 - AVEK Board of Directors to hold strategy sessions early 2024
 - Coordinate with AVEK Q2 2024
 - Project Sizing, Availability, Terms, Return Mechanism, Etc.



Next Steps

- Continue to meet with partners and others:
 - Sacramento RWA, City of Roseville, and Reclamation
 - AVEK and DWR
- Develop and implement Pilot projects
- Evaluate new groundwater programs that reduce risks and increase regional reliability



Santa Clara Valley Water District

File No.: 23-1041

Agenda Date: 10/13/2023

Item No.: 4.4.

COMMITTEE AGENDA MEMORANDUM Water Storage Exploratory Committee

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

SUBJECT:

Review Water Storage Exploratory Committee Work Plan and the Committee's Next Meeting Agenda.

RECOMMENDATION:

Review the Committee's Work Plan to guide the Committee's discussions regarding policy alternatives and implications for Board deliberation.

SUMMARY:

The Committee's 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 agendaized at each meeting as accomplishments are updated and to review any work plan assignments by the Board.

BACKGROUND:

Governance Process Policy-8:

The District Act provides for the creation of advisory boards, committees, or committees 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.

ENVIRONMENTAL JUSTICE IMPACT:

There are no Environmental Justice impacts associated with this item.

ATTACHMENTS:

Attachment 1: 2023 WSEC Work Plan

UNCLASSIFIED MANAGER:

Candice Kwok-Smith, 408-630-3193

WSEC 2023 WORKPLAN																			
Task	Agenda Item	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar			
		Q1			Q2			Q3			Q4			Q1					
Los Vaqueros																			
1	Project Update			X							X	X							
2	Multi-party agreement recommendation						X								X				
3	Service agreement recommendation																		
Sites Reservoir																			
1	Project Update					X													
2	Affirmation of project participation level											X							
B.F. Sisk Dam Raise																			
1	Project Update			X		X													
2	Planning funding recommendation						X					X							
Pacheco Reservoir Expansion																			
1	Project Update			Board		X	Board		X	Board	X		Board		X	Board			
Groundwater Bank Opportunities																			
1	Project Update										X								
2	AVEK update					X													
3	AVEK MOU recommendation											X							
Semitropic Groundwater Bank																			
1	Project Update								X			X			X				

Board & Committees Canceled Meetings

This Page Intentionally Left Blank