

April 3, 2019

**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  
Santa Clara County Open Space Authority

**Representative**

Hon. Susan M. Landry  
Hon. Darcy Paul  
Hon. Peter Leroe-Muñoz  
Hon. Anita Enander  
Hon. Courtenay Corrigan  
Hon. Steve Leonardis  
Hon. Carmen Montano  
Hon. Liz Lawler  
Hon. Rich Constantine  
Hon. Lucas Ramirez  
Hon. Tom DuBois  
Hon. Pam Foley  
Hon. Debi Davis  
Hon. Rishi Kumar  
Hon. Nancy Smith  
Hon. Mike Wasserman  
Hon. Yoriko Kishimoto  
Hon. Mike Flaughner

**Alternate**

Hon. Anne Bybee  
Hon. Steven Scharf  
Hon. Fred Tovar  
Hon. Lynette Lee Eng  
  
Hon. Marcia Jensen  
Hon. Karina R. Dominguez  
Hon. Javed Ellahie  
Hon. Yvonne Martinez Beltran  
Hon. Alison Hicks  
  
Kerrie Romanow  
Hon. Kathy Watanabe  
Hon. Yan Zhao  
Hon. Larry Klein  
Hon. Cindy Chavez  
  
Hon. Jed Cyr  
  
Hon. Calvin Gill

The regular meeting of the Santa Clara Valley Water Commission is scheduled to be held on Wednesday, **April 10, 2019, at 12:00 p.m.**, in the Headquarters Building Boardroom, located at the Santa Clara Valley Water District, 5700 Almaden Expressway, San Jose, California. Lunch will be provided.

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.



Name  
Page 2  
Date

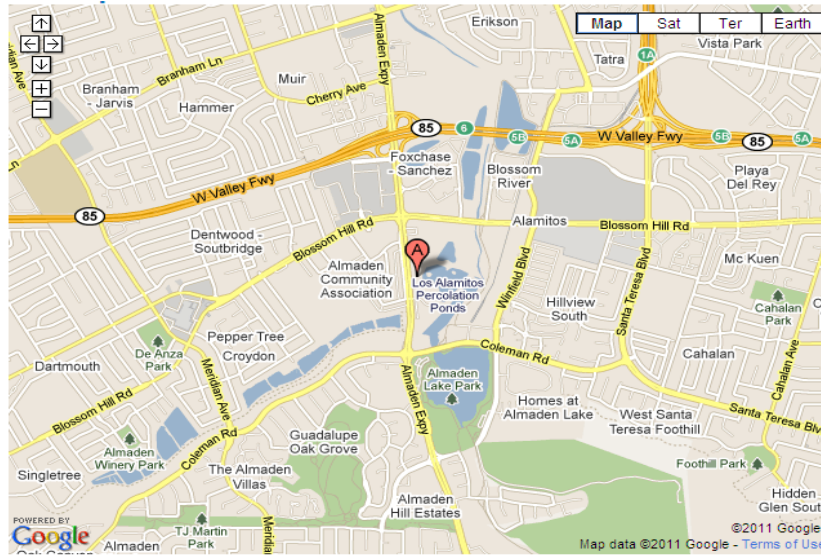
Further, a quorum must be present on the day of the scheduled meeting to call the meeting to order and take action on agenda items.

Members with two or more consecutive unexcused absences will be subject to rescinded membership.

Please confirm your attendance **no later than Friday, April 5, 2019; noon** by contacting Glenna Brambill at 1-408-630-2408, or [gbrambill@valleywater.org](mailto:gbrambill@valleywater.org).

Enclosures

**Santa Clara Valley Water District - Headquarters Building,  
5700 Almaden Expressway, San Jose, CA 95118**



**From Oakland:**

- Take 880 South to 85 South
- Take 85 South to Almaden Expressway exit
- Turn left on Almaden Plaza Way
- Turn right (south) on Almaden Expressway
- At Via Monte (third traffic light), make a U-turn
- Proceed north on Almaden Expressway approximately 1,000 feet
- Turn right (east) into the campus entrance

**From Morgan Hill/Gilroy:**

- Take 101 North to 85 North
- Take 85 North to Almaden Expressway exit
- Turn left on Almaden Expressway
- Cross Blossom Hill Road
- At Via Monte (third traffic light), make a U-turn
- Proceed north on Almaden Expressway approximately 1,000 feet
- Turn right (east) into the campus entrance

**From Sunnyvale:**

- Take Highway 87 South to 85 North
- Take Highway 85 North to Almaden Expressway exit
- Turn left on Almaden Expressway
- At Via Monte (third traffic light), make a U-turn
- Proceed north on Almaden Expressway approximately 1,000 feet
- Turn right (east) into the campus entrance

**From San Francisco:**

- Take 280 South to Highway 85 South
- Take Highway 85 South to Almaden Expressway exit
- Turn left on Almaden Plaza Way
- Turn right (south) on Almaden Expressway
- At Via Monte (third traffic light), make a U-turn
- Proceed north on Almaden Expressway approximately 1,000 feet
- Turn right (east) into the campus entrance

**From Downtown San Jose:**

- Take Highway 87 - Guadalupe Expressway South
- Exit on Santa Teresa Blvd.
- Turn right on Blossom Hill Road
- Turn left at Almaden Expressway
- At Via Monte (first traffic light), make a U-turn
- Proceed north on Almaden Expressway approximately 1,000 feet
- Turn right (east) into the campus entrance

**From Walnut Creek, Concord and East Bay areas:**

- Take 680 South to 280 North
- Exit Highway 87-Guadalupe Expressway South
- Exit on Santa Teresa Blvd.
- Turn right on Blossom Hill Road
- Turn left at Almaden Expressway
- At Via Monte (third traffic light), make a U-turn
- Proceed north on Almaden Expressway approximately 1,000 feet
- Turn right (east) into the campus entrance





## **Santa Clara Valley Water District Santa Clara Valley Water Commission Meeting**

**HQ Boardroom  
5700 Almaden Expressway  
San Jose CA 95118**

### **REGULAR MEETING AGENDA**

**Wednesday, April 10, 2019  
12:00 PM**

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

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.

**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**

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Wednesday, April 10, 2019

12:00 PM

HQ Boardroom  
5700 Almaden Expressway  
San Jose CA 95118

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**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: This item is reserved for persons desiring to address the Commission on any matter not on this agenda. Members of the public who wish to address the Commission on any item not listed on the agenda should complete a Speaker Form and present it to the Commission Clerk. The Commission Chair will call individuals in turn. 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.

[19-0194](#)

Recommendation: Approve the January 23, 2019, Meeting Minutes.

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: 012319 Water Commission Draft Mins](#)

Est. Staff Time: 5 Minutes

**4. STANDING ITEMS REPORT:**

4.1. Standing Items Report.

[19-0381](#)

Recommendation: A. For the Santa Clara Valley Water Commission to receive information on the Board's priorities on the following subjects:

1. Finalize the Fisheries and Aquatic Habitat Collaboration Effort (FAHCE) (Report from the FAHCE Ad Hoc Committee)
2. Actively Pursue Efforts to Increase Water Storage Opportunities (Report from the Water Storage Exploratory Committee)
3. Actively Participate in Decisions Regarding the California WaterFix (Report from EWRC Board Representative)
4. Advance Recycled and Purified Water Efforts with the City of San Jose and Other Agencies (Report from the Recycled Water Committee)
5. Advance Anderson Dam Seismic Retrofit Project (Report from the Capital Improvement Program Committee)
6. Provide for a Watershed-Wide Regulatory Planning and Permitting Effort (Report from the Capital Improvement Program Committee)
7. Ensure Immediate Emergency Action Plans and Flood Protection are Provided for Coyote Creek (Report from the Coyote Creek Flood Risk Reduction Ad Hoc Committee)
8. Foster a Coordinated Approach to Environmental Stewardship Effort (Report from EWRC Board Representative)
9. Advance Diversity and Inclusion Efforts (Report from the Diversity and Inclusion Ad Hoc Committee)

B. This is informational only and no action is required.

Manager: Michele King, 408-630-2711

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

[Attachment 1A: Priority 2](#)

[Attachment 1B: Priority 4](#)

[Attachment 1C: Priority 7](#)

[Attachment 1D: Priority 9](#)

**5. ACTION ITEMS:**

- 5.1. Review and Comment to the Board on the Fiscal Year 2019-20 Proposed Groundwater Production Charges. [19-0195](#)

Recommendation: Provide comment to the Board in the implementation of the District's mission as it applies to staff's groundwater production charge recommendation for FY 2019-20.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: GWP Charge](#)

Est. Staff Time: 30 Minutes

- 5.2. Update on Open Space Credit. [19-0260](#)

Recommendation: Discuss and consider the attached Open Space Credit policy analysis and provide comment to the Board on policy implementation as necessary.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: OSC Policy](#)

Est. Staff Time: 20 Minutes

- 5.3. Review Santa Clara Valley Water Commission Work Plan, the Outcomes of Board Action of Commission Requests; and the Commission's Next Meeting Agenda. [19-0196](#)

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

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: Water Comm 2019 Work Plan](#)

[Attachment 2: 072419 WC Draft Agenda](#)

Est. Staff Time: 5 Minutes

**6. 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.*

**7. REPORTS:**

7.1. Director's Report

7.2. Manager's Report

7.3. Commission Member Report

7.4. Informational Link Reports



**8. ADJOURN:**

- 8.1. Adjourn to Regular Meeting at 12:00 p.m., on July 24, 2019, in the Santa Clara Valley Water District (HQ Boardroom, 5700 Almaden Expressway, San Jose, California).



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**File No.:** 19-0194

**Agenda Date:** 4/10/2019  
**Item No.:** 3.1.

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## COMMITTEE AGENDA MEMORANDUM

### Santa Clara Valley Water Commission

**SUBJECT:**

Approval of Minutes.

**RECOMMENDATION:**

Approve the January 23, 2019, Meeting Minutes.

**SUMMARY:**

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

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

**ATTACHMENTS:**

Attachment 1: 012319 Water Comm Draft Mins.

**UNCLASSIFIED MANAGER:**

Michele King, 408-630-2711





SANTA CLARA VALLEY WATER COMMISSION MEETING

**DRAFT MINUTES**

**WEDNESDAY, JANUARY 23, 2019  
12:00 PM**

(Paragraph numbers coincide with agenda item numbers)

A regular meeting of the Santa Clara Valley Water Commission (Commission) was held on January 23, 2019, in the Headquarters Building Boardroom, located at the Santa Clara Valley Water District, 5700 Almaden Expressway, San Jose, California.

**1. CALL TO ORDER/ROLL CALL**

Hon. Chair Yoriko Kishimoto called the meeting to order at 12:01 p.m.

**Members in attendance were:**

<u>Municipality</u>	<u>Representative</u>	<u>Alternate</u>
City of Campbell	Hon. Susan M. Landry	
City of Cupertino	Hon. Darcy Paul	
City of Gilroy	Hon. Peter Leroe Muñoz*	
City of Los Altos	Hon. Anita Enander	
Town of Los Altos Hills	Hon. Courtenay Corrigan*	
Town of Los Gatos	Hon. Marcia Jensen*	
City of Milpitas	Hon. Carmen Montano	
Town of Monte Sereno		Hon. Liz Lawler
City of Morgan Hill	Hon. Rich Constantine	
City of Mountain View	Hon. Lucas Ramirez*	
City of Palo Alto	Hon. Tom DuBois	
City of Santa Clara	Hon. Debi Davis*	
City of Sunnyvale	Hon. Nancy Smith	
Santa Clara Open Space Authority		Hon. Calvin Gill
Midpeninsula Regional Open Space District	Hon. Yoriko Kishimoto	

**Members not in attendance were:**

<u>Municipality</u>	<u>Representative</u>	<u>Alternate</u>
City of Campbell		Hon. Anne Bybee
City of Cupertino		Hon. Steven Scharf Timm Borden
City of Gilroy		Hon. Fred Tovar
City of Los Altos		Hon. Lynette Lee Eng
Town of Los Gatos	Hon. Steve Leonardis	
City of Milpitas		Hon. Karina R. Dominguez
Town of Monte Sereno	Hon. Javed Ellahie	
City of Morgan Hill		Hon. Larry Carr
City of Mountain View		Hon. Alison Hicks
City of Palo Alto	Hon. Adrian Fine	
City of San José	Hon. Pam Foley	Kerrie Romanow
City of Santa Clara		Hon. Kathy Watanabe
City of Saratoga	Hon. Rishi Kumar	Hon. Yan Zhao
City of Sunnyvale		Hon. Larry Klein
County of Santa Clara	Hon. Mike Wasserman	Hon. Cindy Chavez
Santa Clara Open Space Authority	Hon. Mike Flaughner	
Midpeninsula Regional Open Space District		Hon. Jed Cyr

Board members in attendance were: Directors Nai Hsueh and Linda J. LeZotte, Board Representatives.

Staff members in attendance were: Joe Atmore, Glenna Brambill, Frances Brewster, Norma Camacho, Jerry De La Piedra, Vincent Gin, Garth Hall, Tracy Hemmeter, Anthony Mendiola, Metra Richert, Darin Taylor, Trey Williams and Bhavani Yerrapotu

Special Guests were: Pat Ferraro, Rhoda Fry, Meg Giberson, Kit Gordon, Martin Gothberg, Stephanie Moreno, Mansour Nasser, Kathy Ushiba, Michael Warburton and Gary Welling.

\*Hon. Marcia Jensen arrived at 12:02 p.m.

\*Hon. Debi Davis arrived at 12:04 p.m.

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

There were two public speakers:

Ms. Stephanie Moreno of GCRCD and Ms. Rhoda Fry.

\*Hon. Lucas Ramirez arrived at 12:06 p.m.

**3. APPROVAL OF MINUTES**

It was moved by Hon. Rich Constantine, seconded by Hon. Nancy Smith, and unanimously carried, to approve the October 24, 2018, Santa Clara Valley Water Commission meeting minutes as presented.

**4. ELECTION OF CHAIR AND VICE CHAIR**

**4.1 ELECTION OF CHAIR AND VICE CHAIR**

Chair Yoriko Kishimoto opened the floor for Chair nominations:

It was moved by Hon. Yoriko Kishimoto to nominate Hon. Debi Davis as Chair.

It was moved by Hon. Susan M. Landry to nominate Hon. Rich Constantine as Chair.

The nominations were closed. Both nominees spoke to the Commission regarding their experiences.

The Commission by majority vote, approved Hon. Debi Davis as Chair for 2019.

Chair Yoriko Kishimoto opened the floor for Vice Chair nominations:

It was moved by Hon. Debi Davis to nominate Hon. Rich Constantine as Vice Chair.

The nomination was closed.

The Commission by unanimous vote, approved Hon. Rich Constantine as Vice Chair for 2019.

**5. ACTION ITEMS**

**5.1 REVIEW AND APPROVE 2018 ANNUAL ACOMPLISHMENTS REPORT FOR PRESENTATION TO THE BOARD**

Hon. Yoriko Kishimoto reviewed the materials as outlined in the agenda item.

It was moved by Hon. Rich Constantine, seconded by Hon. Lucas Ramirez and unanimously carried, to approve the Water Commission's 2018 Annual Accomplishments Report.

**5.2 WATER SUPPLY MASTER PLAN**

Ms. Tracy Hemmeter reviewed the materials as outlined in the agenda item along with a handout on Water Supply Master Plan 2040 Water Demand Projection Methodology.

\*Hon. Courtenay Corrigan arrived at 12:23 p.m.

Hon. Nancy Smith, Hon. Carmen Montano, Hon. Rich Constantine, Hon. Anita Enander, Hon. Yoriko Kishimoto, Hon. Susan M. Landry and Hon. Courtenay Corrigan spoke on: the demand side and getting back-up data for the supply side, reuse name, purple piping, recycled water, staff was thanked for their work, regional and population growth, dual numbering system, the ordinance and building reach codes.

No action was taken.

**5.3 REVIEW AND COMMENT TO THE BOARD ON THE FISCAL YEAR 2019-20 PRELIMINARY GROUNDWATER PRODUCTION CHARGES**

Mr. Darin Taylor reviewed the materials as outlined in the agenda item along with a handout on Preliminary FY20 Groundwater Production Charge Analysis.

\*Hon. Peter Leroe-Muñoz arrived at 12:55 p.m.

Hon. Tom DuBois, Hon. Susan M. Landry, Hon. Yoriko Kishimoto, Hon. Debi Davis, Ms. Norma Camacho, Hon. Nancy Smith, Hon. Anita Enander, Director Linda J. LeZotte, Hon. Calvin Gill, Director Nai Hsueh, and Hon. Darcy Paul spoke on: different rates, how do 'interest' rates play a part, WaterFix is there a risk, risk assessments conducted, risks are a 'moving' target, keeping rates at their lowest, need a growth plan in place, water usage, handout explained the rates more, what is used to set rates, information used is on 'best' knowledge since water supply differs yearly, water retailers control their own rates, setting of rates play a role on current projects getting done, and the cost of water will increase.

No action was taken.

#### **5.4 OPEN SPACE CREDIT**

Mr. Joe Atmore reviewed the materials as outlined in the agenda item.

Hon. Peter Leroe-Muñoz, Hon. Rich Constantine, Hon. Nancy Smith, Hon. Anita Enander, Hon. Courtenay Corrigan, Mr. Pat Ferraro (retired Valley Water Board of Directors) and Director Linda J. LeZotte spoke on: fallow ground results, agricultural usage-cost of land, urban agricultural incentive zone, getting data on Williamson Act properties, costs of open space and clarification on discounts ('credit').

No action was taken.

#### **5.5 UPDATE ON THE STATE WATER RESOURCES CONTROL BOARD'S AMENDMENTS TO THE BAY-DELTA WATER QUALITY CONTROL PLAN AND AGENCY-PROPOSED VOLUNTARY AGREEMENTS**

Mr. Garth Hall reviewed the materials as outlined in the agenda item.

Hon. Marcia Jensen, Hon. Lucas Ramirez and Hon. Calvin Gill left at 2:01 p.m. and did not return.

Ms. Kit Gordon, Ms. Kathy Ushiba, Mr. Michael Warburton, Mr. Martin Gothberg, Ms. Meg Giberson-had a handout, Mr. Pat Ferraro, Hon. Yoriko Kishimoto, Hon. Nancy Smith, Hon. Susan M. Landry, Hon. Tom DuBois, Hon. Carmen Montano and Hon. Anita Enander, spoke on: water conservation, the lawsuit that Valley Water filed and costs.

Hon. Rich Constantine left at 2:22 p.m. and did not return.

No action was taken.

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

Ms. Glenna Brambill, Directors Nai Hsueh and Linda J. LeZotte reviewed the materials as outlined in the agenda item. Also, advised the Commission of the pending new agenda format moving forward upon Board approval.



Hon. Peter Leroe-Muñoz left at 2:31 p.m. and did not return.  
Hon. Tum DuBois left at 2:32 p.m. and did not return.

No action was taken.

**6. CLERK REVIEW AND CLARIFICATION OF COMMISSION REQUESTS TO THE BOARD**

Ms. Glenna Brambill reported there were no items for Board consideration.

**7. REPORTS**

**7.1 Director's Report**

None.

**7.2 Manager's Report**

None.

**7.3 Commission Member Reports**

None.

**8. ADJOURNMENT**

Chair Hon. Debi Davis adjourned at 2:39 p.m. to the next regular meeting on Wednesday, April 10, 2019, at 12:00 p.m., in the Santa Clara Valley Water District Headquarters Boardroom.

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

Approved:



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**File No.:** 19-0381

**Agenda Date:** 4/10/2019

**Item No.:** 4.1.

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## COMMITTEE AGENDA MEMORANDUM

### Santa Clara Valley Water Commission

**SUBJECT:**

Standing Items Report.

**RECOMMENDATION:**

- A. For the Santa Clara Valley Water Commission to receive information on the Board's priorities on the following subjects:
1. Finalize the Fisheries and Aquatic Habitat Collaboration Effort (FAHCE) (Report from the FAHCE Ad Hoc Committee)
  2. Actively Pursue Efforts to Increase Water Storage Opportunities (Report from the Water Storage Exploratory Committee)
  3. Actively Participate in Decisions Regarding the California WaterFix (Report from EWRC Board Representative)
  4. Advance Recycled and Purified Water Efforts with the City of San Jose and Other Agencies (Report from the Recycled Water Committee)
  5. Advance Anderson Dam Seismic Retrofit Project (Report from the Capital Improvement Program Committee)
  6. Provide for a Watershed-Wide Regulatory Planning and Permitting Effort (Report from the Capital Improvement Program Committee)
  7. Ensure Immediate Emergency Action Plans and Flood Protection are Provided for Coyote Creek (Report from the Coyote Creek Flood Risk Reduction Ad Hoc Committee)
  8. Foster a Coordinated Approach to Environmental Stewardship Effort (Report from EWRC Board Representative)
  9. Advance Diversity and Inclusion Efforts (Report from the Diversity and Inclusion Ad Hoc Committee)
- B. This is informational only and no action is required.

**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 the District mission, and to identify Board-related issues.

On March 12, 2019, 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 commission members.

**ATTACHMENTS:**

Attachment 1: Standing Items Report

Attachment 1A: Priority 2

Attachment 1B: Priority 4

Attachment 1C: Priority 7

Attachment 1D: Priority 9

**UNCLASSIFIED MANAGER:**

Michele King, 408-630-2711

**STANDING ITEMS REPORT:**

**1.**  
**Finalize the Fisheries and Aquatic Habitat Collaboration Effort (FAHCE) (Report from the FAHCE Ad Hoc Committee) Vincent Gin**

***NO REPORT: Since FAHCE is ongoing, there is no new information to report.***

**2.**  
**Actively Pursue Efforts to Increase Water Storage Opportunities (Report from the Water Storage Exploratory Committee) Christopher Hakes**

**See Attachment 1A**

**3.**  
**Actively Participate in Decisions Regarding the California WaterFix (Report from EWRC Board Representative) Board Chair, Nina Hawk**

***NO REPORT: A verbal update from the EWRC Board Representative may be provided at the meeting.***

If you are interested in attending EWRC meetings, please contact Glenna Brambill at [gbrambill@valleywater.org](mailto:gbrambill@valleywater.org) or 1-408-630-2408.

**4.**  
**Advance Recycled and Purified Water Efforts with the City of San Jose and Other Agencies (Report from the Recycled Water Committee) Jerry De La Piedra**

**See Attachment 1B**

**5.**  
**Advance Anderson Dam Seismic Retrofit Project (Report from the Capital Improvement Program (CIP) Committee) Christopher Hakes**

***REPORT: During this period the CIP Committee reviewed the scope of the permitted activities for the project as well as the anticipated schedule for construction.***

If you are interested in attending CIP meetings, please contact Glenna Brambill at [gbrambill@valleywater.org](mailto:gbrambill@valleywater.org) or 1-408-630-2408.

**6.**  
**Provide for a Watershed-Wide Regulatory Planning and Permitting Effort (Report from the Capital Improvement Program (CIP) Committee) Vincent Gin**

***NO REPORT: The Watershed-Wide Regulatory Planning and Permitting Effort has not been discussed.***

If you are interested in attending EWRC meetings, please contact Glenna Brambill at [gbrambill@valleywater.org](mailto:gbrambill@valleywater.org) or 1-408-630-2408.

**7.**  
**Ensure Immediate Emergency Action Plans and Flood Protection are Provided for Coyote Creek (Report from the Coyote Creek Flood Risk Reduction Ad Hoc Committee) Vincent Gin**

**See Attachment 1C**

**8.**

**Foster a Coordinated Approach to Environmental Stewardship Effort (Report from EWRC Board Representative)**

***NO REPORT: A verbal update from the EWRC Board Representative may be provided at the meeting.***

If you are interested in attending EWRC meetings, please contact Glenna Brambill at [gbrambill@valleywater.org](mailto:gbrambill@valleywater.org) or 1-408-630-2408.

**9.**

**Advance Diversity and Inclusion Efforts (Report from the Diversity and Inclusion Ad Hoc Committee) Anna Noriega**

**See Attachment 1D**

## STANDING ITEMS REPORT:

2

### **Actively Pursue Efforts to Increase Water Storage Opportunities (Report from the Water Storage Exploratory Committee) Christopher Hakes**

**REPORT:** at the February 22, 2019, the Water Storage Exploratory Committee discussed the following topics on Water Storage Opportunities: Valley Water participation in the Los Vaqueros Reservoir Expansion Project and Valley Water participation in the Site Reservoir Project.

#### **Agenda Memo Summary 2/22/19:**

##### **Los Vaqueros Reservoir Expansion**

Santa Clara Valley Water District (Valley Water) staff have continued to review the Los Vaqueros Expansion (LVE) Project, which proposes to expand an off-stream reservoir located in Contra Costa County and operated by Contra Costa Water District (CCWD). Originally constructed in 1998 with a capacity of 100,000 AF, it was expanded to 160,000 AF in 2012. The LVE Project would further expand the reservoir to 275,000 AF and add a new pipeline connecting CCWD's system to the California Aqueduct. Regardless of whether Valley Water stores water in the Los Vaqueros Reservoir, imported water could be moved from CCWD's intakes in the Delta to Valley Water's system without relying on the South-of-Delta pumps.

The total construction cost of the expansion is estimated to be approximately \$980 million (in 2015 dollars). CCWD received the maximum eligibility award of \$459 million from the California Water Commission (CWC) as part of WSIP funding. CWC authorized \$13.65 million in early funding for planning and design. CCWD has also requested \$10 million in federal funding for planning and design through the FY19 Water Infrastructure for Improvements to the Nation (WIIN) Act. However, CCWD needs more money from partners to continue with environmental, federal feasibility, financial evaluation, governance, permitting, and design efforts and to be used as matching local funds required for WSIP and WIIN. The total near term cost to local partners is estimated at \$3 million as part of a Multi-Party Cost-Share Agreement. Costs will be divided evenly between the local partners (currently there are ten (10) local partners). Valley Water would be required to contribute between \$283,000 to \$355,000, which would be in addition to our prior payment of \$100,000 to support CCWD's Proposition 1 application and would carry the LVE Project through the end of 2019 and the formation of a Joint Powers Authority (JPA). The current Local Agency Partner (LAP) participants are:

1. Alameda County Water District (ACWD)
2. Bay Area Water Supply & Conservation Agency (BAWSCA)
3. Byron Bethany Irrigation District (BBID)
4. City of Brentwood (Brentwood)
5. East Bay Municipal Utility District (EBMUD)
6. Grassland Water District (GWD)
7. Santa Clara Valley Water District (SCVWD)
8. San Francisco Public Utilities Commission (SFPUC)
9. Zone 7 Water Agency (Zone 7)
10. San Luis & Delta Mendota Water Authority (Authority)
  - 10.1. Del Puerto Water District (DPWD)
  - 10.2. San Luis Water District (SLWD)
  - 10.3. Westland Water District (WWD)

##### **Potential Benefits to Valley Water**

Water supply and operational benefits could be realized by diverting State Water Project (SWP), Central Valley Project (CVP), and/or surplus water without relying on the South-of-Delta pumps for direct delivery or pumped into an expanded Los Vaqueros Reservoir for later delivery. Staff anticipates the LVE Project could provide the following benefits to Valley Water:

- An increase in water supply, primarily in dry years;
- The ability to bank SWP and CVP contract supplies in an expanded Los Vaqueros Reservoir;
- The project's expanded storage and conveyances may provide alternate points of diversion for Valley Water during periods when SWP and CVP exports are restricted by regulatory requirements that do not apply to CCWD diversions;
- Imported water could be routed from CCWD to the California Aqueduct through a new Transfer-Bethany Pipeline; and
- Transfer-Bethany Pipeline could support other regional projects (e.g., desalination, refinery recycled water exchange, BARR water market).

Key near-term meetings and decision points on the LVE Project include the following:

- Winter 2018/2019 – LAPs execute the multi-party cost-share agreement
- Spring/Summer 2019 – Third party consultant review of user fees
- Spring/Summer 2019 – Decision to form JPA
- Spring/Summer 2019 – Form committee to select outside counsel to form JPA
- Summer 2019 - Partners & CCWD negotiate key terms of cost and governance

Winter 2019 – Finalize JPA

**The Committee recommended the multi-party cost-share agreement be presented to the full Board for consideration.**

**Sites Reservoir Condensed Summary:**

In 2017 the Board authorized the CEO to execute an agreement to participate in Phase 1 of the Sites Reservoir Project (Sites Project). That agreement is set to expire on March 31, 2019. The Sites Joint Powers Authority (JPA) offered to the District the opportunity to continue participating in the Sites Project by executing the Sites Project Authority 2019 Reservoir Project Agreement (2019 Project Agreement), which covers calendar year 2019 work activities. Execution of the agreement obligates the District to contribute funds to support development of the Sites Project through calendar year 2019 (Phase 2, Year 1). The District had been participating in the Sites Project at a targeted participation level of 4.8 percent (i.e., funding 4.8 percent of total project costs to preserve rights to 4.8 percent of total project benefits); maintaining this participation level would have obligated the District to provide up to \$1.44 million in funding for Phase 2, Year 1. However, the District had the choice to participate at a lower or higher level or to discontinue participation. A copy of the proposed 2019 Project Agreement is included as Attachment 1.

***2019 Funding Objectives***

The District's funding contribution will support a focused effort to develop key information needed prior to the end of calendar year 2019 to enable individual participants to decide whether to provide substantial funding for continued development of the Sites Project. Key information to be developed includes the following:

- Defined storage benefits and operational rules for participant utilization of storage in Sites Reservoir.
- Better definition of the expected level of funding by the state of California (State) and U.S. Bureau of Reclamation (Reclamation); associated benefits to State, Reclamation, and CVP water users; and determination of the impact of such funding on the cost and yield allocation among participants.
- Completion of, or at least significant advancement on, key agreements with the California Department of Water Resources (DWR) to define the relationship of the Sites Project to the SWP, and to identify the delivery priority for Sites Project water supply to participating SWP contractors south of the Delta.
- An updated and narrowed range of Sites Project operating scenarios and yields, considering the following:



- Compilation of geotechnical information for the Sites Project, including historical data and sampling planned for 2019, to further refine the range of construction cost estimates.

District staff's assessment was that, while preliminary estimates of water supply yield and costs are available, it is critical that the information above is developed to better define project benefits and costs prior to the District making a decision on whether to continue supporting the Sites Project.

Additional work included in the Sites Reservoir Project workplan for calendar year 2019, which the Sites JPA recommends performing to facilitate longer term project development, includes development of procedures to improve management and controls, preliminary design work, and agency coordination related to power and dam safety.

### ***2019 Project Agreement***

Execution of the 2019 Project Agreement obligates the District to provide funding for continued work on the Sites Project in calendar year 2019 and provide the District with a continuing seat on the Reservoir Project Committee (Reservoir Committee) through 2019. The total 2019 budget is roughly \$35 million, with about \$14 million of this to be funded by water user participants that comprise the Reservoir Committee. The remaining budget is expected to be funded using Prop 1 Water Storage Investment Program (WSIP) early funding and funds secured from provisions under the Water Infrastructure Improvements for the Nation Act (WIIN Act). The allocation of costs to the Reservoir Committee members is outlined in Exhibit A of the 2019 Project Agreement, and shows the District's contribution to be 10.3 percent of the \$14 million component of the budget. This contribution would correspond to the 4.8% total Sites Project targeted participation level at which the District had been participating in Phase 1 of the project. The District had the choice to provide funding at a different participation level for Phase 2 Year 1, with corresponding adjustments to the District's voting rights and preserved share of project benefits. Or the District could have chosen to discontinue participation in the Sites Project at this time. For the Board's convenience, a copy of the Project Members Agreement List contained in Exhibit A to the 2019 Reservoir Project Agreement has been included as Attachment 2.

The 2019 Project Agreement permits the Sites JPA and the participants in the 2019 Project Agreement to continue development of the Sites Project, consistent with the Fourth Amended and Restated Sites Project Authority Joint Exercise of Powers Agreement (Joint Powers Agreement), which is provided in Attachment 3. The 2019 Project Agreement provides that those who execute the agreement (Project Agreement Members) will preserve through 2019 a first right, equal to that Project Agreement Member's participation percentage, to contract in the future for a share of any water supply and storage capacity available from the Sites Project. In any successor phase agreements, continuing Project Agreement Members shall continue to preserve those rights.

### **Background**

Sites Reservoir is a proposed 1.81 million acre-foot north-of-Delta off-stream reservoir that would be located approximately 10 miles west of the town of Maxwell in Colusa County. The Sites Project would collect winter flood flows from the Sacramento River with the objective of increasing water supply certainty, while ensuring in-stream flows to benefit the Delta ecosystem. The existing Tehama Colusa and Glenn County Irrigation District Canals, which both divert water from the Sacramento River, would be adapted to connect to Sites Reservoir. A new intake pump station and twin pipeline would be added to divert water near Delevan on the Sacramento River to Sites Reservoir. A map of the Sites Project is included as Attachment 4. The total capital cost of the Sites Project is anticipated to be \$5.5 billion in constant 2015 dollars, according to estimates provided by the Sites JPA to the California Water Commission (CWC).

### **Project Governance**

The Sites JPA is comprised of Sacramento Valley water agency and landowner interests and was formed

on August 26, 2010 to pursue the development and construction of the Sites Project. The Sites JPA delegates authority to the Reservoir Committee, which has effectively become responsible for design and analysis of Sites Reservoir facilities and financing. The District, as well as other State Water Project contractor participants (SWC Participants) and some Sites JPA participants, serve on the Reservoir Committee. The governance structure with a list of current participants is shown in the Sites Authority and Reservoir Committee Structure, contained in Attachment 5. Staff anticipates that the governance structure may be evaluated and adjusted during Phase 2. District staff has communicated to the Sites Executive Director that the District will require a stronger role in project governance than that afforded under the Reservoir Committee if the District makes further significant funding to the Project.

#### Potential District Benefits

Sites Project water supply and operational benefits could be realized by diverting surplus water into Sites Reservoir during high river flow events for later release to participants, in conjunction with operation of Oroville and Shasta Reservoirs. District staff anticipates that the Sites Project could provide the following benefits to the District, if it is able to divert and store water as proposed with operations integrated with the SWP and CVP:

- An increase in water supply, primarily in dry years, which could, subject to future negotiations, be delivered as SWP project supplies;
- Storage rights in Sites reservoir proportional to the District's targeted participation level;
- Improvement in Shasta Reservoir storage levels and cold-water pool that may provide fishery benefits; and
- Stabilization or increase in CVP water supply allocations.

The extent to which these benefits can be realized depends on several issues that have yet to be resolved, including permit requirements, potential participation by Reclamation and other agencies, and integration of operations with the SWP and CVP as well as with other Sacramento Valley users and projects. While other participants have indicated their support for Phase 2, Year 1 during recent Reservoir Committee meetings, there is uncertainty regarding continued support in subsequent years. This support will depend largely on the outcome of Phase 2, Year 1 work efforts.

Staff has evaluated preliminary modeling results provided by the Sites JPA in its WSIP application to assess the share of yield that could be delivered to the District if the District continues to target a 4.8 percent participation level. Given several uncertainties associated with permit requirements and implementation of the California WaterFix, staff has conservatively assigned losses of 25 percent on the modeled deliveries. This results in a yield of roughly 23,000 acre-feet per year in 'dry' and 'critical' years being available to the District, and around 12,000 acre-feet per year on average. Note that these yield amounts available to the District are *new water*, not otherwise available to the District, for example, through other projects currently being considered. These modeled values of 23,000 AFY in dry/critical years and 12,000 AFY on average require significant updating with information to be developed in 2019. Ultimately the amount of project yield and benefit that is *usable* by the District depends on the portfolio of water supply projects that the District ultimately implements; the outcome of negotiations among water agency participants, DWR, and Reclamation; the outcome of ongoing regulatory processes; and refinements of Sites Project operations to reflect storage benefits and updated operational constraints. Additional modeling refinements are currently being implemented to better estimate potential yields and benefits.

#### Phase 1 Accomplishments

Phase 1 accomplishments include:

- CWC gave Sites Project a Maximum Conditional Eligibility Determination (MCED) of \$816 million in Proposition 1 funding. CWC also determined that Sites Project could receive up to \$40.8 million of this MCED as early funding.
- Release of a draft EIR/EIS for Sites Project on August 14, 2017.

- Reclamation’s release of a draft Feasibility Report for the Sites Project on August 14, 2017. A Final Feasibility Report is expected in December of 2020 and will serve as the basis for federal appropriations under the WIIN Act. Based on conversation with Reclamation, the Sites JPA estimates the total WIIN Act funding for the Sites Project at \$1.3 billion, with \$10.1 million available as early funding in 2019.
- Approval by the U.S. Department of Agriculture (USDA) for a \$449 million construction loan, with a locked-in interest rate of 3⅞ percent.
- Strong bipartisan support including 43 of California’s Congressional Representatives. A list of Sites Project supporters is included as Attachment 7.

Phase 2 Costs

Phase 2 is currently expected to extend through June 2022. The Sites JPA has estimated this phase will cost a total of \$420 million. Of this amount, \$70 million is expected to come from early funding through WSIP (\$40 million) and the WIIN Act (\$30 million). The remaining \$350 million would be covered by Sites Project participants. Based on feedback from participating agencies, including the District, the Sites JPA is currently planning to utilize annual funding agreements to cover the participant share of the costs. The 2019 Project Agreement covers funding for only the first year of Phase 2. Table 1 shows how the participant costs will be broken up over these agreements and provides an estimate of the Districts expected share of those costs if the District had continued to target a 4.8 percent participation level, assuming there is no change in the participation makeup of the Project.

*Table 1: Estimated Sites Phase 2 Participant Costs (\$ millions)*

	<b>Year 1</b>	<b>Year 2</b>	<b>Years 3-4</b>
<b>Participant Costs</b>	14	90	245
<b>District Share at a 4.8% participation level</b>	1.4	9.2	25.1

Phase 2, Year 1 Participation Level

While staff recommended that the District continue to pursue a 4.8 percent participation level in the Sites Project, the Board considered options for reducing its participation or discontinuing participation altogether at this time. Had the District decide to discontinue participation, the future opportunity for rejoining the Sites Project would have depended largely on the extent to which other participants continue to participate and on any new terms and conditions for entry that may be applicable in the then-current reservoir project agreement. The proposed 2019 Reservoir Project Agreement provides for new participation (or stepping up a prior participation level) at a lower priority than existing participant allocated shares. Also, if the District elected to decrease its participation level, it would be able to receive a partial refund of monies already contributed to the Sites Project and may receive a full refund in the future, however any such future reimbursement would be subject to the Sites Project going forward.

Table 2 shows how different levels of participation could affect expected yield and costs to the District, while Table 3 provides pros and cons for each option.

*Table 2: A Comparison of Cost and Yields at Different Participation Targets in the Sites Project*

<b>Option</b>	<b>Target District Share</b>	<b>Average Annual Yield (acre-feet)</b>	<b>District Costs (\$ millions)</b>	
			<b>Phase 2, Year 1</b>	<b>Capital (2015 Dollars)</b>
A	4.8%	12,000	1.4	265
B	3.2%	8,000	0.96	177
C	1.6%	4,000	0.48	88
D	0%	0	0	0

Table 3: A Comparison of Pros and Cons at Different Participation Targets in the Sites Project.

Option	Target District Share	Pros	Cons
A	4.8%	<ul style="list-style-type: none"> <li>• Est. 12,000 AFY avg. yield (23,000 AF in dry/critical years)</li> <li>• Retain influence over the project as the 2<sup>nd</sup> largest investor</li> <li>• Option to reduce participation at a later date</li> </ul>	<ul style="list-style-type: none"> <li>• Water Master Plan analysis indicates that the District may not need Sites yield if California WaterFix, advanced purified water, and other anticipated projects are successfully developed*</li> </ul>
B	3.2%	<ul style="list-style-type: none"> <li>• Lower Phase 2 Year 1 costs</li> <li>• Est. 8,000 AFY avg. yield (15,000 AF in dry/critical years)</li> <li>• Maintain some influence over project development</li> <li>• Possible credit on Phase 2 cost based on Phase 1 payments</li> </ul>	<ul style="list-style-type: none"> <li>• May be difficult to increase participation at a later date</li> <li>• Reduced influence over the project as medium investor</li> </ul>
C	1.6%	<ul style="list-style-type: none"> <li>• Lower Phase 2 Year 1 costs.</li> <li>• Est. 4,000 AFY avg. yield (8,000 AF in dry/critical years)</li> <li>• Maintain some influence over project development</li> <li>• Possible credit on Phase 2 cost based on Phase 1 payments</li> </ul>	<ul style="list-style-type: none"> <li>• May be difficult to increase participation at a later date</li> <li>• Reduced influence over the project as small investor</li> </ul>
D	0%	<ul style="list-style-type: none"> <li>• No additional costs to the District</li> <li>• Possible reimbursement for Phase 1 payments</li> </ul>	<ul style="list-style-type: none"> <li>• Unknown future opportunity to contract for water supply and storage</li> <li>• May increase possibility the project may not go forward</li> </ul>

\*This assumes that the State Water Resources Control Board does not significantly reduce export levels through the Bay Delta Plan update.

### Total Project Cost

The total capital cost of the Sites Project in constant 2015 dollars is roughly \$5.5 billion and its annual O&M costs are estimated at \$27 million. At a 4.8 percent participation level in the Sites Project, the District's share of these costs are \$265 million and \$1.3 million, respectively. The cost per acre-foot of yield could potentially be between \$800 to \$1,200, depending on ultimate average yield of the Sites Project. These cost estimates are based on assumptions made in the WSIP application for the Sites Project; staff will provide an updated financial analysis prior to requesting any additional funding for the Sites Project

**The Water Storage Exploratory Committee recommended the Board approve the continued participation in the Sites Project. Committee members Santos and Varela recommend option B at a funding level of \$960,000, while Committee Chair Kremen recommended a split between options B and C at a funding level of \$720,000.**

**On February 26, the Board received this recommendation and approved continued participation in the Sites Project under option B at a funding level of \$960,000.**

If you are interested in attending Water Storage Exploratory Committee meetings, please contact Glenna Brambill at [gbrambill@valleywater.org](mailto:gbrambill@valleywater.org) or 1-408-630-2408.

## **STANDING ITEMS REPORT:**

4

### **Advance Recycled and Purified Water Efforts with the City of San Jose and Other Agencies (Report from the Recycled Water Committee)**

**Jerry De La Piedra**

The Recycled Water Committee has not met since November 2018. However, on February 26, 2018, staff presented the full Board the following update on the Santa Clara Valley Water District's (Valley Water's) Countywide Water Reuse Master Plan (Reuse Master Plan).

#### **Agenda Memo Summary:**

The Reuse Master Plan, which is scheduled to be completed by Fall 2019, will establish the strategies for increased water reuse in Santa Clara County (County). The Reuse Master Plan is being developed in collaboration with local recycled water producers, wholesalers, retailers, users, and other interested parties. The Reuse Master Plan recognizes that Valley Water, with its responsibilities for wholesale water supply and groundwater management in the County, will have a leadership role in setting and implementing water reuse strategies. Importantly, cities and water distribution companies have the opportunity to sustain and advance water reuse within their respective service areas.

The Reuse Master Plan will identify: the volume of water available for potential potable reuse (PR) development and non-potable reuse (NPR) expansion; a consensus balance between future PR and NPR programs; options for water reuse system integration; opportunities for building upon existing NPR projects; and potential new PR projects. It will also discuss governance model options including roles and responsibilities.

Valley Water is conducting a process to engage various interest groups, including agencies that operate wastewater treatment plants and produce recycled water (referred to as "Partner Agencies"), policymakers, stakeholders, industry experts, regulators, business interests, ratepayer advocates, environmental groups, and the public. The Partner Agencies and associated facilities are as follows:

- City of Palo Alto and City of Mountain View
  - Palo Alto Regional Water Quality Control Plant and recycled water system;
- City of Sunnyvale
  - Sunnyvale Water Pollution Control Plant and recycled water system;
- City of San José and City of Santa Clara
  - San José-Santa Clara Regional Wastewater Facility and South Bay Water Recycling;
  - and
- South County Regional Wastewater Authority
  - South County Wastewater Treatment and Reclamation Facility and recycled water system.

Beginning in 2016, staff has been providing updates on Reuse Master Planning efforts to the Board's Recycled Water Committee and the four Joint Committees with representatives from Partner Agencies. In addition, multiple stakeholder workshops have been held each year. Additional workshops are being scheduled during the planning process to further engage stakeholders and receive their input.

The Reuse Master Plan is being developed in stages, defined by certain deliverables. These deliverables, which will eventually be assembled into a cohesive Reuse Master Plan, are as follows:

#### **Project Definition, Roles and Responsibilities Technical Memorandum (TM)**

This deliverable establishes the project purpose, describes roles and responsibilities of Valley Water and Partner Agencies, and provides a basis for subsequent task deliverables.

#### Regulatory Framework Technical Memorandum

This deliverable provides a brief history and overview of water reuse policy in California, including relevant regulations, regulatory agencies' responsibilities, recycled water use in the County and recycled water regulatory structure. The deliverable describes a Non-Potable Reuse (NPR) and Potable Reuse (PR) framework, including approaches, a regulatory summary, and regulatory requirements.

#### Baseline Analysis Technical Memorandum

This deliverable describes the current state of water reuse in the County. Treated effluent from the four wastewater treatment facilities in the County supplies the four existing in-County NPR systems.

Valley Water analyzed current and projected conditions at each of the four NPR producers to estimate the volume of water available for reuse. The Baseline Analysis Deliverable identifies key countywide water reuse assumptions and existing conditions.

#### Project Portfolio Development

This deliverable will describe potential water reuse projects developed with input from stakeholders to achieve shared objectives of a sustainable water supply. Based on Partner Agency feedback to date, Valley Water has assembled potential projects into portfolios for further discussion and evaluation.

These five portfolios utilize existing treatment plants, reuse facilities and related infrastructure as described below:

- **Portfolio #1** features expanded and interconnected enhanced NPR systems with phased Indirect Potable Reuse (IPR) or Direct Potable Reuse (DPR) supply from the San José-Santa Clara Regional Wastewater Facility,
- **Portfolio #2** features expanded and interconnected enhanced NPR systems in North County with IPR or DPR supply from a regional Advanced Water Purification Facility (AWPF),
- **Portfolio #3** features expanded and interconnected enhanced NPR systems with IPR or DPR supply from the Palo Alto Regional Water Quality Control Plant,
- **Portfolio #4** features expanded and enhanced NPR systems in North County with IPR or DPR supply from a regional AWPF in Palo Alto or Sunnyvale, and
- **Portfolio #5** features expanded and interconnected enhanced NPR systems and focuses on raw water augmentation to Penitencia Water Treatment Plant.

To further analyze these five portfolios, Valley Water developed evaluation criteria with participation from the Project Partnership Group (consisting of Partner Agencies). Using Project Partnership Group feedback, Valley Water iteratively refined and confirmed prioritization and respective weighting criteria. Based on this analysis, Portfolios #1, #2, and #4 were constantly ranked as the top three to date.

#### Valley Water Recycled Water Committee Recommendations

At their November 14, 2018 meeting, the Recycled Water Committee (Committee) made several recommendations related to staff's update on the Reuse Master Plan. Upon Board direction, staff will prepare responses and provide information at upcoming Committee meetings to address these questions.

#### *Countywide Water Reuse Master Plan*

1. Add a rate payer advocate group to the Stakeholder Task Force  
Staff has identified Bill Sherman, a member of a local water rate advocacy group, and recommends that he be invited to future stakeholder workshops.
2. Develop a matrix summarizing status of potential partners  
Staff has drafted a matrix that summarizes the current status of water reuse discussions with Partner Agencies. Recommended key points include: status on willingness to partner; land availability; water availability; water quality issues; reverse osmosis concentrate management options; and potential governance.

3. Coordinate the Reuse Master Plan with the Water Supply Master Plan  
The Countywide Water Reuse Master Plan is being developed in coordination with the Water Supply Master Plan update, Reverse Osmosis Concentrate Management planning, and other relevant planning efforts in the County. Staff is prepared to better make the connection between the two plans in future presentations/updates.
4. Review criteria and scoring of Reuse Master Plan Portfolios  
The draft scoring criteria was initially derived from federal and state guidelines. Stakeholder input was then used to refine the criteria and to develop a sensitivity analysis, which included eleven scenarios with different scoring and weighting. Staff meet with Direction Kremen to review the analysis and answer his questions. No additional action was requested.
5. Add the concept of “work with willing partners” to the guiding principles  
Staff is refocusing resources towards agencies willing and ready to work directly with Valley Water on water reuse projects and strategies.

*Purified Water Program Public-Private Partnership (P3)*

6. Alternatives for achieving comprehensive agreements  
Explore alternatives for achieving one or more comprehensive agreements with potential Partner Agencies including: engage a third party (negotiator or facilitator); involve the Silicon Valley Leadership Group; or accelerate release of a P3 Request for Proposals to allow a P3 entity to assist in developing the agreement(s).

*Site-specific Recycled Water*

7. Guiding principles for onsite water reuse in Santa Clara County  
The Committee requested this item be added to their 2019 Work Plan.
8. Feasibility of providing recycled water to the Vallco redevelopment  
Staff has been reviewing requests from developers regarding service from the Wolfe Road Recycled Water Pipeline in Sunnyvale and Cupertino. Technical feasibility depends on quantity, location and timing of water demands. Additional considerations include permitting, construction, and cost-sharing. As the Vallco redevelopment progresses, staff will continue to work with the City of Sunnyvale, City of Cupertino, water retailers, and the developer on the feasibility of a potential expansion.

Next Steps

The Portfolios outlined above will be further refined with hydraulic modeling, cost analysis, and preliminary engineering (10% design). As each of the potential AWPFS identified will require reverse osmosis concentrate management, the portfolios will be further analyzed in the Valley Water’s Reverse Osmosis Concentrate Management planning process, which is being developed in parallel with this Reuse Master Plan. The portfolio refinement is scheduled to be completed in Summer 2019.

Additional input from stakeholders and Partner Agencies will help refine these portfolios. More meetings of the Stakeholder Task Force and Project Partner Group are planned for 2019 for this purpose. The final Reuse Master Plan is anticipated to be completed in Fall 2019. After finalizing the portfolios with stakeholder feedback, staff will present a draft Reuse Master Plan for the Board’s consideration.

**The Board approved the Committee’s November 14, 2018, recommendations.**

If you are interested in attending Recycled Water Committee meetings, please contact Glenna Brambill at [gbrambill@valleywater.org](mailto:gbrambill@valleywater.org) or 1-408-630-2408.





## **STANDING ITEMS REPORT:**

7

### **Ensure Immediate Emergency Action Plans and Flood Protection are Provided for Coyote Creek (Report from the Coyote Creek Flood Risk Reduction Ad Hoc Committee)**

Board of Directors received an update on updates associated with Coyote Creek

#### **12/12/18 Agenda Memo Summary:**

##### A. Joint Emergency Action Plan

#### **Outcome**

By accepting the report on the additions to the Joint Emergency Action Plan (JEAP), both agencies acknowledge:

- The City and the District committed to an agreement on November 3, 2017 to annually test and update the JEAP as needed;
- Changes are identified by designated staff from the City and District;
- Updates are tested in an annual exercise; and
- Updates are approved by the City Manager and District Chief Executive Officer.

The operational and mobilization elements of the JEAP provide guidelines to the appropriate managers and functional departments of both agencies for joint decision-making and mobilization of resources during all four levels of flood threat. The JEAP outlines roles and responsibilities on public communications and emergency notification. Multilingual messages, methods for communicating, and channels of communication are now pre-determined and in accordance with flood condition and operational levels.

This JEAP provides oversight and guidance. It is not intended to provide ultra-detailed directives of what to do during storms and flood monitoring and response, as the City and District have independent responsibility with limited resources to accomplish their tasks. Led by the City in coordination with the District, the JEAP is reviewed by staff, updated, and tested by an annual exercise, and presented to Executive Management for approval.

#### **Background**

With staff of both jurisdictions participating, the JEAP was developed by a Management Team that organized staff within six Work Groups to prepare the components of the JEAP, as well as to plan and implement other actions to mitigate flood concerns. These Work Groups included:

1. Joint Emergency Action Plan (JEAP)
2. Technical
3. Communications
4. Creek Management
5. Short-Term Projects
6. Action Planning

The Management Team reconvened meetings in June 2018 to identify the key waterways that would be added to the JEAP. Team members recognized the need to add Canoas and Ross Creeks and the Guadalupe River. Staff met in their respective groups to develop review materials for the additional waterways.

On November 5, 2018, designated City and District staff met to evaluate the JEAP materials. An outside consultant conducted the Table Top Exercise, and staff actively participated. The key findings identified that the JEAP remains a viable tool, and the additional materials related to Canoas, Ross and Guadalupe

are consistent with the Coyote Creek scenario. The opportunity to access real time data and updated hydraulic maps were identified.

### **Joint Emergency Action Plan (JEAP) Analysis**

The JEAP is operational throughout the year, regardless of conditions. When flooding is not a concern, stakeholders focus on preparedness, which largely entails activities that reduce the risk of flooding and preparedness education in the community. During this period, stakeholders perform such activities consistent with their jurisdictional responsibilities. When flooding becomes a concern, the EAP provides guidance based on three proven, operationalized programs: Multi-Agency Coordination (MAC) Group, Flood Condition Levels, and model data.

**Multi-Agency Coordination (MAC) Group.** City and District staff agree that operating under the structure of a MAC Group will improve coordinated decision-making, operational response, and communications. Concepts and activities outlined in the EAP are associated with the level of storm or flood threat. To maintain the collaborative nature of a MAC, this EAP is considered active 24/7. The principles and actions of a MAC are integrated at all levels. The intensity and degree of activity will increase or decrease in response to stream and creek conditions.

**Flood Condition Levels.** Flood condition levels align with four definitions used by the National Weather Service:

1. **Preparedness (Green)** – Stream depth is below 50% of flood stage. Flooding is not expected within the next 72 hours.
2. **Monitoring (Yellow)** - Stream depth is between 50% and 70% of flood stage. Flooding could possibly be reached in 72 hours or more.
3. **Watch (Orange)** - Stream depth is between 70% and 100% of flood stage. Flooding could be reached within 24 to 72 hours.
4. **Warning (Red)** – Stream depth is very close to or at flood stage. This is an urgent situation. Flooding is estimated to occur within 24 hours or is occurring.

Staff determine flood condition levels by using information from the following sources:

- Weather forecasts
- The District's Automated Local Evaluation in Real Time (ALERT) Gauge System, providing data readings at <http://alert.valleywater.org/sqi.php>.
- Hydrologic/Hydraulic Modeling
- Observations by field teams

**Model data.** From the experience in writing the original JEAP in 2017, the District staff developed hydraulic model data for the Canoas and Ross Creeks and the Guadalupe River, while City staff updated their storm drain system model. From these updated models, staff created stage-based flood inundation maps that include both the creek and storm drain flooding information for reference during future flood events. The additional hydraulic system data and maps were added to the JEAP document.

### **Evaluation and Follow Up**

The City of San José Office of Emergency Management will maintain the plan and provide updates as needed. For 2018, the JEAP went through individual agency review, and a joint Tabletop Exercise (TTX) on November 5, 2018. On an annual basis the EAP will be reviewed, exercised, and updated. When updates are identified, the City Manager and General Manager will be briefed and have the authority to approve the updates.

### **Public Outreach**

The methods of how to reach the public were reviewed in a series of public "Winter Storm Resource Fairs" in 2017. The methods on how to communicate with the public and the messages to be disseminated are consistent. Through the City and District public education staff, contact with the public

remains paramount and provided during regular meetings with neighborhood associations, public meetings, and activities.

### **Coordination**

The development of this memorandum has been coordinated with the Santa Clara Valley Water District, City Attorney's Office, and relevant City Departments.

### **B. Anderson Dam Winter Operations**

The District operates 10 surface water reservoirs throughout the county. The District reservoirs are operated primarily as water supply facilities that provide incidental flood protection, environmental and recreational benefits. Many reservoirs are operated to flood risk reduction rule curves. The volume of water above the rule curve may be released if it is safe to do so, to create additional storage in the reservoir and to reduce flood potential. The curves maximize water supply benefit and reduce flood risk with a high probability of the water being recovered by the end of the season.

The following is a checklist of activities performed by Raw Water Operations/Field Operations staff before a reservoir flood release is initiated;

- Check weather forecast (estimate rainfall runoff)
- Check stream flow
- Check for National Weather Service Advisories/Watches/Warnings
- Coordinate with Watershed Operations (identify any existing blockages or restrictions downstream)
- Notify residents and agencies on creek contacts list

Many of the District's reservoirs are subject to seismic restrictions set by the State Division of Safety of Dams (DSOD) limiting the volume of water stored in the reservoirs. In October of 2017, following an extremely wet winter, the District's Board directed staff to operate the Anderson Reservoir system following a 40% exceedance rule curve to reduce the probability that Anderson Reservoir storage levels would exceed the seismic restriction limits. By operating to stay below the seismic restriction, this also reduces the chances of Anderson reservoir spilling and any associated downstream impacts. The winter of 2017/2018 produced below normal rainfall throughout the state and locally. As a result, local reservoir storage is only a quarter of the total capacity and storage levels in Anderson Reservoir never reached the rule curve to require releases. Anderson Reservoir will continue to be operated following the 40% exceedance rule curve during the winter of 2018/2019.

### **C. Santa Clara Valley Water District Flood Awareness and Winter Preparedness Campaign for 2018-2019**

This winter, the District will continue to deliver flood-safety messages throughout Santa Clara County. The main public education objectives are the following:

- Convey to the general public that flooding can be a serious threat (even if you don't live in the floodplain)
- Explain what people can do to protect themselves and reduce risk to life and property
- Direct the public to appropriate District resources on [valleywater.org/floodready](http://valleywater.org/floodready) for additional information
- Earn credit towards FEMA's Community Rating System through our Program for Public Information, which helps communities earn discounts on flood insurance premiums for residents

In November, a targeted mailing of the annual floodplain mailer was mailed to nearly 53,000 homes and businesses in or near flood-prone areas. The piece provides information on flood-protection projects and flood-safety resources and features a countywide map indicating 100-year FEMA flood zones. The mailer is written in English, Spanish, Vietnamese and Chinese. This year we are running a full-scale paid advertising campaign that launched in November and will continue through the end of March 2019. The campaign may be further expanded if the winter turns out to be particularly wet.

During the winter months, the District will convey flood preparedness messages through a selected range of communications platforms including radio spots, newspaper ads, online ads, social media and web videos. To reach diverse ethnic audiences, media messages will be delivered through Spanish, Chinese and Vietnamese media outlets. The focus of the District's flood awareness campaign is informing the community of flooding hazards in the county and to providing information on what community members can do to protect their family and property before, during and after a potential flooding event. Flood-safety tips and messages will also be heard by callers to the District when placed on hold.

This fall we participated in 14 community events to distribute flood-preparation materials and answer questions about flood safety. We have chosen events that are in areas most prone to flooding. These include parts of South County in Morgan Hill and Gilroy, Sunnyvale and Mountain View along the shoreline, as well as vulnerable areas in San Jose. District staff has pursued partnership opportunities with local community-based organizations in cities with flood-prone areas to identify opportunities for outreach. District staff has also been working with City Council offices to include flood-safety messages in council district newsletters as appropriate throughout the winter months. With the help of City Council staff, the District has been reaching out to neighborhood associations that represent areas in flood zones and is offering a presentation to communities on existing flood risks and winter preparedness. In November, district staff presented to the District 9 Leadership Group on flood risks specifically related to Ross Creek.

Through our outreach, we are also promoting Santa Clara County's AlertSCC emergency notification system and their ReadySCC app. AlertSCC is a free, easy, and confidential way for anyone who lives or works in Santa Clara County to get emergency warnings sent directly to their cell phone, mobile device, e-mail, or landline. It is one of the most effective ways for local jurisdictions to communicate flood hazards and evacuation orders, but it requires residents to opt into the system. The ReadySCC App allows residents to prepare a family emergency plan with five simple questions, send status updates to contacts, receive advisories and alerts via push notifications, and includes a detailed guide with step-by-step instructions for creating an emergency kit. As an incentive to download ReadySCC, residents who download the app receive a free emergency starter kit. These kits were first introduced to the community last year and include basic supplies such as a hand-operated flashlight, mylar blanket, rain poncho, safety whistle, gloves and glow stick. While these kits are basic, they serve as encouragement for residents to begin preparedness on a larger scale. Residents who do not have a mobile phone are encouraged to fill out emergency contact cards to receive their kit.

The District website serves as a one-stop shop for flood-related information, including how to register for emergency updates, flood safety tips and information on sandbag sites, stream and reservoir gauges in the county. The website also prominently displays the district's Flood Watch Tool. Social media and online publications through our news website, [valleywaternews.org](http://valleywaternews.org), will continue to be utilized to provide registered recipients with timely and immediate flood-hazard messages.

#### D. Coyote Creek Feasibility Study

Over the past year, the District has continued progress on planning and delivering a flood risk reduction project to the Coyote Creek community. The project is currently in the planning phase. The project will develop solutions to protect Coyote Creek communities from Montague Expressway to Tully Road up to at least the level of the February 2017 flood, which was the highest flow event since Anderson Dam was constructed in 1950. The draft problem definition report has been completed and is under review. This will be followed by alternatives development and analysis in the remainder of FY19. The problem definition report is the first step in the planning phase and describes the findings and problems identified along the creek. Public input meetings are currently being scheduled for early in 2019.

Concurrently, the District is also conducting a US Army Corps of Engineers (USACE) feasibility study, with as-needed technical help from the USACE, paid by the District. This is being done to potentially become eligible for federal and state funding for the flood protection project. A Memorandum of

Agreement was developed with the USACE in May 2018 and the feasibility study is currently being scoped.

In 2017, the District planned, designed and built a 900-foot long levee/floodwall section to protect the Rock Springs community from a flood similar to the 2017 event. This interim project was completed in January 2018 and is currently in operation. The District will continue to look for similar early implementation opportunities to effectively reduce the risk of flooding to the community as the planning study is being developed.

If you are interested in attending Coyote Creek Flood Risk Reduction Ad Hoc Committee meetings, please contact Glenna Brambill at [gbrambill@valleywater.org](mailto:gbrambill@valleywater.org) or 1-408-630-2408.



## **STANDING ITEMS REPORT:**

### **9 Advance Diversity and Inclusion Efforts (Report from the Diversity and Inclusion Ad Hoc Committee) Anna Noriega**

#### **Agenda Memo Summary 3/8/19:**

#### **CONSIDERATIONS AND RECOMMENDATIONS OF EFFECTIVE TOOLS FOR MEASURING THE SUCCESS OF THE DIVERSITY AND INCLUSION PROGRAM**

At the previous Diversity and Inclusion (D&I) Ad Hoc Committee meeting in August of 2018, staff presented the Ad Hoc Committee with several performance metrics measuring the success and effectiveness of the D&I program at the District. Following the presentation, staff was asked to share the same performance metrics with the entire Board. In preparation for the upcoming presentation, the D&I team has updated the statistics and figures in the initial presentation. Most notably, the updated presentation contains a comparison between the 2016 and 2018 Great Places to Work (GPTW) survey results, the latter of which was not yet available in August of 2018. The following memo outlines key insights and comparisons between the two surveys. In addition to the update to the GPTW results, the presentation to the Board will also contain minor updates to the following metrics to reflect the most current data available:

1. Applicant v. Hire Data (replacing FY18 Q3 data with FY19 Q2 data)
2. Demographics by Job Group Comparison (replacing FY18 Q3 data with FY19 Q2 data)
3. Applications received vs. new external/internal hires (replacing FY18 Q3 data with FY19 Q2 data)

The remainder of this report will go into greater detail regarding the comparison of GPTW results between 2016 and 2018.

#### **I. Great Place to Work**

Organizations often measure employee engagement through a semi-regular engagement survey. Since 2016, the District has utilized the Great Place to Work Trust Index Employee Engagement Survey on a biennial basis to measure employee engagement.

Great Place to Work ("GPTW"), a third-party organization which markets itself as the "global authority on building, sustaining, and recognizing high-trust organizational cultures," created and administered the survey. The Great Place to Work Trust Model is built on 25 years of research and data collected through their Trust Index Employee Survey, which is taken by millions of employees annually worldwide. Responses to the survey are anonymous.

#### **II. Changes Between 2016 and 2018 GPTW Surveys**

511 staff (71% of District staff) completed the GPTW survey in 2016 and 548 staff (74% of District staff) completed the survey in 2018. While the two surveys are largely the same, there are some key differences between the two. Firstly, in 2016, employees were asked to respond to 64 statements, including 6 of which

were submitted by the District. In 2018, 9 statements were removed and replaced by 5 new statements. The modified statements are listed below.

Removed	Added
This is a friendly place to work.	Our executives fully embody the best characteristics of our company.
There is a "family" or "team" feeling here.	We celebrate people who try new and better ways of doing things, regardless of the outcome.
We're all in this together.	People here quickly adapt to changes needed for our organization's success.
I feel the District has effective processes in place to ensure the delivery of quality products and services.	I would strongly endorse my company to friends and family as a great place to work.
People are not ridiculed due to their background, personal traits, or characteristics.	Our customers would rate the service we deliver as "excellent."
Consequences for poor performers in our organization are reasonable and timely.	
My manager/supervisor provides me with timely feedback on my work.	
I feel like I can raise issues without fear of retaliation.	
I know where to turn for guidance at work about ethical issues, harassment or discrimination.	

In addition, while in 2016 employees were asked to respond to each statement on the survey twice (once for how employees felt about the statement with the organization in mind, and the other with their individual work group in mind), that was not the case in 2018. In 2018, GPTW sought a more holistic approach to each statement. Throughout this memorandum, I will refer to the 2016 data as an average between the two scores it received in 2016 for comparison purposes with the 2018 data.

### **III. Overview of Results**

The statements and results in the GPTW Survey are grouped into five main categories: (1) credibility, (2) respect, (3) fairness, (4) pride, and (5) camaraderie. At the end of the survey, respondents were asked their level of agreement on the statement: "Taking everything into account, I would say this is a great place to work."

In 2018, 76% of District staff agreed with the statement, "Taking everything into account, I would say this is a great place to work," which is an increase of 12% from the 64% response in 2016. Furthermore, the average agreement between the 60 shared questions between 2016 and 2018 increased from 58.8% in 2016 to 66% in 2018. Comparison of these data points show a large increase in employee satisfaction, and in 2018, the District met the threshold on the statement average and qualified for a Great Place to Work® certification. The data in the table below contains more detail.

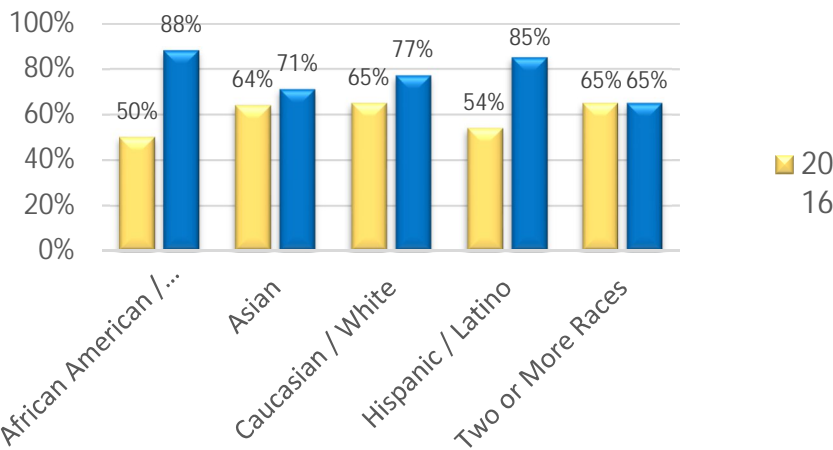


	2016	2018	Change
<b>Credibility</b>	52%	58%	↑ 6%
<b>Respect</b>	61%	67%	↑ 6%
<b>Fairness</b>	58%	65%	↑ 7%
<b>Pride</b>	66%	71%	↑ 5%
<b>Camaraderie</b>	61%	71%	↑ 10%
<b>Great Place to Work</b>	64%	76%	↑ 12%
<b>Average of All Statements</b>	59%	66%	↑ 7%

#### **IV. Comparison of District Data between 2016 and 2018**

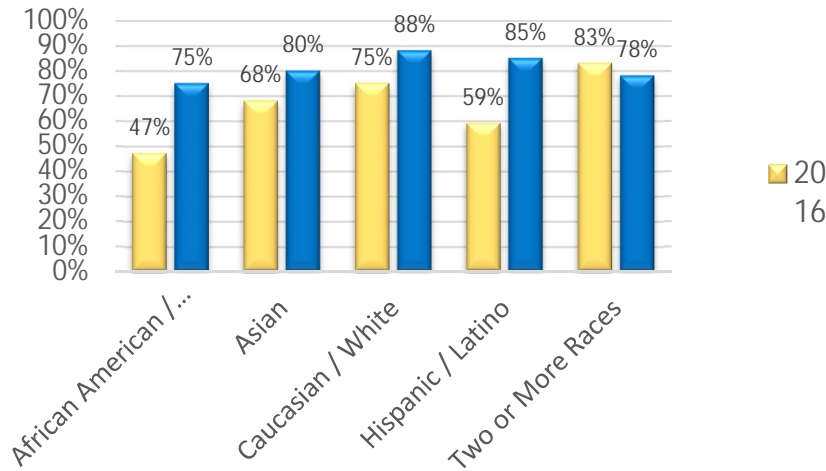
Within the survey, employees were asked to respond to three statements specifically related to diversity and bias through age, race, and sex. The three charts below illustrate a comparison between the responses from 2016 and 2018, with the 2016 responses being shown in yellow, and the 2018 responses being shown

People here are treated fairly regardless of their age

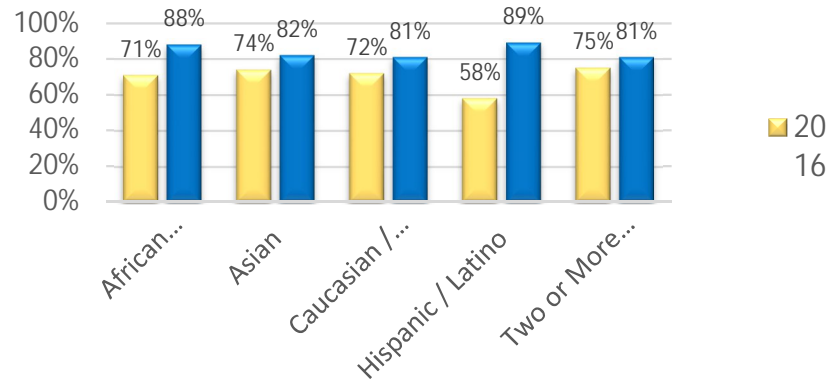


in blue.

### People here are treated fairly regardless of their race



### People here are treated fairly regardless of their sex

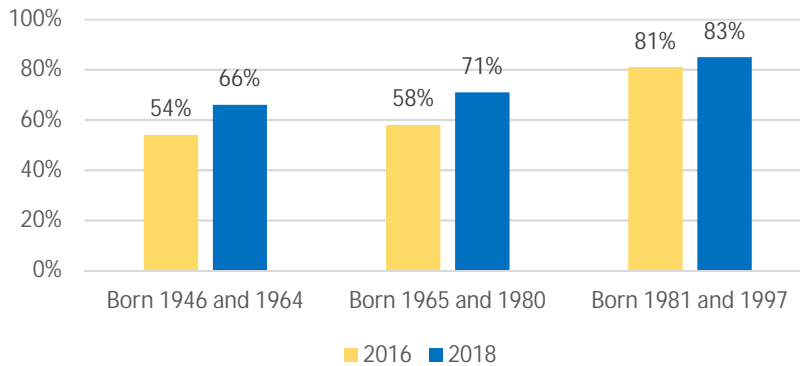


In the last two years, the numbers have increased or held steady in nearly all areas across the board.

The following charts contain a further breakdown, by demographic, of the survey results.

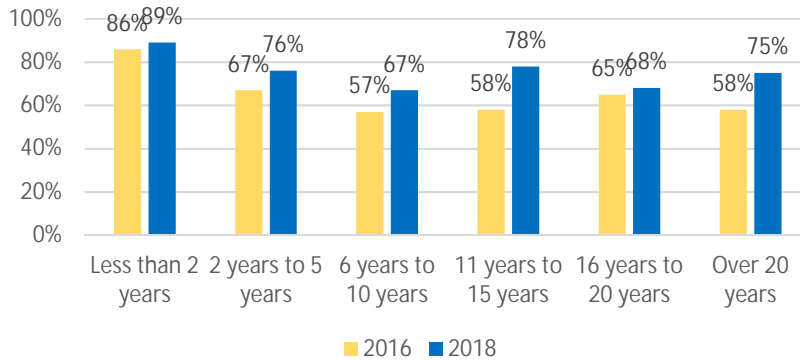
1. In 2016, employees born in 1981 to 1997 – the Millennial age group – rated the District significantly better than employees who were born between 1946-1964 or 1965-1980. In 2018, the ratings from employees born between 1946-1964 and 1965-1980 have increased 12% and 13%, respectively. Within the Millennial group, 83% rated the District as a great place to work in 2018. This percentage has held steady over the past two years.

### Taking everything into account, I would say this is a great place to work (age)



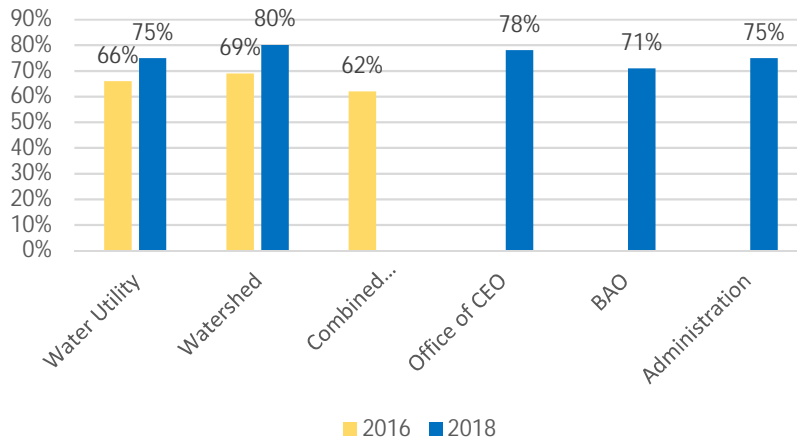
2. New employees (2 years or less) rated the District quite favorably in 2016 at 86%. This year, that percentage is up to 89%. Employees who have been at the District for 6 to 10 years gave the lowest ratings in both 2016 and 2018, although in 2018, it has increased from 57% to 67%.

### Taking everything into account, I would say this is a great place to work (tenure)



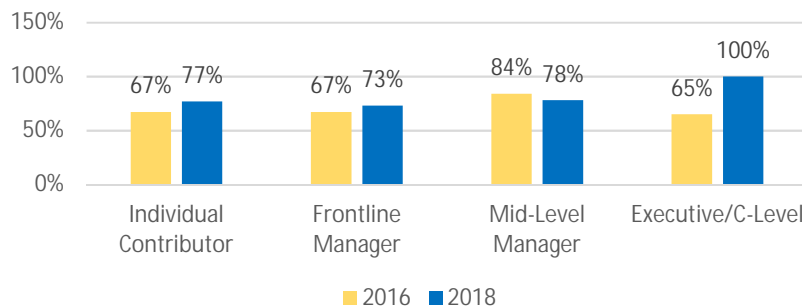
3. In 2018, the business area of the organization that rated the District most favorably was the Watershed group at 80%. Watersheds also achieved the highest satisfaction rating in 2016 when it came in at 69%. Individualized data from the Office of the CEO, BAO, and Administration was unavailable in 2016. Instead, the 3 business areas were combined into a single group, 62% of which rated the District as a Great Place to Work.

### Taking everything into account, I would say this is a great place to work (business area)



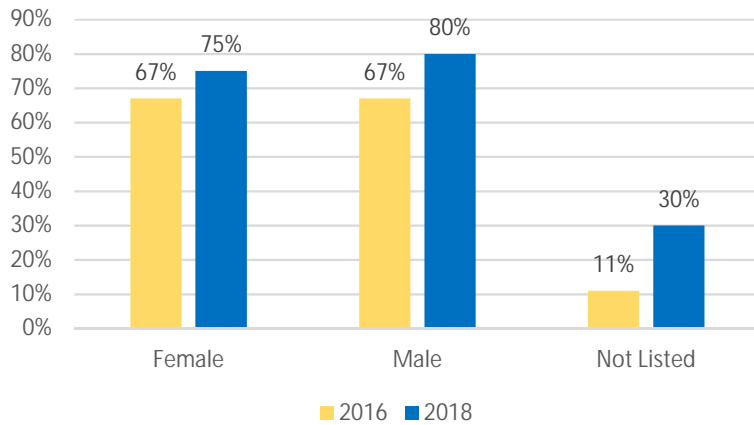
4. At the managerial level in 2018, the Leadership Team were 100% in agreement that the District is a great place to work. MLT followed at 78% and individual contributors came in at 77%. The managerial level that ranked the District lowest was frontline supervisors at 73%. MLT's scores have dropped this year from 84% to 78%.

### Taking everything into account, I would say this is a great place to work (job level)



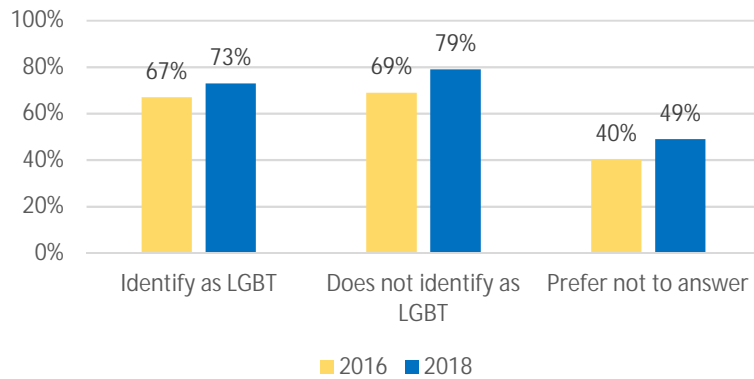
5. In 2016, there were no significantly noticeable differences between how men and women perceived the District. Both thought the District was a great place to work at 67%. In 2018, while the percentage of men and women who consider the District a great place to work have both gone up – women at 75% and men at 80% – there is now a pronounced difference between how men and women rate the District. As was the case in 2016, staff who selected the third option (in 2016 “other”, in 2018 “not listed”), rated the District very low.

### Taking everything into account, I would say this is a great place to work (sex)



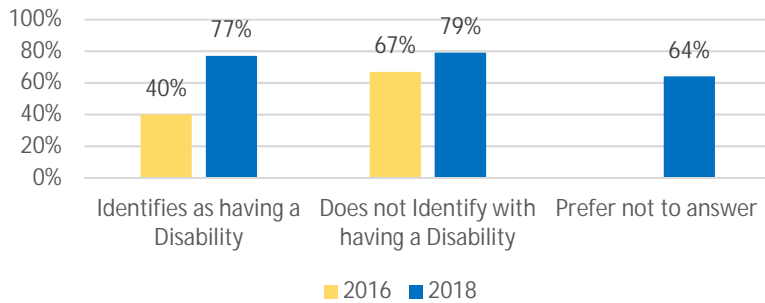
6. While the overall satisfaction of LGBT employees has increased in the past two years – 67% in 2016 to 73% in 2018 – there is a significant difference in the experience of LGBT v. non-LGBT employees. LGBT employees rate the District lower by 6 percent. Again, employees who chose not to respond to this demographic question rated the District poorly – in 2016 40%, and in 2018 49%.

### Taking everything into account, I would say this is a great place to work (LGBT)



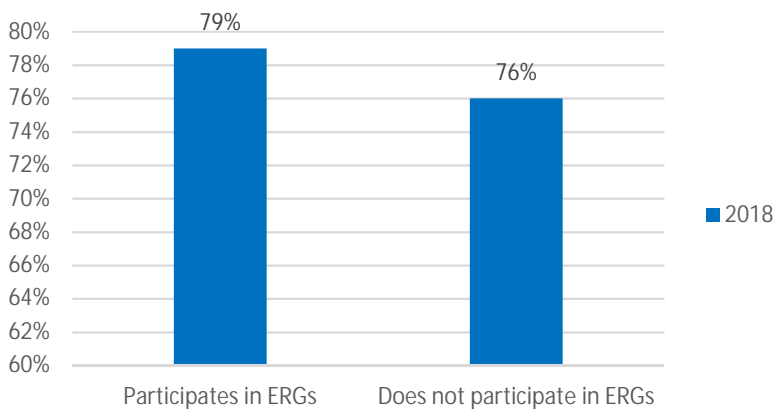
7. One of the biggest areas of change was how employees with disabilities feel about the District. In 2016, only 40% of employees with disabilities said the District was a great place to work. In 2018, 77% of employees with disabilities think it's a great place to work. As is the case throughout the survey, if employees prefer not to answer a demographic, they often rate the District lower. "Prefer not to answer" was not an option in the 2016 survey.

## Taking everything into account, I would say this is a great place to work (disability)



8. In 2018, the District added a new demographic to the survey which asked employees to identify whether they are members of an Employee Resource Group. Employees who were in an Employee Resource Group were more likely to think the District is a great place to work by three percentage points. The survey also revealed that nearly 45% of employees at the District participate in Employee Resource Groups.

## Taking everything into account, I would say this is a great place to work (ERGs)



More in-depth analysis can be found in the attached Excel spreadsheet and further data cuts can be extrapolated through the Great Place to work portal. Also, included in the portal are the open-ended comments from employees, which can also be sorted by demographic.

**The Committee took no action.**

If you are interested in attending Diversity and Inclusion Ad Hoc Committee meetings, please contact Glenna Brambill at [gbrambill@valleywater.org](mailto:gbrambill@valleywater.org) or 1-408-630-2408.

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**File No.:** 19-0195

**Agenda Date:** 4/10/2019

**Item No.:** 5.1.

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## COMMITTEE AGENDA MEMORANDUM

### Santa Clara Valley Water Commission

**SUBJECT:**

Review and Comment to the Board on the Fiscal Year 2019-20 Proposed Groundwater Production Charges.

**RECOMMENDATION:**

Provide comment to the Board in the implementation of the District's mission as it applies to staff's groundwater production charge recommendation for FY 2019-20.

**SUMMARY:**

Staff proposes a 6.6% increase in the North County (Zone W-2) Municipal and Industrial groundwater production charge from \$1,289/AF to \$1,374/AF. The proposal equates to a monthly bill increase for the average household of \$2.93 or about 10 cents a day.

In the South County (Zone W-5), staff proposes a 6.9% increase in the M&I groundwater production charge from \$450/AF to \$481/AF. The proposal equates to a monthly bill increase for the average household of \$1.07 or about 4 cents per day.

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

The recommended increases in water charges are necessary to pay for critical investments in water supply infrastructure rehabilitation and upgrades, and the development of future drought-proof supplies. The Anderson Dam Seismic Retrofit is a \$563 million project that will help ensure public safety and bolster future water supply reliability. Additionally, the \$295 million Rinconada Water Treatment Plant upgrade is more than halfway complete, and will extend the plant's service life for the next 50 years as well as increase production capacity up to 25%. Roughly \$121 million is planned to be spent over the next 10 years on the state's proposed plan for the California Water Fix, which is anticipated to improve the reliability of the infrastructure through which 40% of the county's water supply is delivered. Valley Water continues to move forward to forge its first public-private partnership (P3) on a \$650 million investment for recycled and purified water expansion that would bring up to 24,000 AF of new water supply to the county each year. Lastly, the Pacheco Reservoir Expansion project, estimated to cost a little more than \$1.3 billion, would provide 80,000 acre-feet of additional water storage capacity.

The Board is seeking input with regard to staff's groundwater production charge recommendation for

FY 2019-20.

**BACKGROUND:**

Executive Limitation 7.4: A BAO shall “marshal for the Board as many staff and external points of view, issues and options as needed for fully informed Board choices.”

**ATTACHMENTS:**

Attachment 1: GW Charges PowerPoint Presentation

**UNCLASSIFIED MANAGER:**

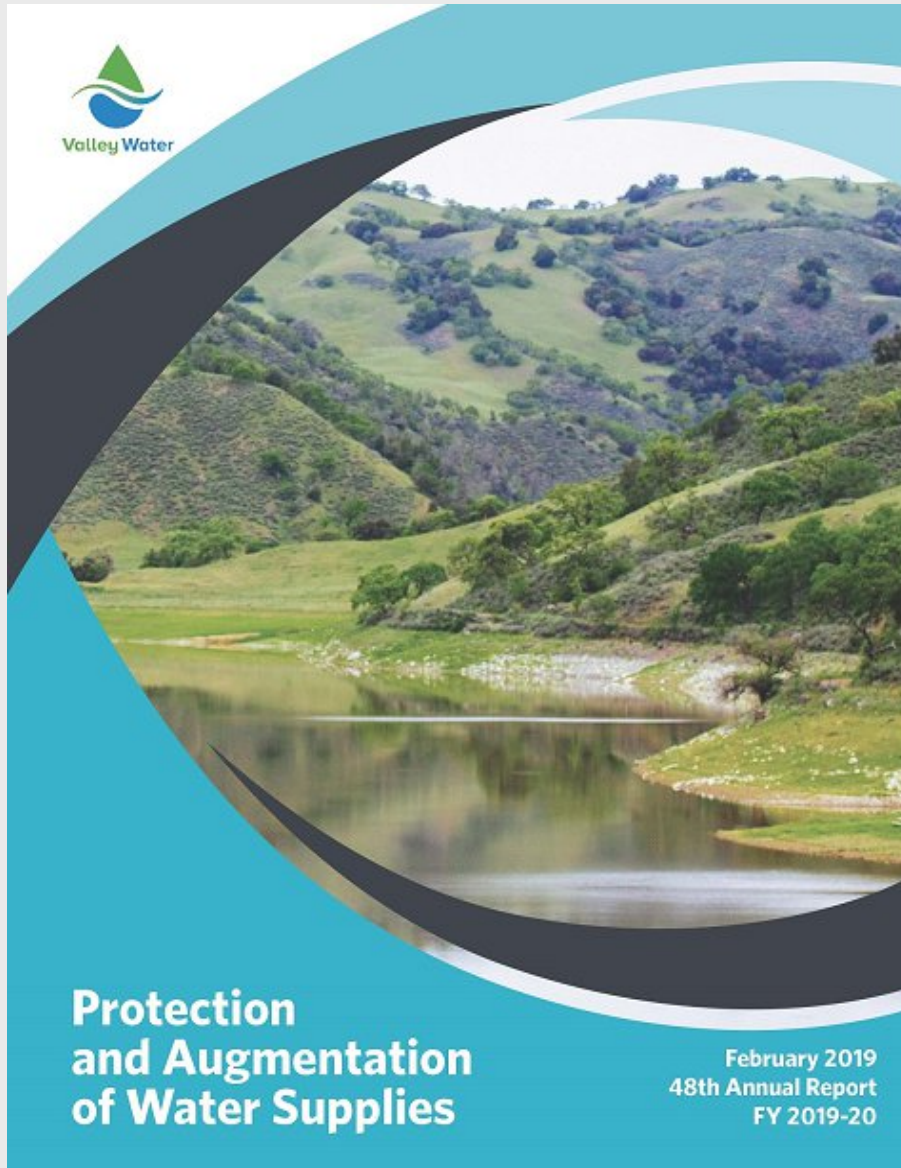
Darin Taylor, 408-630-3068



# FY 20 Water Charge Recommendations

Water Commission Meeting  
April 10, 2019

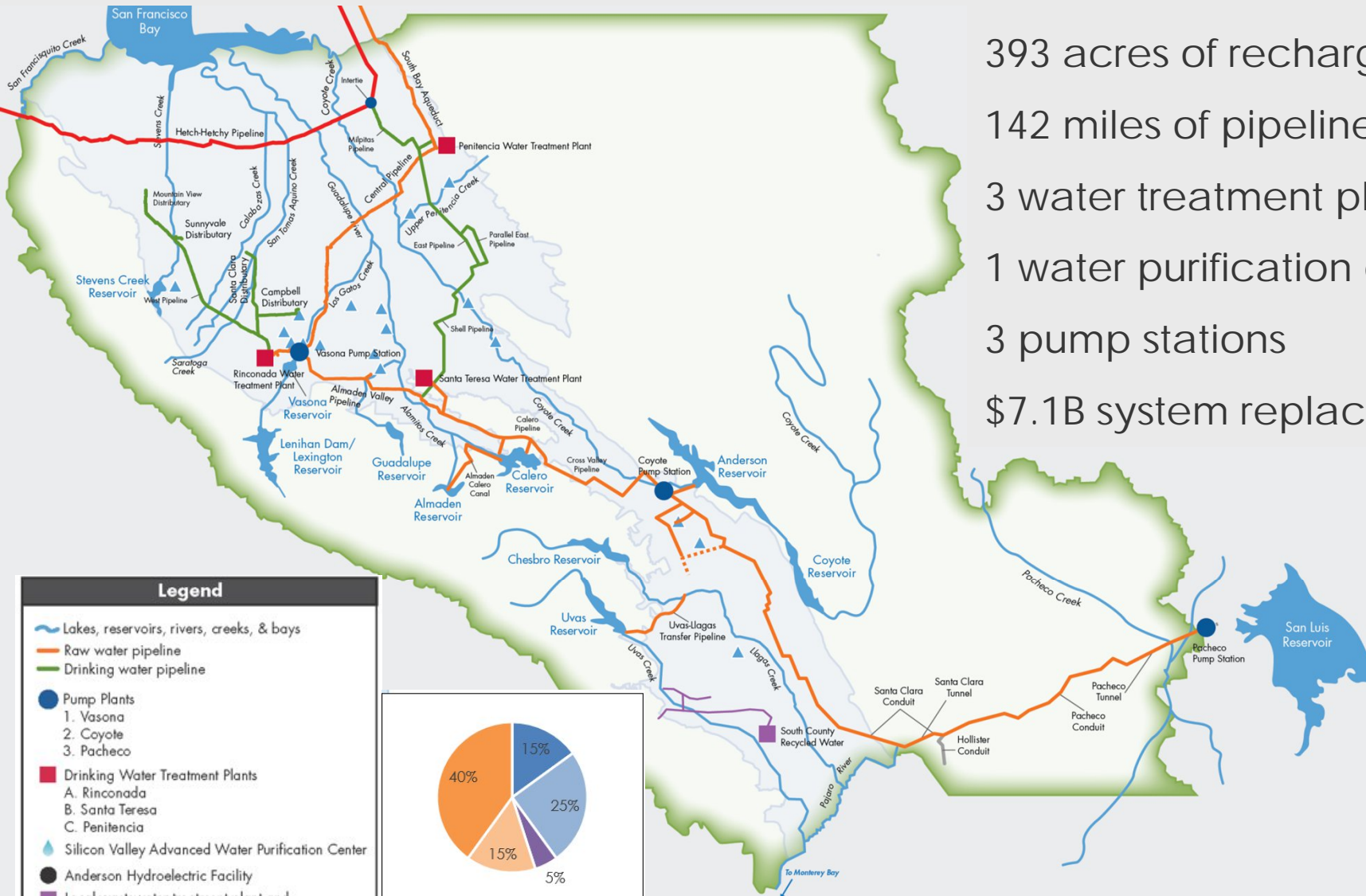




## 2019 Protection and Augmentation of Water Supplies Report

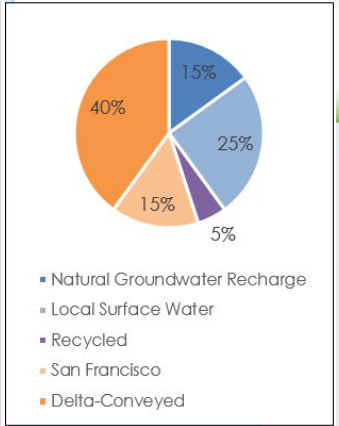
# A comprehensive, flexible water system serves 1.9 million people

- 10 Reservoirs
- 393 acres of recharge ponds
- 142 miles of pipelines
- 3 water treatment plants
- 1 water purification center
- 3 pump stations
- \$7.1B system replacement value



**Legend**

- Lakes, reservoirs, rivers, creeks, & bays
- Raw water pipeline
- Drinking water pipeline
- Pump Plants
  1. Vasona
  2. Coyote
  3. Pacheco
- Drinking Water Treatment Plants
  - A. Rinconada
  - B. Santa Teresa
  - C. Penitencia
- ▲ Silicon Valley Advanced Water Purification Center
- Anderson Hydroelectric Facility
- Local wastewater treatment plant and recycled water provider
  - a. Palo Alto
  - b. Sunnyvale
  - c. San Jose-Santa Clara
  - d. South County
- ▲ Recharge Ponds



# FY 20 Key Assumptions for 10-year groundwater charge projection

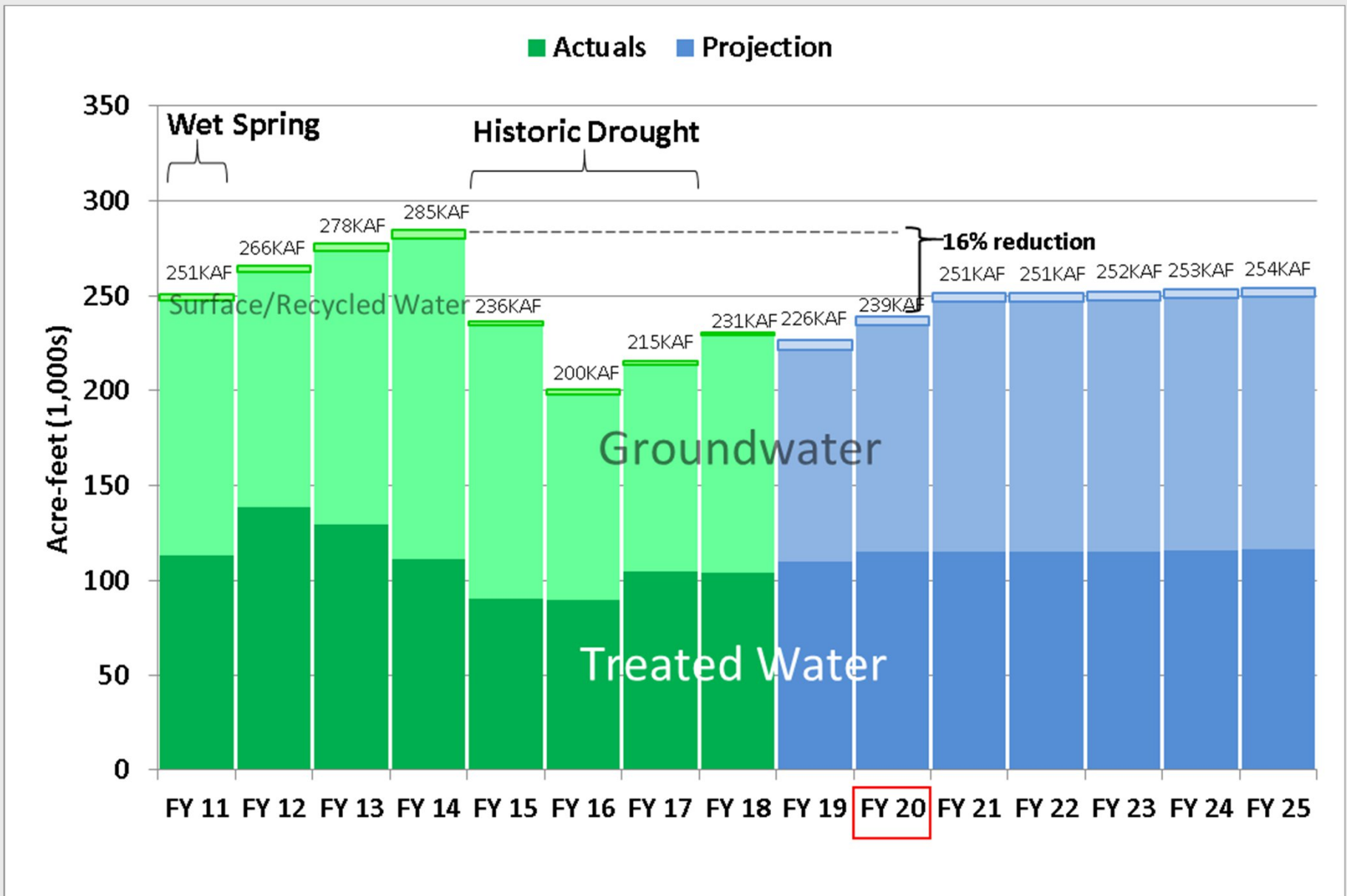
Investments would help achieve water supply reliability Level of Service goal of 80% of average annual water demand in drought years

- Board reviewed 9 investment scenarios

Investments include:

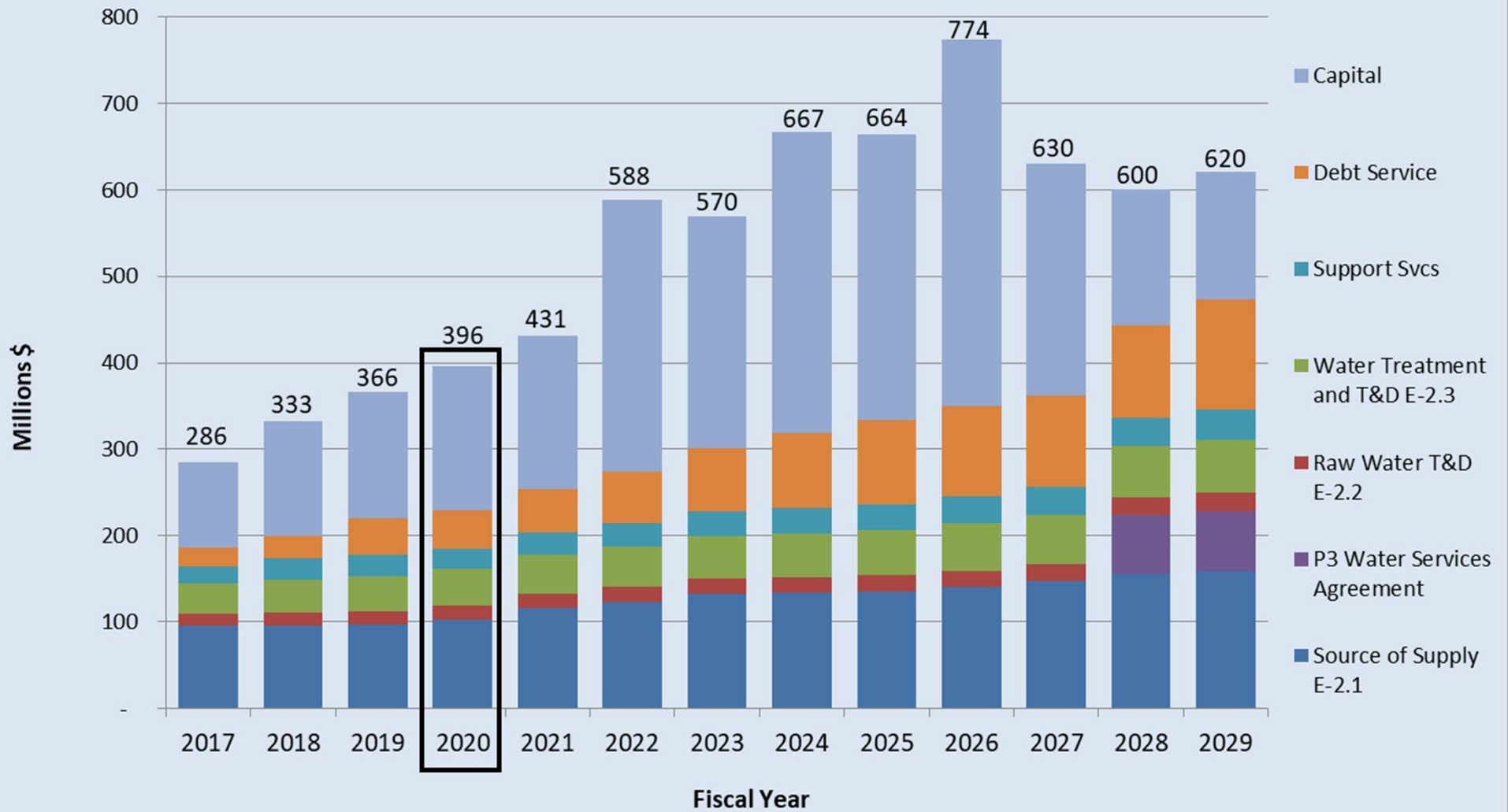
- Anderson, Calero, Guadalupe, Almaden Dam Seismic Retrofits/Improvements
- Rinconada Water Treatment Plant Reliability Improvement
- Potable Reuse Phase 1 to produce 24KAF by FY 28 (vs FY 25)
- Long Term Purified Water Program (Phase 2) to produce 20KAF pushed out beyond 10-year rate projection horizon
- Pacheco Reservoir Expansion Project assuming \$250M WIIN funding + WIFIA loan, & Partner Agencies pay 20% of project
- California WaterFix (state side)
- California WaterFix (federal side) pushed out beyond 10-year rate projection horizon
- Transfer Bethany Pipeline

# District Managed Water Usage drives revenue projection



Note: FY 20 refers to fiscal year 2019-20

# Cost Projection





# Key Capital Project Funding for FY 20 through FY 29



Dam Seismic Retrofits/Improvements  
\$708 Million  
(\$875 Million Total Cost)



Expedited Purified Water Program  
\$650 Million  
(via P3 Delivery Method)

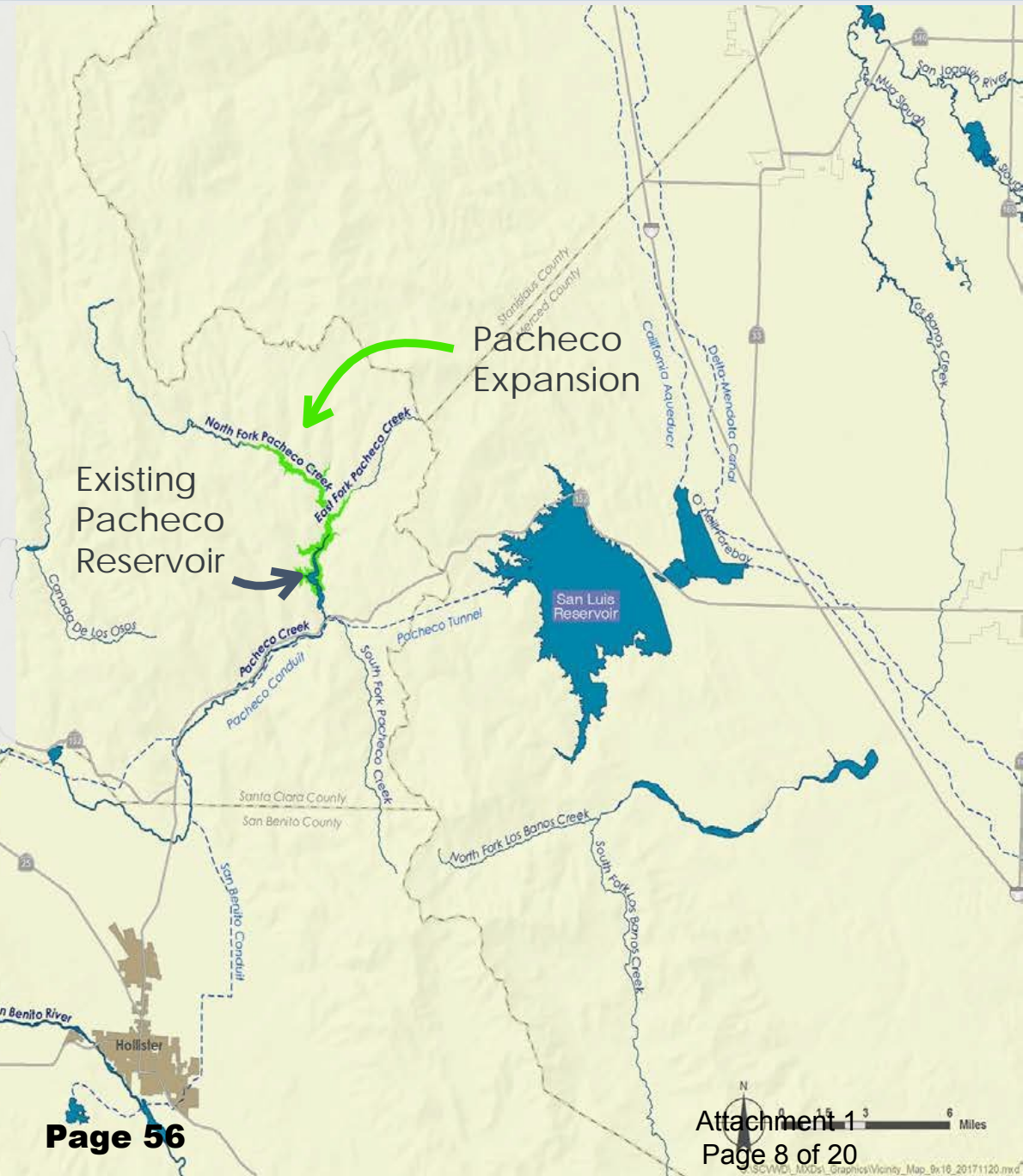


RWTP Reliability Improvements  
\$98 Million  
(\$295 Million Total Cost)

# New Capital Investments for FY 20 through FY 29 – Pacheco Reservoir

## Funding strategy for \$1.345B Project:

- ▶ Received \$485M WSIP Prop 1 funding
  - ▶ Including \$24.2M early funding
- ▶ Pursuing \$250M federal funding under WIIN Act
- ▶ Contemplating WIFIA loan
- ▶ SBCWD will partner up to 10%
- ▶ Other agencies may partner
- ▶ Considering Special Tax Measure
- ▶ Water Charges





## Validated, Unfunded Water Supply Projects

Validated, Unfunded Water Supply Projects	Est. Cost (\$ Million)
Dam Seismic Retrofit at Chesbro & Uvas	\$90 M
Long-Term Purified Water Program Elements	\$104 M
Long-Term SCADA Improvements	\$20 M
So. County Recycled Water New Storage Tank	\$7 M
Alamitos Diversion Dam Improvements	\$3 M
Coyote Diversion Dam Improvements	\$2 M
Land Rights - South County Recycled Water Pipeline	\$6 M
<b>TOTAL</b>	<b>\$232 M</b>

# FY 2020: North County Proposed Maximum Charges

6.6% increase for M&I groundwater production

6.1% increase for contract treated water

6.5% increase for M&I surface water

Ag groundwater reflects max per District Act (25% of South County M&I while Board deliberates Open Space Credit Policy)

**Staff  
recommendation  
as of 4/8/19**

	Dollars Per Acre Foot			
	FY 2017-18	FY 2018-19	Proposed Maximum FY 2019-20	
<b>Zone W-2 (North County)</b>				
<b>Basic User/ Groundwater Production Charge</b>				
Municipal & Industrial	1,175.00	1,289.00	1,374.00	
Agricultural	25.09	27.02	<del>120.25</del>	32.23
<b>Surface Water Charge</b>				
Surface Water Master Charge	33.36	35.93	37.50	
Total Surface Water, Municipal & Industrial*	1,208.36	1,324.93	1,411.50	
Total Surface Water, Agricultural*	58.45	62.94	<del>157.75</del>	69.73
<b>Treated Water Charges</b>				
Contract Surcharge	100.00	100.00	100.00	
Total Treated Water Contract Charge**	1,275.00	1,389.00	1,474.00	
Non-Contract Surcharge	50.00	50.00	50.00	
Total Treated Water Non-Contract Charge***	1,225.00	1,339.00	1,424.00	

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

\*\* Note: The total treated water contract charge is the sum of the basic user charge (which equals the groundwater production charge) plus the contract surcharge

\*\*\* Note: The total treated water non-contract charge is the sum of the basic user charge (which equals the groundwater production charge) plus the non-contract surcharge

\$2.93 per month average household increase

# FY 2020: South County Proposed Maximum Charges

6.9% increase for M&I groundwater production

6.7% increase for M&I surface water

7.2% increase for M&I recycled water

Ag groundwater reflects max per District Act (25% of South County M&I while Board deliberates Open Space Credit Policy)

**Staff recommendation as of 4/8/19**

	Dollars Per Acre Foot			
	FY 2017-18	FY 2018-19	Proposed Maximum FY 2019-20	
<b>Zone W-5 (South County)</b>				
<b>Basic User/ Groundwater Production Charge</b>				
Municipal & Industrial	418.00	450.00	481.00	
Agricultural	25.09	27.02	<del>120.25</del>	32.23
<b>Surface Water Charge</b>				
Surface Water Master Charge	33.36	35.93	37.50	
Total Surface Water, Municipal & Industrial*	451.36	485.93	518.50	
Total Surface Water, Agricultural*	58.45	62.94	<del>157.75</del>	69.73
<b>Recycled Water Charges</b>				
Municipal & Industrial	398.00	430.00	461.00	
Agricultural	48.88	54.41	<del>147.64</del>	59.62

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

\*\* Note: The total treated water contract charge is the sum of the basic user charge (which equals the groundwater production charge) plus the contract surcharge

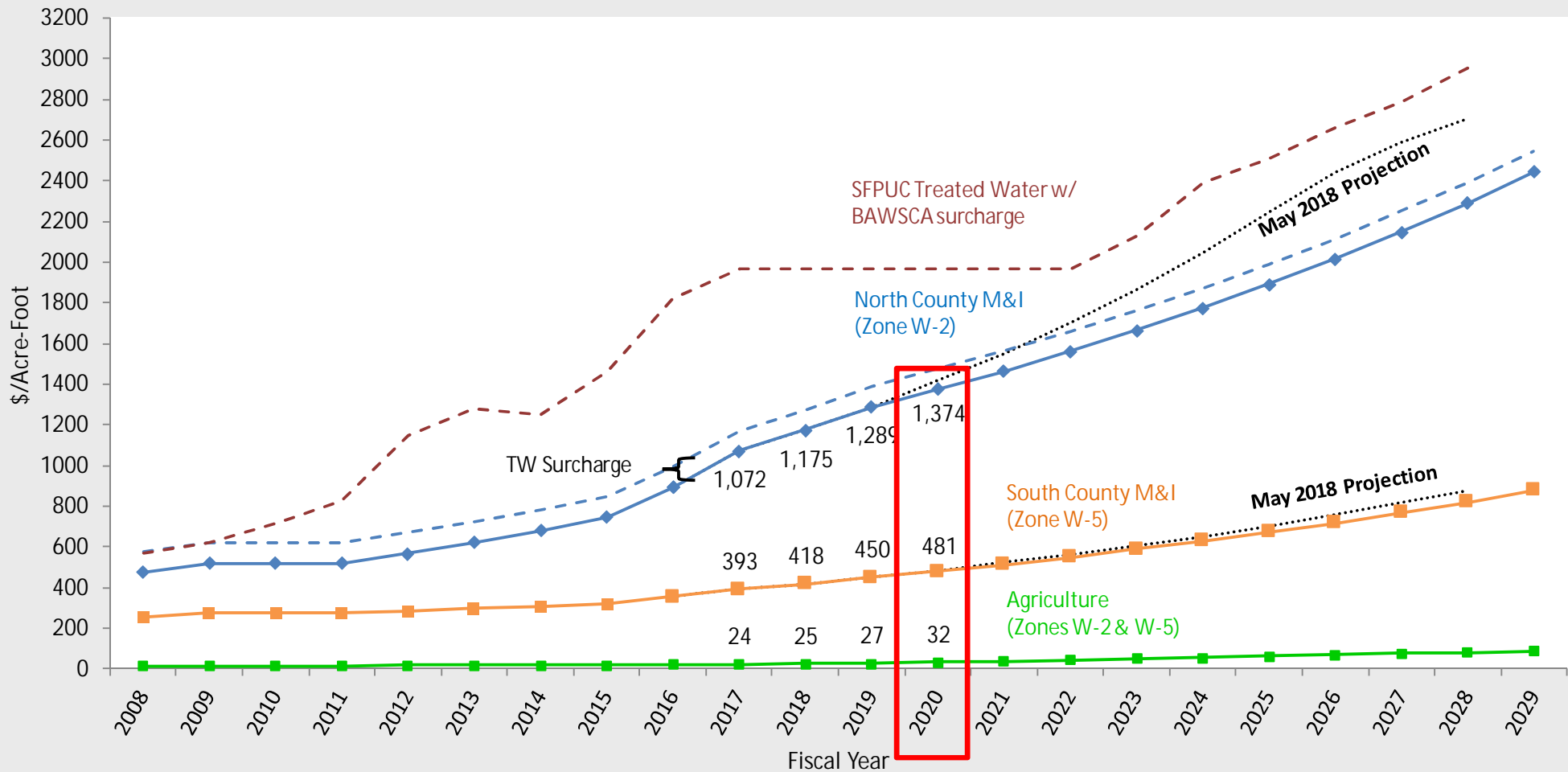
\*\*\* Note: The total treated water non-contract charge is the sum of the basic user charge (which equals the groundwater production charge) plus the non-contract surcharge

\$1.07 per month average household increase

# Groundwater Production Charge Projection

## Water Utility Enterprise Fund

### M&I Groundwater Charge Projection



Note: This projection does not account for impacts associated with the Bay Delta Water Quality Control Plan

# Groundwater Production Charge Projection

## North County M&I Groundwater Charge Y-Y Growth %

	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
May 2018	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%	8.7%	5.9%	4.7%	
April 2019	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%

## South County M&I Groundwater Charge Y-Y Growth %

	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
May 2018	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	
April 2019	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%

# Groundwater Production Charge Projection

## North County Increase per Month per Avg Household\*

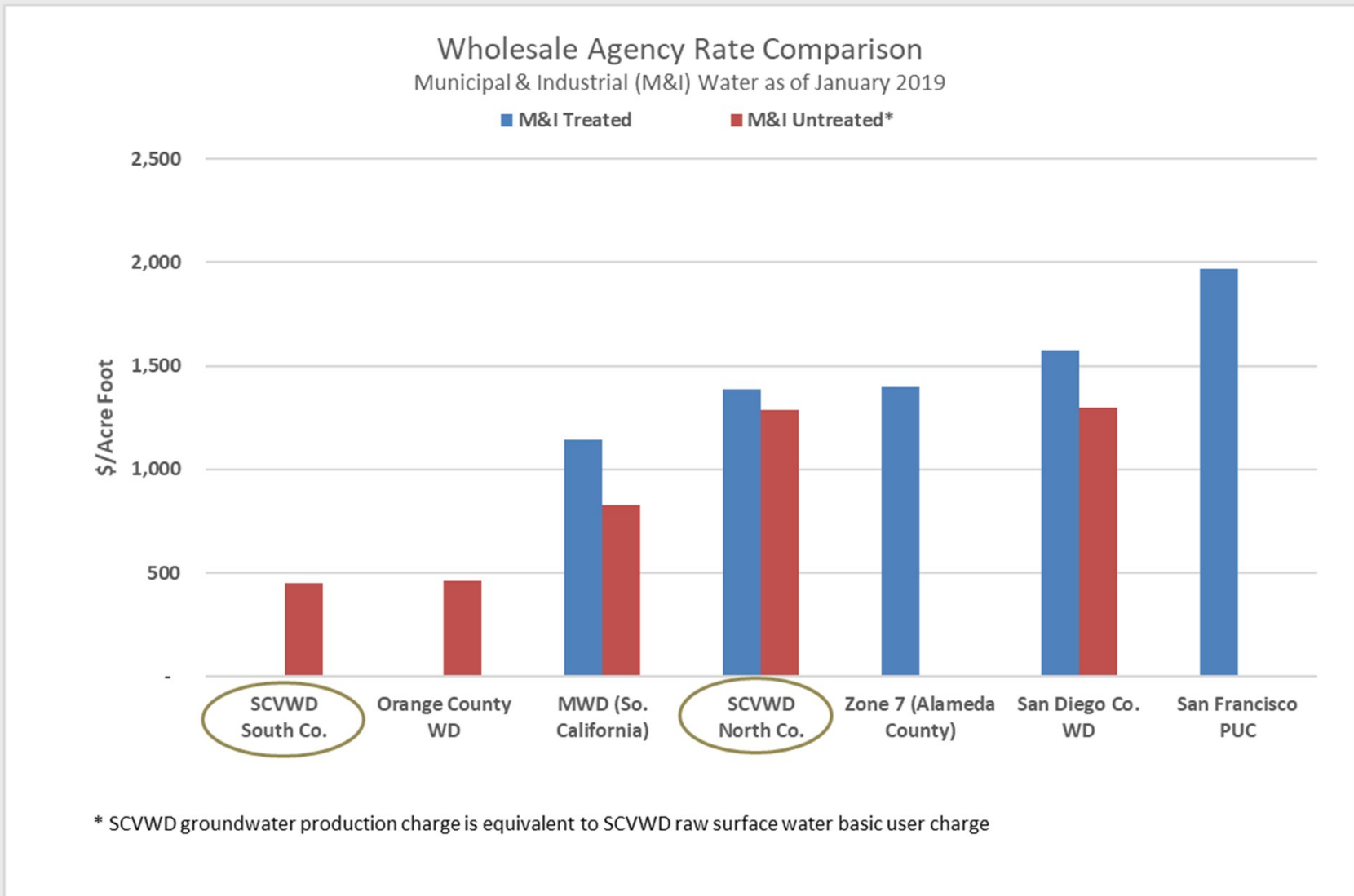
	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
May 2018	\$4.31	\$4.72	\$5.18	\$5.68	\$6.24	\$6.84	\$6.73	\$4.96	\$4.19	
April 2019	\$2.93	\$3.12	\$3.33	\$3.55	\$3.78	\$4.03	\$4.30	\$4.58	\$4.89	\$5.21

## South County Increase per Month per Avg Household\*

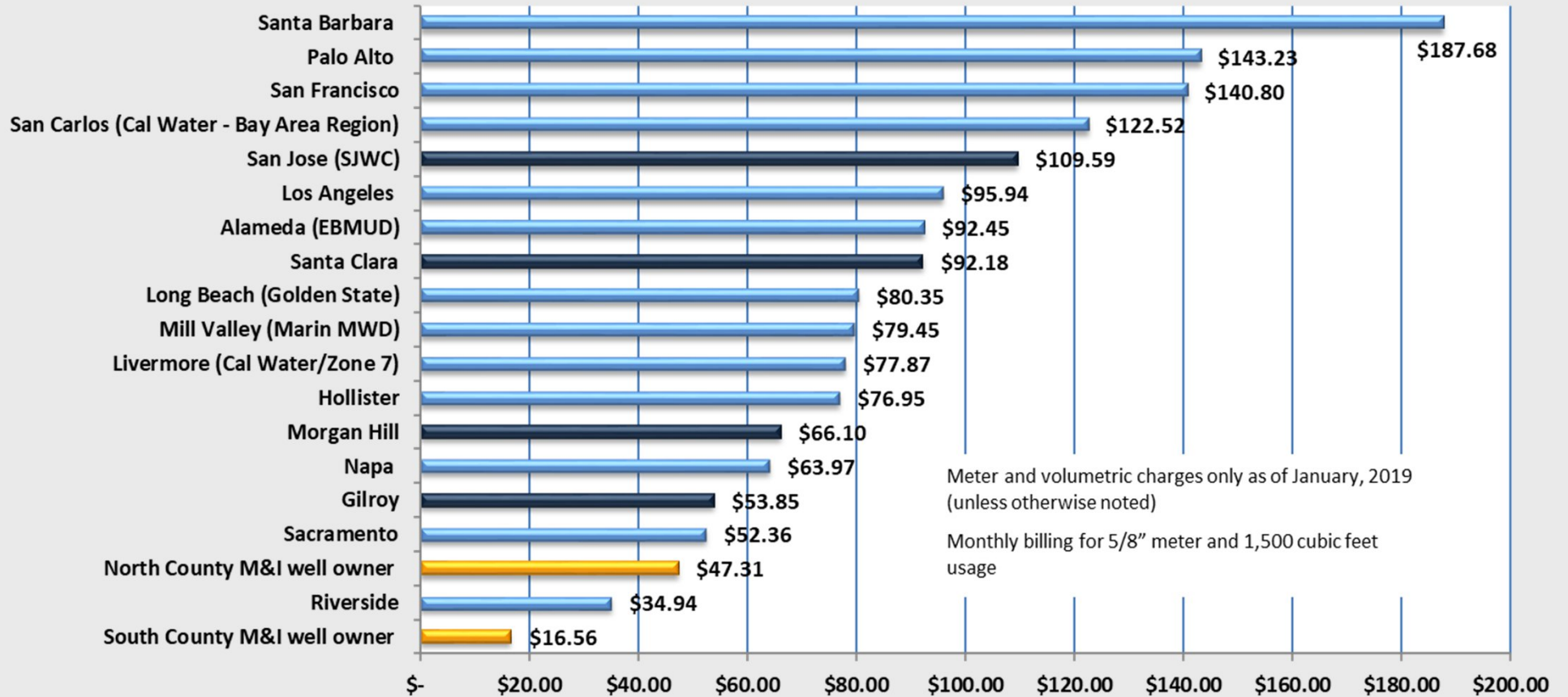
	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
May 2018	\$1.19	\$1.29	\$1.38	\$1.49	\$1.61	\$1.73	\$1.86	\$2.01	\$2.16	
April 2019	\$1.07	\$1.14	\$1.22	\$1.31	\$1.40	\$1.49	\$1.60	\$1.71	\$1.82	\$1.95

\* Calculated based on groundwater production charge (assumes 1,500 cubic feet of water usage per month)

# Wholesale Agency Rate Comparison



# Retail Agency Benchmarks



## Notes:

- SCVWD retailer rates shown include staff recommended increase for FY 2019-20, but do not include increases that retailers may impose
- Well owner rates exclude pumping costs (e.g. electricity) and well maintenance costs



# State Water Project Tax Recommendation

- ▶ Staff recommends keeping the SWP tax flat at \$18M
- ▶ The SWP tax bill for the average single family residence would remain at \$27.00/year.

Impact if SWP tax not approved:

- \$92/AF in terms of North County M&I groundwater production charge
- \$19/AF in terms of South County M&I groundwater production charge
- \$523,000 in terms of Open space credit

LIMITED (PRIMARY) VALUES				PRIMARY	COMPARATIVE 2003 AMT	2004 DISTRIBUTION		OFFICE USE ONLY	
TYPE	LIMITED	%	ASSESSED			RATE / 100	2004 AMT DUE		
LAND/BLDG PERSONAL EXEMPTION	76000	10.0	7600	COUNTY EDUC. EQUAL	86.57	12108	92.02	PRTKEY=MORT& SEQ# MTG# LOAN#	
				CITY SCHOOL	33.73	04560	34.66		
				CO. EDUC	339.44	44896	339.70		
				COMM. COL	67.28	9211	70.00		
				STATE AID	-117.58	CREDIT	-117.14		
PRIM. TOT.	76000		7600	SUBTOTAL	409.44	70575	419.24	FIRST HALF TAX AMOUNT 316.58	
FULL CASH (SECONDARY) VALUES				SECONDARY	COMPARATIVE 2003 AMT	2004 DISTRIBUTION		OFFICE USE ONLY	
TYPE	FULL CASH	%	ASSESSED			RATE / 100	2004 AMT DUE		
LAND/BLDG PERSONAL EXEMPTION	76000	10.0	7600	FLOOD DAWGD OVERRIDES	16.10	2119	16.10	DUE OCT. 1, 2004 DELINQUENT AFTER NOV. 1, 2004	
				FIRE DIST. ASST.	9.12	1200	9.12		
				LIBRARY	78.16	8571	72.74		
				BONDS	.84	0069	.82		
				- COUNTY	3.96	0521	3.96		
				- CITY	5.32	12477	84.82		
				- SCHOOLS	104.59	1161	5.82		
				- COMM COL	10.45	27118	206.08		
				SUBTOTAL	228.24				
SEC. TOT.	76000		7600		7.42	1032	7.54	SECOND HALF TAX AMOUNT 316.58	
SPECIAL DISTRICT (VALUE/ACRES/50 FT) = ASSESSED				DIST #				DUE MARCH 1, 2005 DELINQUENT AFTER MAY 2, 2005	
HOSPITAL DISTRICT NO 1				7600	10548			INTEREST ON LATE PAYMENT IS 18% PER YEAR PRORATED MONTHLY AS OF THE FIRST DAY OF THE MONTH. ARS § 42-19053	
EAST VALLEY INSTITUTE TECH				7600	30001				
TOTALS						645.10		\$633.16	KEEP THIS PORTION FOR YOUR RECORDS

# FY 2019-2020 Schedule

- ✓ Jan 8 Board Meeting: Preliminary Groundwater Charge Analysis
- ✓ Jan 16 Water Retailers Meeting: Preliminary Groundwater Charge Analysis
- ✓ Jan 23 Water Commission Meeting: Prelim Groundwater Charge Analysis
  
- ✓ Feb 12 Board Meeting: Review draft CIP & Budget development update
- ✓ Feb 22 Mail notice of public hearing and file PAWS report
  
- ✓ Mar 20 Water Retailers Meeting: FY 20 Groundwater Charge Recommendation
- ✓ Mar 26 Board Meeting: Budget development update
  
- ✓ Apr 2 Landscape Committee Meeting
- ✓ Apr 8 Ag Water Advisory Committee
- ✓ Apr 9 Open Public Hearing
- Apr 10 Water Commission Meeting
- Apr 11 Continue Public Hearing in South County
- Apr 15 Environmental and Water Resources Committee
- Apr 23 Conclude Public Hearing
- Apr 24-26 Board Meeting: Budget work study session
  
- May 14 Adopt budget & groundwater production and other water charges

# Summary and Next Steps

## Summary

- Groundwater Production Charge projection driven by water supply reliability investments, and infrastructure repair & replacement.
- Proposed FY 20 Groundwater Production Charge increase equates to an increase of \$2.93 per month in North County and \$1.07 per month in South County to average household

## Next Steps

- Obtain Feedback from Environmental & Water Resources Committee
- Continue Public Hearing on April 11 in Morgan Hill

# Questions?

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**File No.:** 19-0260

**Agenda Date:** 4/10/2019

**Item No.:** 5.2.

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## COMMITTEE AGENDA MEMORANDUM

### Santa Clara Valley Water Commission

**SUBJECT:**

Update on Open Space Credit.

**RECOMMENDATION:**

Discuss and consider the attached Open Space Credit policy analysis and provide comment to the Board on policy implementation as necessary.

**SUMMARY:**

The purpose of this item is to obtain Water Commission comments and input on the Board's Open Space Credit Policy, specifically a staff proposal to implement an Agricultural Charge Adjustment for Williamson Act and Conservation Easement Properties.

At its January 8, 2019 meeting, the Board requested that staff obtain feedback from various advisory committees on the proposed agricultural groundwater production charge (Ag charge) adjustment for Williamson Act and conservation easement properties. In summary, staff received the following feedback:

- Agricultural Advisory Committee - Opposed increases in the Ag charge for any farmer whether large or small.
- Water Commission - Took no action; however, one member raised the following question: If Ag charges are increased, could Open Space Credit savings be used for conservation easement purchases?
- Water Retailers - Supported increasing the Ag charge citing that a low Ag charge doesn't send the proper conservation signal.
- Environmental and Water Resources Committee - Recommended keeping Ag charges as low as possible, and equitable among larger and smaller farmers.
- Joint Water Resources Committee - Unable to obtain feedback within the timeframe.

The summary feedback from the advisory committees is included in Attachment 1, which will be presented to the Board at the public hearing on water charges on April 11, 2019. Attachment 1 also includes information on certain crop production including cannabis, crops grown in fixed structures as opposed to open space, and certain permanent fruit and nut crops.

**Background**

The Board has historically recognized that agriculture brings value to Santa Clara County in the form

of open space and local produce. In an effort to help preserve this value, the District Act limits the Ag charge to be no more than 25% of the municipal and industrial (M&I) charge. In 1999, to further its support for agricultural lands, a policy was put into place further limiting the agricultural groundwater production charge to no more than 10% of the M&I charge. The agricultural community currently benefits from low groundwater charges that are 2% of M&I charges in North County and 6% of M&I charges in South County. According to Section 26.1 of the District Act, agricultural water is “water primarily used in the commercial production of agricultural crops or livestock.”

The credit to agricultural water users has become known as an “Open Space Credit.” It is paid for by fungible, non-rate related revenue. To offset lost revenue that results from the difference between the adopted Ag charge and the Ag charge that would have resulted at the full cost of service, the District redirects a portion of the 1% ad valorem property taxes generated in the Water Utility, General, and Watershed Stream Stewardship Funds. The South County Open Space Credit is currently estimated to be \$8.0 million in FY 2018-19 and projected to continually increase in the years that follow.

Since 2013, the Board has continued the past practice of setting the Ag charge at 6.0% of the South County M&I charge. On September 18, 2017, in response to the President’s Day Flood event, the Board’s Capital Improvement Program Committee analyzed scenarios to decrease the Open Space Credit and therefore provide more funding for flood protection projects. Accordingly, alternatives were prepared to reduce the Open Space Credit by increasing the Ag charge to 10% or 25% of the M&I charge over a multi-year timeframe. For FY 2018-19, staff recommended increasing the Ag charge to 6.8% of the M&I charge. On May 8, 2018, the Board chose to continue the past practice of setting the Ag charge at 6.0% of the South County M&I charge for FY 2018-19.

### **Background on the Williamson Act and Conservation Easement Classification**

The Williamson Act enables local governments to enter into contracts with private landowners for the purpose of restricting specific parcels of land to agricultural or related open space use. Under these voluntary contracts, landowners gain substantially reduced property tax assessments. A land owner whose property is devoted to agricultural use and is within an agricultural preserve may file an application for a Williamson Act contract with the County. Per the Santa Clara County of Ordinances section C13-12, to be eligible for a Williamson Act contract:

1. The property proposed for inclusion in the contract is at least ten acres in size in the case of prime agricultural land, and 40 acres in size in the case of nonprime agricultural land;
2. All parcels proposed for inclusion in the contract are devoted to agricultural use; and
3. There are no existing or permitted uses or development on the land that would significantly displace or interfere with the agricultural use of the land.

Even if all of the criteria are met, the County Board of Supervisors may, in its discretion, choose not to approve the application.

Conservation easement is a power invested in a qualified organization or government to constrain, as to a specified land area, the exercise of rights otherwise held by a landowner so as to achieve certain conservation purposes. For example, a land owner whose property constitutes open-space land as

defined in Government Code §§ 51075(a) and 65560 may file an application for an agreement with the County.

Per the Santa Clara County of Ordinances section C13-36, to be eligible for an Open Space Easement Agreement with the County:

1. The land proposed for inclusion in the agreement is at least 20 acres in size;
2. All parcels proposed for inclusion in the agreement are devoted to open-space;
3. There are no other existing or permitted uses or development on the land that would significantly impair the open-space value of the land; and
4. The Board of Supervisors makes the required findings in Government Code § 51084.

Even if all of the criteria in are met, the Board of Supervisors may, in its discretion, choose not to approve the application.

There are also three open space authorities that have jurisdiction to enter into conservation easements in Santa Clara County.

There are 174 Williamson Act parcels and 10 conservation easement parcels in the combined Zone W-2 and Zone W-5. The parcels comprise roughly 33% of total agricultural water use on average.

### **Consideration of an Agricultural Water Charge Adjustment**

An agricultural water charge adjustment could be predicated on Williamson Act or conservation easement participation and paid for by the Open Space Credit. Staff recommends implementing an adjustment such that if the District were to increase the Ag charge to something greater than 6% of the M&I charge, then an adjustment would be applied to all Williamson Act and conservation easement properties, that would result in a net Ag charge of 6% of M&I charges for those properties. The Williamson Act or Conservation Easement property classification would be determined by the authorities managing those programs, not the District. There would be no need for an application process, and as such, the incremental costs associated with the adjustment would be negligible. The District currently receives from the County the list of Williamson Act properties and would use properties of record in February and August for the upcoming billing cycle. Staff would obtain the conservation easement property information direct from the open space organizations in parallel during the February and August timeframe. Property status changes occurring after staff data collection would be handled on a case-by-case basis for the potential proration of rates, if applicable. Agricultural wells are predominately charged bi-annually in areas in January and June.

If the District were to increase the Ag charge to 10% of the M&I charge over a 7-year timeframe, and adjust back to 6% of the M&I charge for Williamson Act and conservation easement properties, staff anticipates a cumulative savings to the Open Space Credit of roughly \$2.1 million over that 7-year timeframe. Savings would be \$1.4M if the transition occurred over a 5-year timeframe, and would be \$3.4M if the transition occurred over a 10-year timeframe. The savings could be reduced if additional eligible properties were to change status to be classified as Williamson Act or Conservation

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Easement properties. Staff estimates that there are 245 agricultural properties that may qualify, but are not classified as Williamson Act or Conservation Easement properties.

**ATTACHMENTS:**

Attachment 1: PowerPoint

**UNCLASSIFIED MANAGER:**

Darin Taylor, 408-630-3068



# Open Space Credit Policy Discussion-Continuation

April 10, 2019

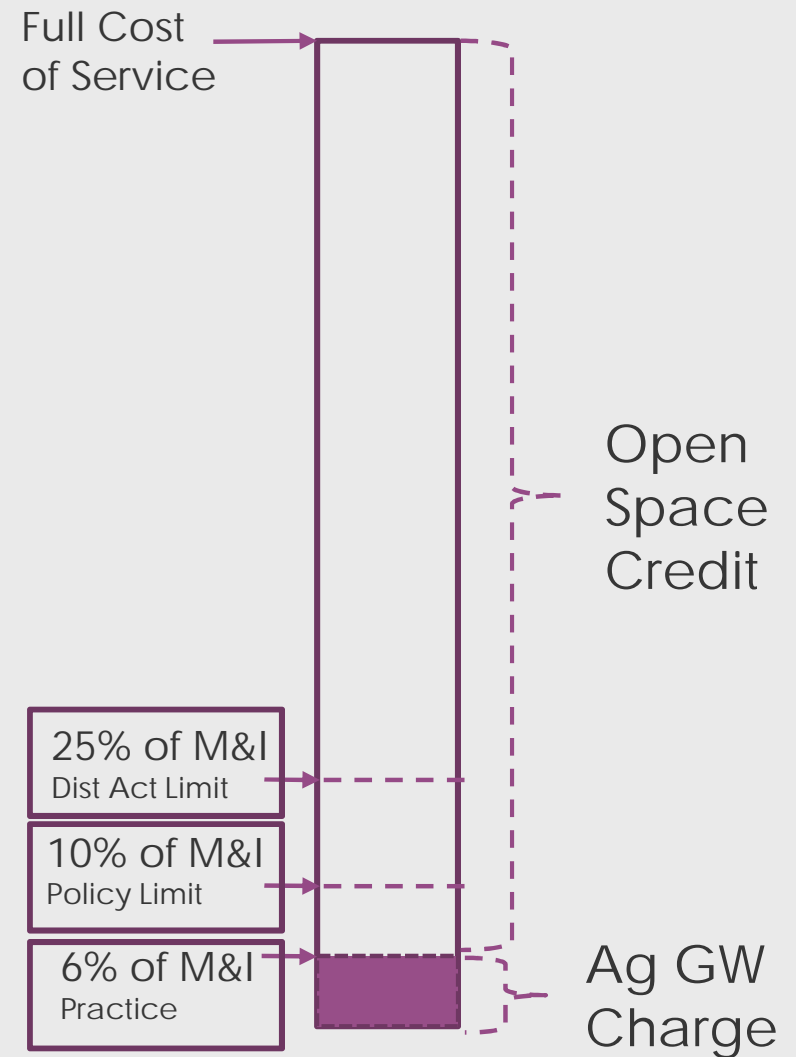
Santa Clara Valley  
Water District



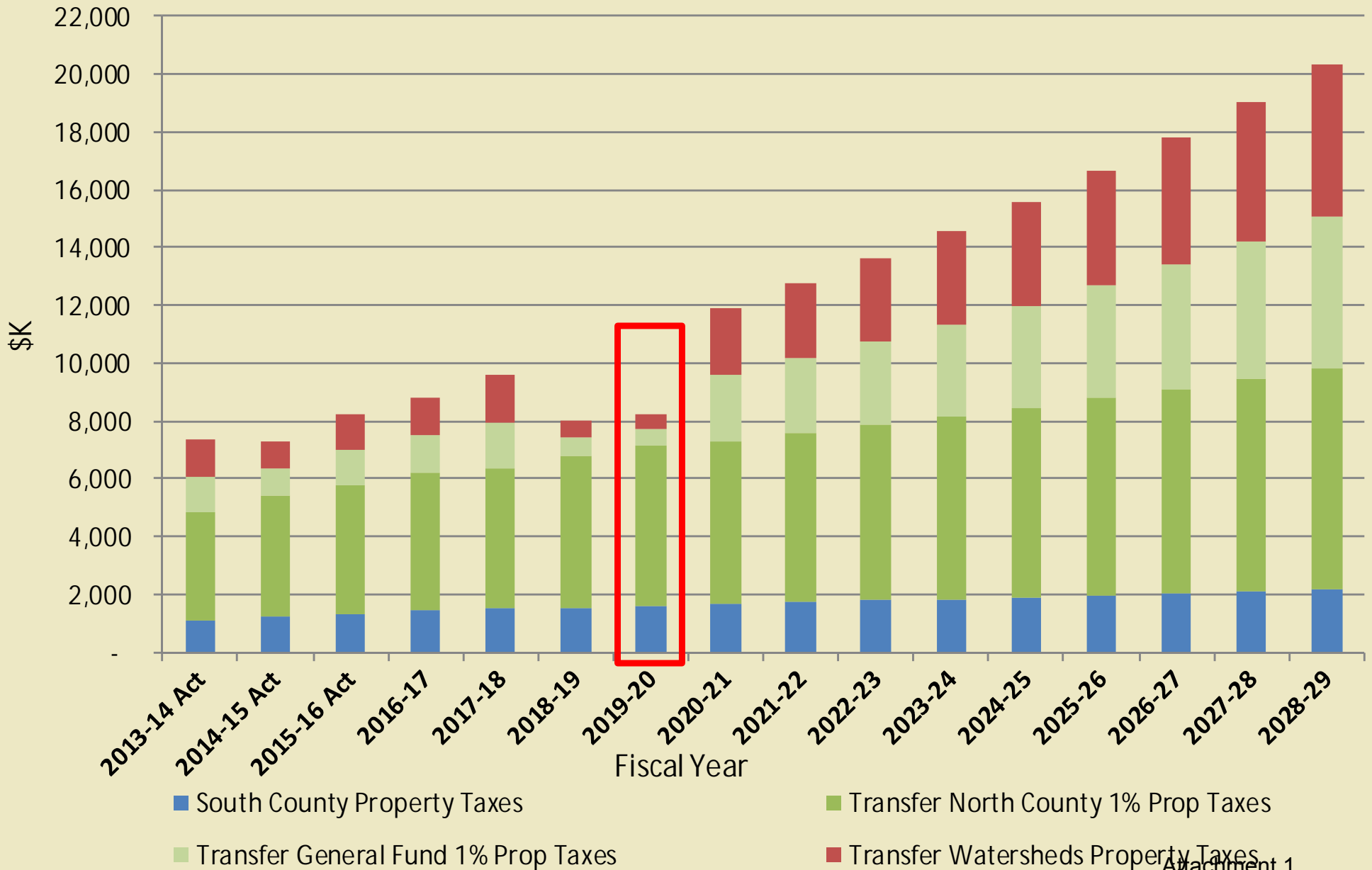
Attachment 1  
Page 1 of 19

# What is the Open Space Credit (OSC)?

- ▶ Formal definition: "The use of non-rate related revenue to offset reduced agricultural revenue as a result of keeping agricultural rates lower than needed to recoup the full cost of service"
- ▶ Applies to agricultural water users only, not to all open space



# Open Space Credit: Projection



# Background on OSC Policy Discussions

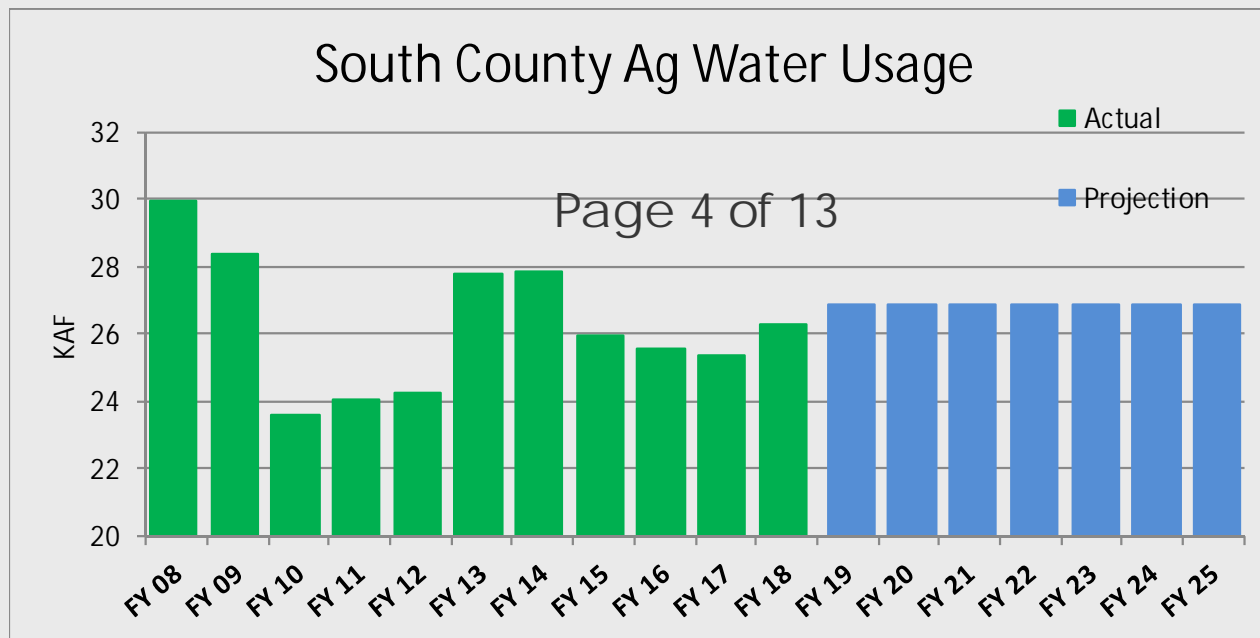
April 2018

▶ Board directs staff to:

1. Analyze ag water usage trend scenarios and potential impact on Open Space Credit projection
2. Research feasibility of a reduced ag charge for Williamson Act participants
3. Seek contributions from local private companies or other governmental agencies to fund Open Space Credit

# Agricultural Water Use Projection

- ▶ Santa Clara Farm Bureau confirms that flat ag water use projection for next 5 to 10 years is reasonable
  - ▶ Consistent with current staff projection



- ▶ If ag water use ramps down to 90% of current projection by FY 30, then OSC savings would be \$11M over that timeframe

# Williamson Act & Conservation Easements

- ▶ Williamson Act provides tax benefits to property owners who do not develop their land
- ▶ Conservation Easements permanently extinguish development rights

	Williamson Act Parcels	Conservation Easement Parcels	Average % of Total Ag Water Use
North County	3	0	1%
South County	171	10	32%
Total	174	10	33%

# Williamson Act & Conservation Easements

- ▶ Ag Charge Adjustment Program Alternative for Consideration
  - ▶ Predicated on Williamson Act or Conservation Easement participation
  - ▶ If: Ag charge increased to >6% of M&I
  - ▶ Then: Adjust back to 6% for Williamson Act and Conservation Easement properties
  - ▶ Staff could implement with minimal effort

# Board Requested Outreach

## Agricultural Water Advisory Committee

- ▶ Opposed increases in Ag charge for any farmer whether large or small

## Water Commission

- ▶ Took no action, however...
- ▶ Question: If Ag charges are increased, could Open Space Credit savings be used for conservation easement purchases?

## Water Retailers

- ▶ Supported increasing Ag charge (Low Ag charge doesn't send proper conservation signal)

## Environmental and Water Resources Committee

- ▶ Recommended keeping Ag charges as low as possible and equitable among larger and smaller farmers

## Joint Water Resources Committee

- ▶ No comments – ran out of time



# Other areas of Study

- ▶ Cannabis Cultivation in Santa Clara County
- ▶ Agriculture in Fixed Structures
- ▶ Permanent Crops

# Cannabis Cultivation in SC County

- ▶ All cannabis cultivation in Santa Clara County is indoor
- ▶ Water Source is treated water at non-agricultural rate
- ▶ Approximately 8 entities hold 17 licenses
- ▶ Estimated water usage is 29 AF per year

# Agriculture in Fixed Structures\*

Mushrooms:

Year	Acres	Water Acre Feet	Groundwater Charges
2017	145	435	\$10,262

Seed Crops:  
(Veg. and Flower)

Year	Acres	Water Acre Feet	Groundwater Charges
2017	557	1114	\$26,279

\*Source: County of Santa Clara 2017 Crop Report  
Approximately 7 District Customers

# Permanent Fruit & Nuts\*

Walnuts:

Year	Acres	Water Acre Feet	Groundwater Charges
2017	236	703	\$16,590

Apricots:

Year	Acres	Water Acre Feet	Groundwater Charges
2017	149	456	\$10,756

Cherries:

Year	Acres	Water Acre Feet	Groundwater Charges
2017	980	2862	\$67,505

Grapes:

Year	Acres	Water Acre Feet	Groundwater Charges
2017	1601	1601	\$37,768

\*Source: County of Santa Clara 2017 Crop Report

# Staff Recommendations

- ▶ Increase Agricultural charge to 10% of M&I over a 7 year period
  - ▶ Would increase Ag charge to 6.7% of M&I for FY 20, \$32.23/AF
- ▶ Proceed with an adjustment program for Williamson Act and Conservation Easement participants that would hold their agricultural water charge to 6% of M&I, or \$28.86/AF
- ▶ Investigate concept of fund raising via donations to help preserve agricultural land or open space
- ▶ No unique agricultural charge for fixed structure, or permanent fruit & nut crops due to unfavorable cost/benefit

# BACK-UP SLIDES

# Williamson Act & Conservation Easements

## 5-Year Transition

### Current 6% of M&I

	FY 19	FY 24
<b>South County</b>		
Municipal & Industrial	\$450	\$652
Ag Rate % of M&I Rate	6.0%	6.0%
Agricultural	\$27.02	\$39.15

### 10% of M&I by FY 24

	FY 19	FY 24
<b>South County</b>		
Municipal & Industrial	\$450	\$652
Ag Rate % of M&I Rate	6.0%	10.0%
Agricultural	\$27.02	\$65.39

Total Anticipated 5-Year Savings to Open Space Credit \$1.4M

### 25% of M&I by FY 24

	FY 19	FY 24
<b>South County</b>		
Municipal & Industrial	\$450	\$652
Ag Rate % of M&I Rate	6.0%	25.0%
Agricultural	\$27.02	\$163.07

Total Anticipated 5-Year Savings to Open Space Credit \$6.5M

# Williamson Act & Conservation Easements

## 7-Year Transition

Current 6% of M&I

	FY 19	FY 26
<b>South County</b>		
Municipal & Industrial	\$450	\$757
Ag Rate % of M&I Rate	6.0%	6.0%
Agricultural	\$27.02	\$45.41

10% of M&I by FY 26

	FY 19	FY 26
<b>South County</b>		
Municipal & Industrial	\$450	\$757
Ag Rate % of M&I Rate	6.0%	10.0%
Agricultural	\$27.02	\$75.65

Total Anticipated 7-Year Savings to Open Space Credit \$2.1M

25% of M&I by FY 26

	FY 19	FY 26
<b>South County</b>		
Municipal & Industrial	\$450	\$757
Ag Rate % of M&I Rate	6.0%	25.0%
Agricultural	\$27.02	\$189.08

Total Anticipated 7-Year Savings to Open Space Credit \$9.8M



# Williamson Act & Conservation Easements

## 10-Year Transition

Current 6% of M&I

	FY 19	FY 29
<b>South County</b>		
Municipal & Industrial	\$450	\$898
Ag Rate % of M&I Rate	6.0%	6.0%
Agricultural	\$27.02	\$53.87

10% of M&I by FY 29

	FY 19	FY 29
<b>South County</b>		
Municipal & Industrial	\$450	\$898
Ag Rate % of M&I Rate	6.0%	10.0%
Agricultural	\$27.02	\$89.95

Total Anticipated 10-Year Savings to Open Space Credit \$3.4M

25% of M&I by FY 29

	FY 19	FY 29
<b>South County</b>		
Municipal & Industrial	\$450	\$898
Ag Rate % of M&I Rate	6.0%	25.0%
Agricultural	\$27.02	\$224.72

Total Anticipated 10-Year Savings to Open Space Credit \$16.0M

- ▶ Study prepared by ERA Economics LLC
- ▶ Constructed an economic model of agriculture in Santa Clara County
  - ▶ 3 scenarios with 10 year phase-in
    - ▶ Baseline (Maintain Ag Charge at 6% of M&I rate)
    - ▶ 10 % of M&I rate
    - ▶ 25 % of M&I rate
- ▶ Economic Evaluation Conclusions:
  - ▶ A 10% increase in Ag Rates over 10 years would cause permanent fallow of 0.11% of irrigated acres
  - ▶ A 25% increase in Ag Rates over 10 years would cause permanent fallow of 3.5% of irrigated acres

# Open Space Credit: 2013 Economic Study Overview

## ► Staff Analysis of Economic Evaluation Conclusions:

Calendar Year	Fruit and Nuts	Field Crops	Onions and Garlic	Vegetables	Processed Tomatoes	Grapes	Dryland Hay	Total
	Acres Harvested							
2011	1,197	1,339	520	9,248	1,060	1,550	3,510	18,424
2017	1,613	1,195	784	13,224	322	1,601	4,044	22,783
Acres Delta	416	(144)	264	3,976	(738)	51	534	4,359
Acres Delta %	35%	-11%	51%	43%	-70%	3%	15%	24%

## ► Potential factors contributing to the 24% increase in harvested acreage:

- Drought
- Central Valley water management
- Transition to higher value crops
- Irrigation efficient technologies
- SCVWD Ag Rates

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**File No.:** 19-0196

**Agenda Date:** 4/10/2019

**Item No.:** 5.3.

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## COMMITTEE AGENDA MEMORANDUM

### Santa Clara Valley Water Commission

**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 agendaized at each meeting as accomplishments are updated and to review additional work plan assignments by the Board.

Special discussion from Director Nai Hsueh from the Board Policy and Planning Committee regarding aligning the Water Commission's work plan to the Board's 2019 Work Plan.

**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.

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**File No.:** 19-0196

**Agenda Date:** 4/10/2019  
**Item No.:** 5.3.

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**ATTACHMENTS:**

Attachment 1: Santa Clara Valley Water Commission 2019 Work Plan

Attachment 2: Santa Clara Valley Water Commission July 24, 2019, Draft Agenda

**UNCLASSIFIED MANAGER:**

Michele King, 408-630-2711

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	MEETING	INTENDED OUTCOME(S) (Action or Information Only)	ACCOMPLISHMENT DATE AND OUTCOME
1	Election of Chair and Vice Chair for 2019	January 23	<ul style="list-style-type: none"> <li>Commission Elects Chair and Vice Chair for 2019. <b>(Action)</b></li> </ul>	<p><b>Accomplished January 23, 2019:</b> The Committee elected Hon. Debi Davis as 2019 Commission Chair and Hon. Rich Constantine as 2019 Commission Vice Chair.</p>
2	Annual Accomplishments Report	January 23	<ul style="list-style-type: none"> <li>Review and approve 2018 Accomplishments Report for presentation to the Board. <b>(Action)</b></li> <li>Provide comments to the Board, as necessary.</li> </ul>	<p><b>Accomplished January 23, 2019:</b> The Commission reviewed and approved the 2018 Accomplishments Report for presentation to the Board.</p> <p><i>The Board received the Committee's presentation at its March 26, 2019, meeting.</i></p>
3	Water Supply Master Plan	January 23	<ul style="list-style-type: none"> <li>Receive an update on the Water Supply Master Plan. (Action)</li> <li>Provide comments to the Board, as necessary.</li> </ul>	<p><b>Accomplished January 23, 2019:</b> The Commission received information on the Water Supply Master Plan and took no action.</p>
4	Review and Comment to the Board on the Fiscal Year 2019-20 Preliminary Groundwater Production Charges	January 23	<ul style="list-style-type: none"> <li>Review and Comment to the Board on the Fiscal Year 2019-20 Preliminary Groundwater Production Charges. <b>(Action)</b></li> </ul>	<p><b>Accomplished January 23, 2019:</b> The Commission received and commented to the Board on the Fiscal Year 2019-20 Preliminary Groundwater Production Charges and took no action.</p>

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

ITEM	WORK PLAN ITEM	MEETING	INTENDED OUTCOME(S) (Action or Information Only)	ACCOMPLISHMENT DATE AND OUTCOME
5	Open Space Credit	January 23 April 10	<ul style="list-style-type: none"> <li>Receive information on Open Space Credit. <b>(Information)</b></li> </ul>	<p><b>Accomplished January 23, 2019:</b> The Commission received information on the Open Space Credit Policy and took no action.</p>
6	Update on the State Water Resources Control Board's Amendments to the Bay-Delta Water Quality Control Plan and Agency-Proposed Voluntary Agreements.	January 23	<ul style="list-style-type: none"> <li>Receive an update on the State Water Resources Control Board's Amendments to the Bay-Delta Water Quality Control Plan and Agency-Proposed Voluntary Agreements. <b>(Information)</b></li> </ul>	<p><b>Accomplished January 23, 2019:</b> The Commission received an update on the State Water Resources Control Board's Amendments to the Bay-Delta Water Quality Control Plan and Agency-Proposed Voluntary Agreements and took no action.</p>
7	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 23 April 10 July 24 October 23	<ul style="list-style-type: none"> <li>Receive and review the 2019 Committee work plan. <b>(Action)</b></li> <li>Submit requests to the Board, as appropriate.</li> </ul>	<p><b>Accomplished January 23, 2019:</b> The Commission received and reviewed the 2019 Commission work plan and took no action.</p>

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors



ITEM	WORK PLAN ITEM	MEETING	INTENDED OUTCOME(S) (Action or Information Only)	ACCOMPLISHMENT DATE AND OUTCOME
8	<p><b>Standing Items Reports/Fiscal Year 2019:</b></p> <ol style="list-style-type: none"> <li>1. Finalize the Fisheries and Aquatic Habitat Collaboration Effort (FAHCE) (Report from the FAHCE Ad Hoc Committee)</li> <li>2. Actively Pursue Efforts to Increase Water Storage Opportunities (Report from the Water Storage Exploratory Committee)</li> <li>3. Actively Participate in Decisions Regarding the California WaterFix (Report from EWRC Board Representative)</li> <li>4. Advance Recycled and Purified Water Efforts with the City of San Jose and Other Agencies (Report from the Recycled Water Committee)</li> <li>5. Advance Anderson Dam Seismic Retrofit Project (Report from the Capital Improvement Program Committee)</li> <li>6. Provide for a Watershed-Wide Regulatory Planning and Permitting Effort (Report from the Capital Improvement Program Committee)</li> <li>7. Ensure Immediate Emergency Action Plans and Flood Protection are Provided for Coyote Creek (Report from the Coyote Creek Flood Risk Reduction Ad Hoc Committee)</li> <li>8. Foster a Coordinated Approach to Environmental Stewardship Effort (Report from EWRC Board Representative)</li> <li>9. Advance Diversity and Inclusion Efforts (Report from the Diversity and Inclusion Ad Hoc Committee)</li> </ol>	April 10	<ul style="list-style-type: none"> <li>• Receive quarterly reports on standing items. <b>(Information)</b></li> </ul>	

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ITEM	WORK PLAN ITEM	MEETING	INTENDED OUTCOME(S) (Action or Information Only)	ACCOMPLISHMENT DATE AND OUTCOME
9	Review and Comment to the Board on the Fiscal Year 2020 Proposed Groundwater Production Charges.	April 10	<ul style="list-style-type: none"> <li>Review and comment to the Board on the Fiscal Year 2020 Proposed Groundwater Production Charges. <b>(Action)</b></li> <li>Provide comments to the Board, as necessary.</li> </ul>	
10	Water Supply Master Plan	July 24	<ul style="list-style-type: none"> <li>Receive an update on the Water Supply Master Plan. <b>(Action)</b></li> <li>Provide comments to the Board, as necessary.</li> </ul>	
11	<p><b><u>Standing Items Reports Fiscal Year 2020:</u></b></p> <ol style="list-style-type: none"> <li><b>Finalize the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) (Assigned to Water Conservation and Demand Management Committee)</b></li> <li><b>Actively Pursue Efforts to Increase Water Storage Opportunities. (Assigned to Water Conservation and Demand Management Committee)</b></li> <li><b>Actively Participate in Decisions Regarding the California Water Fix. (Assigned to California WaterFix Working Group)</b></li> </ol>	July 24 October 23	<ul style="list-style-type: none"> <li>Receive quarterly reports on standing items. <b>(Information)</b></li> </ul>	

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ITEM	WORK PLAN ITEM	MEETING	INTENDED OUTCOME(S) (Action or Information Only)	ACCOMPLISHMENT DATE AND OUTCOME
	<p>4. Lead Recycled and Purified Water Efforts with the City of San Jose and Other Agencies. (Assigned to Recycled Water Committee)</p> <p>5. Engage and educate the community, local elected officials and staff on future water supply strategies in Santa Clara County. (Assigned to Water Conservation and Demand Management Committee)</p> <p>6. Advance Anderson Dam Seismic Retrofit Project. (Assigned to Capital Improvement Program Committee)</p> <p>7. Pursue opportunities to expedite regulatory permit processes and streamline permit reviews. (Assigned to FAHCE Ad Hoc Committee)</p> <p>8. Attain net positive impact on the environment when implementing flood protection and water supply projects. (Assigned to Capital Improvement Program Committee)</p> <p>9. Promote the protection of creeks, bay, and other aquatic ecosystems from threats of pollution and degradation (E-4.1.3). (Assigned to Homeless Encampment Ad Hoc Committee)</p> <p>10. Advance Diversity and Inclusion Efforts. Carry forward to FY20 (Assigned to Diversity and Inclusion Ad Hoc Committee)</p> <p>11. Understand if the level of services Valley Water provides to the public are reasonable</p>			

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ITEM	WORK PLAN ITEM	MEETING	INTENDED OUTCOME(S) (Action or Information Only)	ACCOMPLISHMENT DATE AND OUTCOME
	and the costs of providing services are affordable and effective. (Assigned to Revenue Working Group)			
12	Climate Change Action Plan - Climate Change Impacts, Vulnerabilities and Stakeholder Needs	October 23	<ul style="list-style-type: none"> <li>• Receive information on Climate Change Action Plan - Climate Change Impacts, Vulnerabilities and Stakeholder Needs. <b>(Action)</b></li> <li>• Provide comments to the Board, as necessary</li> </ul>	
13	Discussion on how the cities propose working together (with the other cities, the county and the District) to develop a summit to address the unhoused population in our communities and creeks. Also, discuss the authority that the cities (police) have on removing the inhabitants and patrolling the creeks.	TBD	<ul style="list-style-type: none"> <li>• Discuss issues regarding the unhoused population in our communities and creeks and propose how to work with the County to develop a summit to address this issue. Getting additional feedback from cities will be key in planning for this effort in 2019. <b>(Action)</b></li> <li>• Submit requests to the Board, as appropriate.</li> </ul>	

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ITEM	WORK PLAN ITEM	MEETING	INTENDED OUTCOME(S) (Action or Information Only)	ACCOMPLISHMENT DATE AND OUTCOME
14	Update Salmonid in the District's waterways	TBD	<ul style="list-style-type: none"> <li>• Receive information on Salmonid in the District's waterways. <b>(Action)</b></li> <li>• Provide comments to the Board, as necessary.</li> </ul>	
15	Discussion on the Riparian Corridor Ordinance, Encroachment Process	TBD	<ul style="list-style-type: none"> <li>• Discuss the Riparian Corridor Ordinance, Encroachment Process. <b>(Action)</b></li> <li>• Provide comments to the Board, as necessary.</li> </ul>	

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**Commission Officers**

Hon. Debi Davis, Chair  
Hon. Rich Constantine, Vice Chair

**Board Representative**

Nai Hsueh, Board Representative  
Barbara Keegan, Alternate  
Linda J. LeZotte, Board Representative

**DRAFT AGENDA**

**SANTA CLARA VALLEY WATER COMMISSION**

**WEDNESDAY, JULY 24, 2019**

**12:00 p.m. – 2:00 p.m.**

**Santa Clara Valley Water District  
Headquarters Building Boardroom  
5700 Almaden Expressway  
San Jose, CA 95118**

**Time Certain:**

**12:00 p.m.**

**1. Call to Order/Roll Call**

**2. Time Open for Public Comment on Any Item Not on Agenda**

*Comments should be limited to two minutes. If the Committee wishes to discuss a subject raised by the speaker, it can request placement on a future agenda.*

**3. Approval of Minutes**

3.1 Approval of Minutes – April 10, 2019, meeting

**4. Standing Items Reports**

*This item allows the Committee to receive verbal or written updates and discuss the Board's Fiscal Year 2020 Work Plan Strategies. These items are generally informational, however, the Committee may request additional information and/or provide collective input to the assigned Board Committee.*

1. Finalize the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) (Assigned to Water Conservation and Demand Management Committee)
2. Actively Pursue Efforts to Increase Water Storage Opportunities. (Assigned to Water Conservation and Demand Management Committee)
3. Actively Participate in Decisions Regarding the California Water Fix. (Assigned to California WaterFix Working Group)
4. Lead Recycled and Purified Water Efforts with the City of San Jose and Other Agencies. (Assigned to Recycled Water Committee)
5. Engage and educate the community, local elected officials and staff on future water supply strategies in Santa Clara County. (Assigned to Water Conservation and Demand Management Committee)
6. Advance Anderson Dam Seismic Retrofit Project. (Assigned to Capital Improvement Program Committee)
7. Pursue opportunities to expedite regulatory permit processes and streamline permit reviews. (Assigned to FAHCE Ad Hoc Committee)
8. Attain net positive impact on the environment when implementing flood protection and water supply projects. (Assigned to Capital Improvement Program Committee)

9. Promote the protection of creeks, bay, and other aquatic ecosystems from threats of pollution and degradation (E-4.1.3). (Assigned to Homeless Encampment Ad Hoc Committee)
10. Advance Diversity and Inclusion Efforts. Carry forward to FY20 (Assigned to Diversity and Inclusion Ad Hoc Committee)
11. Understand if the level of services Valley Water provides to the public are reasonable and the costs of providing services are affordable and effective. (Assigned to Revenue Working Group)

**5. Action Items**

5.1 Update on the Water Supply Master Plan (Garth Hall)

**Recommendation: Receive an updated presentation on the Water Supply Master Plan and provide comment to the Board as necessary.**

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)

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

**6. Clerk Review and Clarification of Commission Requests to the Board**

*This is a review of the Commission's Requests, to the Board (from Item 5). The Committee may also request that the Board approve future agenda items for Commission discussion.*

**7. Reports**

*Directors, Managers, and Commission members may make brief reports and/or announcements on their activities. Unless a subject is specifically listed on the agenda, the Report is for information only and not discussion or decision. Questions for clarification are permitted.*

7.1 Director's Report

7.2 Manager's Report

7.3 Commission Member Reports

7.4 Links to Informational Reports

**8. Adjourn:** Adjourn to next regularly scheduled meeting at 12:00 p.m., **October 23, 2019**, in the Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, CA 95118

All public records relating to an open session 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.

The Santa Clara Valley Water District will make reasonable efforts to accommodate persons with disabilities wishing to attend committee meetings. Please advise the Clerk of the Board office of any special needs by calling 1-408-630-2277.

Santa Clara Valley Water Commission's Purpose and Duties

The Santa Clara Valley Water Commission of the Santa Clara Valley Water District is established to assist the Board of Directors (Board) with policies pertaining to water supply, flood protection and environmental stewardship in the areas of interest to Santa Clara County and the Towns and Cities therein.



The specific duties are:

- Prepare policy alternatives
- Provide comment on activities in the implementation of the District's mission
- Produce and present to the Board an Annual Accomplishments Report that provides a synopsis of the annual discussions and actions.

In carrying out these duties, Commission members bring to the District their respective expertise and the interests of the communities they represent. In addition, Commissioners may help the Board produce the link between the District and the public through information sharing to the communities they represent.



# Handouts

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January 8, 2019

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

**Subject: Santa Clara Valley Open Space Credit Policy**

Dear Members of the Board of the Santa Clara Valley Water District –

On behalf of the County of Santa Clara Department of Planning & Development and Division of Agriculture, we are writing to recommend that the District maintain its Open Space Credit policy as is, without a requirement for an easement or Williamson Act contract. We believe that the Staff policy change recommendation to increase water rates for all farmers who are not farming on land under conservation will disproportionately burden the most vulnerable farmers—those who do not own the land they farm, and whose tenure is not long enough for the property owner to take advantage of the Williamson Act's significant tax savings.

We believe that adoption of the policy change recommendation would put the working lands most at risk of conversion to development at even greater risk. For example, if a property owner is considering development of their agricultural land, has therefore elected not to collect Williamson Act tax benefits, and their tenant farmer is no longer able to operate an economically viable business, then the land will fallow, the property owner will lose agricultural lease income, and will be more likely to develop.

With the passage of the [Santa Clara Valley Agricultural Plan](#), the County has begun to take concrete steps toward providing property owners and farmers with economically viable alternatives to development, namely through the creation of an agricultural conservation easement program and a Farmland Security Zone program (which establishes Williamson Act contracts with longer commitments and greater tax benefits). While we are optimistic that alternatives to development will prove effective in curbing sprawl and conversion of our remaining agricultural soils, these efforts to sustain Santa Clara Valley's working lands will be in vain if the economic viability of tenant farmers is compromised.

The District's materials indicate that the Open Space Credit policy has been re-opened for proposed revision in part due to the 2017 Presidents' Day flooding and the need for funding flood mitigation projects. We urge the District to consider the Open Space Credit as a flood mitigation project unto itself, as farmers' work, the management of working lands and open space, ameliorates flooding.

**HANDOUT: AGENDA ITEM 5.2**

We support any policy that further incentivizes agricultural property owners to enroll in a Williamson Act contract, Farmland Security Zone contract, or record an agricultural conservation easement – but not at the expense of compromising the economic viability of farmers who do not lease a property already under conservation, or do not own the property they manage and therefore cannot participate in such financial incentives.

It is our belief that the Open Space Credit delivers the best public value when it works to *prevent the conversion* of open space to development – not only as a benefit to those farming lands that are already under conservation.

In summary, we strongly encourage you to avoid any substantial increase in groundwater rates that could have a negative effect on long term agriculture in Santa Clara County. Please see the attached, April 18, 2018, letter from County Supervisors Wasserman and Cortese, which echoes this recommendation.

Sincerely,

DocuSigned by:  
*Eastwood, Rob*  
AD9368294CE042B...  
Rob Eastwood  
Planning Manager  
Department of Planning and Development

DocuSigned by:  
*Joseph Deviney*  
DB81FBA44AEA4CE...  
Joseph Deviney  
Agricultural Commissioner  
Division of Agriculture

Cc: Board of Supervisors, County of Santa Clara



**BOARD OF SUPERVISORS  
COUNTY OF SANTA CLARA**

County Government Center, East Wing  
70 West Hedding Street, East Wing  
San Jose, California 95110-1770  
(408) 299-5001 FAX 938-4525 TDD 993-8272

April 18, 2018

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

**RE: Santa Clara Valley Open Space Credit Policy**

Dear Santa Clara Valley Water District Board Members,

It is our understanding that the Santa Clara Valley Water District Board of Directors is currently considering changes to its groundwater rates. We are writing to strongly recommend that the Santa Clara Valley Water District maintain its Open Space Credit Policy, and retain groundwater production rates that support the economic vitality of Santa Clara County's farmland and its farmers.

On Jan 9 2018, the Santa Clara County Board of Supervisors adopted the Santa Clara Valley Agricultural Plan which presents a regional strategic approach for supporting and growing a farming economy in Santa Clara County. The Plan identifies the valuable importance of our agricultural working lands to the region, not only as a critical food source, but also as a key to long term sustainability and health of the County, providing ecosystem co-benefits such food security, groundwater protection, and carbon sequestration.

The Plan recognizes the critical importance of maintaining low groundwater rates to support the ongoing sustainability of Santa Clara County agriculture. As identified in the Plan, Santa Clara County has already lost 45 percent of its prime farmland to development over the last twenty years and many factors continue to present a challenge to farming, including land speculation, urban/rural interface, and access to farm labor. Ensuring our agriculturalists have continued access to groundwater at rates that make farming financially sustainable is critical to ensuring that our agricultural working lands continue to be farmed.

In summary, we strongly encourage you to avoid any substantial increase in groundwater rates that could have a negative effect on long term agriculture in Santa Clara County.

**Supervisor Mike Wasserman**  
Supervisorial District 1,  
Santa Clara County Board of Supervisors

**Supervisor Dave Cortese**  
Supervisorial District 3,  
Santa Clara County Board of Supervisors