

May 15, 2019

MEETING NOTICE**WATER STORAGE EXPLORATORY COMMITTEE**

Board Members of the Water Storage Exploratory Committee

Director Gary Kremen, Committee Chair

Director Richard P. Santos

Director John L. Varela

Staff Support of the Water Storage Exploratory Committee

Norma J. Camacho, Chief Executive Officer

Nina Hawk, Chief Operating Officer, Water Utility

Rick Callender, Chief of External Affairs

Stanly Yamamoto, District Counsel

Brian Hopper, Senior Assistant District Counsel

Anthony Fulcher, Senior Assistant District Counsel

Garth Hall, Deputy Operating Officer, Water Supply Division

Katherine Oven, Deputy Operating Officer, Water Utility Capital Division

Christopher Hakes, Deputy Operating Officer, Dam Safety & Capital Delivery Division

Jerry De La Piedra, Assistant Officer, Water Supply Division Deputy's Office

Cindy Kao, Imported Water Manager, Imported Water Unit

Melih Ozbilgin, Senior Water Resources Specialist, Imported Water Unit

Medi Sinaki, Senior Engineer – Water Quality, Recycled and Purified
Water Unit

Bradly Arnold, Senior Engineer, Imported Water Unit

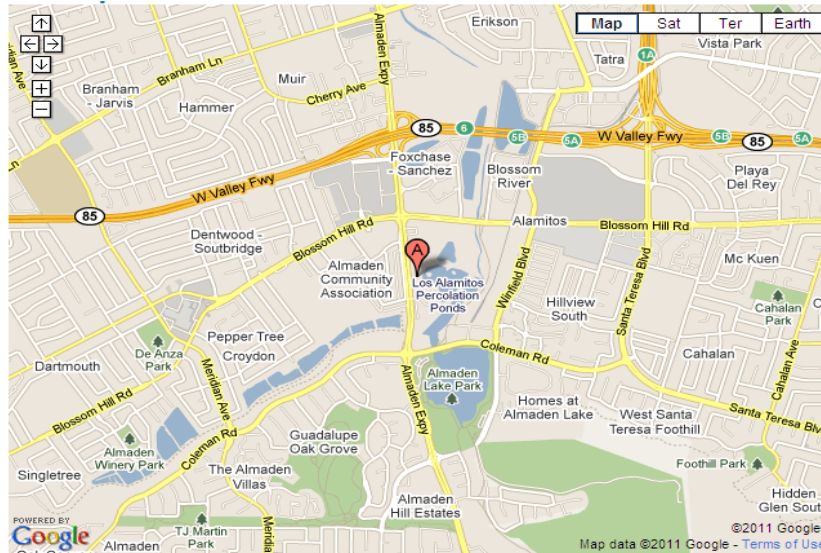
Metra Richert, Unit Manager, Water Supply Planning & Conservation Unit

A regular meeting of the Santa Clara Valley Water District (SCVWD) Water Storage Exploratory Committee is to be held on **Monday, May 20, 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 served.

Enclosed are the meeting agenda and corresponding materials. Please bring this packet with you to the meeting.

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 Water Storage Exploratory Committee Meeting

Headquarters Building Boardroom
5700 Almaden Expressway San Jose CA 95118

REGULAR MEETING AGENDA

**Monday, May 20, 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
Water Storage Exploratory Committee
REGULAR MEETING
AGENDA**

Monday, May 20, 2019

12:00 PM

Headquarters Building Boardroom
5700 Almaden Expressway San Jose CA 95118

1. CALL TO ORDER:

1.1. Roll Call.

2. CLOSED SESSION:

2.1. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATION OF LITIGATION –
Government Code Section 54956.9(d)(4)

Two Potential Cases (Pacheco Reservoir Expansion Study)

2.2. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION –
Government Code Section 54956.9(d)(1)

SCVWD v. Giovannotto Land & Cattle, LLC, Santa Clara Co. Superior Court, No. 18CV337188

2.3. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION –
Government Code Section 54956.9(d)(1)

SCVWD v. Moitozo, et al., Santa Clara Co. Superior Court, No. 19CV345563

3. 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 Committee on any matter not on this agenda. Members of the public who wish to address the Committee on any item not listed on the agenda should complete a Speaker Form and present it to the Committee Clerk. The Committee 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 Committee action on, or extended discussion of, any item not on the agenda except under special circumstances. If Committee action is requested, the matter may be placed on a future agenda. All comments that require a response will be referred to staff for a reply in writing. The Committee may take action on any item of business appearing on the posted agenda.

4. APPROVAL OF MINUTES:

- 4.1. Approval of Minutes. [19-0410](#)
Recommendation: Approve the February 22, 2019, Meeting Minutes.
Manager: Michele King, 408-630-2711
Attachments: [Attachment 1: 022219 WSEC DRAFT Mins](#)
Est. Staff Time: 5 Minutes

5. ACTION ITEMS:

- 5.1. Pacheco Reservoir Expansion Project Update. [19-0411](#)
Recommendation: This is an information only item and no action is required. However, the Committee may provide comments for Board consideration.
Manager: Christopher Hakes, 408-630-3796
Attachments: [Attachment 1: Non Agenda Memo 3-22-2019](#)
Est. Staff Time: 10 Minutes
- 5.2. Semitropic and Out-of-County Groundwater Banking [19-0412](#)
Recommendation: Receive and discuss information regarding status of Semitropic groundwater bank and other potential banking programs. This is an information-only item and no action is required.
Manager: Garth Hall, 408-630-2750
Est. Staff Time: 10 Minutes
- 5.3. Update on Los Vaqueros Reservoir Expansion Project (LVE Project). [19-0413](#)
Recommendation: Receive and discuss information on the Los Vaqueros Reservoir Expansion Project (LVE Project).
Manager: Jerry De La Piedra, 408-630-2257
Attachments: [Attachment 1: PowerPoint Presentation](#)
[Attachment 2: Special Counsel Selection](#)
Est. Staff Time: 15 Minutes
- 5.4. The Water Supply Benefit of Anderson Reservoir. [19-0414](#)
Recommendation: Receive and discuss information related to the water supply benefit of Anderson Reservoir.
Manager: Jerry De La Piedra, 408-630-2257
Attachments: [Attachment 1: PowerPoint](#)
[Attachment 2: February 2018 Memorandum](#)
Est. Staff Time: 15 Minutes

5.5. B.F. Sisk Dam Raise. [19-0490](#)

Recommendation: Receive and discuss information on the B.F. Sisk Dam Raise.

Manager: Garth Hall, 408-630-2750

Est. Staff Time: 10 Minutes

5.6. Review Water Storage Exploratory Committee Work Plan and the Committee's Next Meeting Agenda. [19-0415](#)

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

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: 2019 WSEC Work Plan](#)
[Attachment 2: WSEC Next Meeting's 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. ADJOURN:

7.1. Adjourn.

File No.: 19-0410

Agenda Date: 5/20/2019
Item No.: 4.1.

COMMITTEE AGENDA MEMORANDUM

Water Storage Exploratory Committee

SUBJECT:

Approval of Minutes.

RECOMMENDATION:

Approve the February 22, 2019, Meeting Minutes.

SUMMARY:

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

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

ATTACHMENTS:

Attachment 1: 022219 WSEC Draft Minutes

UNCLASSIFIED MANAGER:

Michele King, 408-630-2711



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

DRAFT MINUTES

**FRIDAY, FEBRUARY 22, 2019
10.00 AM**

(Paragraph numbers coincide with agenda item numbers)

A regular meeting of the Water Storage Exploratory Committee (Committee) was held on February 22, 2019, in the Headquarters Building Boardroom at the Santa Clara Valley Water District, 5700 Almaden Expressway, San Jose, California.

1. CALL TO ORDER

A regular meeting of the Santa Clara Valley Water District Water Storage Exploratory Committee was called to order by Chair Director Gary Kremen at 10:00 a.m. on February 22, 2019.

1.1 ROLL CALL

Board Members in attendance were: Director Gary Kremen-District 7, Director Richard P. Santos-District 3, and Director John L. Varela-District 1.

Staff members in attendance were: Aaron Baker, Arnold Bradly, Glenna Brambill, Jerry De La Piedra, Anthony Fulcher, Rachael Gibson, Christopher Hakes, Garth Hall, Tracy Hemmeter, Brian Hopper, Cindy Kao, Eric Leitterman, Gary Ohea, Metra Richert and Cris Tulloch.

Guest in attendance: Jim Watson, Sites Project Authority.

Committee Chair Kremen confirmed that the Committee would adjourn to Closed Session for consideration of Item 2.

2. CLOSED SESSION:

2.1 ANTICIPATION OF LITIGATION – Initiation of Litigation Pursuant to Government Code Section 54956.9(d)(4) – Three Potential Cases (Pacheco Reservoir Expansion Study)

**2.2. EXISTING LITIGATION – Government Code Section 54956.9(d)(1)
SCVWD v. Giovannotto Land & Cattle, LLC, Santa Clara Co. Superior Court, No. 18CV337188**

Upon return to Open Session, the same Committee members and staff were present.

DISTRICT COUNSEL'S REPORT:

Mr. Brian Hopper, Senior Assistant District Counsel, reported on Agenda Item 2, that the Committee met in Closed Session with all members present, and took no reportable action.

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

There was no one present who wished to speak.

4. APPROVAL OF MINUTES

4.1 APPROVAL OF MINUTES

It was moved by Director John L. Varela, seconded by Director Richard P. Santos and unanimously carried to approve the minutes of the December 7, 2018, meeting of the Santa Clara Valley Water District (Valley Water) Water Storage Exploratory Committee as presented.

5. ACTION ITEMS

5.1 PACHECO RESERVOIR EXPANSION PROJECT UPDATE

Mr. Christopher Hakes reviewed the materials as outlined in the agenda item with the following reports on: funding mechanism for Prop 1, reimbursements submitted, meeting with Commission on February 26, 2019 and the feasibility report EIR/EIS is forthcoming.

The Committee had questions on the following: federal application, who is attending Commission meeting, Sacramento-Delta tunnel location, federal/state "grab" of money, projects that potentially may not be built, Valley Water's strategy in getting funding, drinking water being placed on future agenda (continue to watch SB623 Monning Bill), having charts for next meeting in keeping Board informed on updates, recreational component, Sierra Club, outreach and/or visual tour of property, developing partnerships, schedule a future meeting with Pacheco Pass Water District (PPWD), have more focus on Pacheco and possibly rethink Anderson rebuild, defined use of Prop 1 funding, schedules and timelines and at the next meeting prepare a report on this item to update to the Board.

Ms. Rachael Gibson and Mr. Garth Hall were available to answer questions.

The Committee took no action.

5.2 UPDATE ON LAS VAQUEROS RESERVOIR EXPANSION PROJECT (LVE PROJECT)

Ms. Metra Richert reviewed the materials as outlined in the agenda item.

The Committee discussed the following: financial analyses/costs, Bethany pipeline, risk evaluations/analyses preparing information to give Board an update, transparency, governance concerns, Contra Costa Water District's scenarios, allocation, multi-party cost share agreement, formation of JPA, storage, Valley Water's payment "seed money,"

Ms. Tracy Hemmeter, Mr. Garth Hall and Mr. Jerry De La Piedra were available to answer questions.

The Committee took no action.

5.3. SITES PROJECT AUTHORITY 2019 RESERVOIR PROJECT AGREEMENT FOR CONTINUED DISTRICT PARTICIPATION IN THE SITES RESERVOIR PROJECT

Ms. Cindy Kao reviewed the materials as outlined in the agenda item with a handout of Sites estimated phase 2 participation.

The Committee discussed the following: number of participants, including a chart on storage dollars and dry years' yield, WIIN Act funds, benefits, governance, JPA, Valley Water's contribution, project/"dirt" timeline is 2021, starting construction 2022-2023, fully operable in 2030 and its flexibility, negotiating level of participation and look at the risks.

Mr. Jim Watson spoke on this agenda item and was also available to answer questions.

Mr. Eric Leitnerman was available to answer questions.

The Committee took the following action:

It was moved by Director John L. Varela, seconded by Director Richard P. Santos and unanimously carried to approve for Board consideration staff's recommendation with a slight modification with 2 members agreeing to \$960,000 and 1 member agreeing to \$720,000.

5.4. SEMITROPIC AND OTHER POTENTIAL GROUNDWATER BANKING PROGRAMS

Mr. Bradley Arnold reviewed the materials as outlined in the agenda item with a handout of location of Semitropic Water Storage District.

The Committee discussed the following: storage priority level and what can be pulled out, Board policy discussion on what to do and portfolio, investments and diversification approaches.

Ms. Cindy Kao and Mr. Garth Hall were available to answer questions.

The Committee took no action but place this agenda item back on the agenda.

5.5 REVIEW OF 2018 WATER STORAGE EXPLORATORY COMMITTEE WORK PLAN AND THE COMMITTEE'S NEXT MEETING AGENDA

Ms. Glenna Brambill reviewed the materials as outlined in the agenda item. Staff will work with Chair Kremen agenda items.

Please add to the Committee's work plan a discussion on Sargent Ranch (recreational area) in conjunction with the Pajaro River and its potential nexus to the Pacheco Project.

6. CLERK REVIEW AND CLARIFICATION OF COMMITTEE ACTIONS

Ms. Glenna Brambill noted there was one action item for Board consideration.

Agenda Item 5.3

The Committee unanimously approved for Board consideration staff's recommendation with a slight modification with 2 members agreeing to \$960,000 and 1 member agreeing to \$720,000.

7. ADJOURNMENT

Chair Director Gary Kremen adjourned the meeting at 12:28 p.m.

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

Approved:

File No.: 19-0411

Agenda Date: 5/20/2019

Item No.: 5.1.

COMMITTEE AGENDA MEMORANDUM

Water Storage Exploratory Committee

SUBJECT:

Pacheco Reservoir Expansion Project Update.

RECOMMENDATION:

This is an information only item and no action is required. However, the Committee may provide comments for Board consideration.

SUMMARY:

Background and Funding

On July 24, 2018 California Water Commission (CWC) awarded \$484.55 million to Valley Water's Pacheco Reservoir Expansion Project (Project), contingent upon completion of the required documentation by January 1, 2022. This funding from Proposition 1 Water Storage Investment Program (WSIP) included \$24.2 million in Early Funding for efforts related to the completion of the Environmental Documentation and Permitting for the Project. Contract for Early Funding was executed on December 10, 2018. Staff has been providing quarterly reports to the CWC for work accomplished since August 14, 2017 and submitted the initial invoice on March 6, 2019 for cost reimbursement. The invoice was approved and payment was received on April 23, 2019.

On February 26, 2019, Valley Water staff participated in a process orientation meeting with staff from the California Water Commission (CWC), the California Department of Fish and Wildlife (CDFW) and the California Department of Water Resources (DWR) for developing Contracts for Administration of Public Benefits. The results of the meeting were communicated to the Board through a Non-Agenda Memorandum dated March 22, 2019. The CWC recently informed staff that as part of their public outreach effort, they will hold a stakeholder meeting in late May 2019 on how the public benefits will be administered. The meeting will be informational and the administering agencies will describe their approaches and seek comments on how they envision managing public benefits.

Valley Water continues to explore additional project funding and low cost financing through the Federal Water Infrastructure Improvements for the Nation (WIIN) Act, the Water Infrastructure Finance and Innovation Action (WIFIA), and other Federal and State funding and financing programs. The project has been included as an alternative within the San Luis Reservoir Low Point Improvement Project (SLLPIP) led by the United States Bureau of Reclamation (USBR). If the Pacheco Reservoir Expansion alternative is determined to be the alternative that provides the highest National Economic Development (NED) score within the SLLPIP, a nexus can be established for potential partial federal funding of the Pacheco Reservoir Expansion Project. On April 8, 2019, USBR and Valley Water released a SLLPIP Draft Feasibility Report for public comment which

identified the Pacheco Reservoir Expansion alternative to have the highest NED score.

Project Management and Planning

On November 20, 2018, the Board approved the two Consultant Services Agreements for this project. The first contract was for program management services and the second for planning, design, and environmental consultant services and permitting support (PDEC). These agreements have been executed and efforts are underway on various project management and planning activities including: refining project schedule sequencing and details; development of project work plans, project objectives & requirements, and data needs memorandums; identification of project risks; and evaluation of project modeling tools. Initial reconnaissance activities have been completed. Draft field investigation workplans for the key properties have been developed and are being used to negotiate with property owners for access to perform geotechnical and environmental field activities.

Public Outreach

Staff is engaged in concurrent discussions with property owners to facilitate long-term site access while negotiating access for required geotechnical and environmental field activities. Unfortunately, inclement weather damaged the access road to the existing dam and reservoir facility, delaying the District's ability to complete on-site phase 1 investigations. As a result, long-term site access for in-person tours may not be established until summer of 2019 in the event that a negotiated settlement cannot be reached and legal action is required. Once long-term site access is established, in-person tours to accommodate key stakeholder groups will be scheduled as weather and conditions permit. A video production agency has been contracted to produce an online interactive tour. To expedite the production timeframe, the framework and other components of the online tour are being developed to the extent possible without onsite visuals or footage. Once access is authorized, and the access road to the site is repaired, onsite high resolution photos and videos will be captured and added to complete the tour.

Currently, interested community members are directed to the Pacheco Reservoir Expansion website and encouraged to sign up for proactive project communications updates. The website highlights project details and key benefits via expert testimony videos, related documentation, and customized animation elements. The project FAQ's are currently being refreshed. Communications material will continue to be updated as the project progresses.

ATTACHMENTS:

Attachment 1: Non-Agenda Memorandum March 22, 2019

UNCLASSIFIED MANAGER:

Christopher Hakes, 408-630-3796



MEMORANDUM

FC 14 (02-08-19)

TO: Board of Directors

FROM: Nina Hawk

SUBJECT: Process Orientation Meeting to develop
Contracts for the Administration of Public
Benefits for the Pacheco Reservoir
Expansion Project

DATE: 3/21/2019

On February 26, 2019, District staff participated in a process orientation meeting with staff from the California Water Commission (CWC), the California Department of Fish and Wildlife (CDFW), and the California Department of Water Resources (DWR) for developing Contracts for Administration of Public Benefits (CAPB) concerning the Pacheco Reservoir Expansion Project. The CWC has held meetings with each project proponent who has been awarded funding from the Water Storage Investment Program (WSIP).

The primary objective of the meeting was to gain common understanding of roles and responsibilities during development of the CAPB. Parties discussed latest project schedule, progress, and phasing of construction as it relates to CAPB development, as well as timing of the final award hearing.

Since the Project proposes to provide only steelhead recovery in Pacheco Creek and emergency response as public benefits, Valley Water met only with CDFW and DWR to discuss the respective benefits. Discussions focused primarily on the type of project information needed to develop CAPBs. Agencies explained the three-step process they will follow, which consist of information exchange, development of contract terms, and execution of the contracts.

CDFW explained that they will be looking at a physical matrix (flow and temperature) to be developed by Valley Water and a biological matrix (fish and habitat) to be developed by CDFW which may monitor water delivered and biological change in the creek. DWR indicated that emergency response benefits provided by six of the WSIP projects will be pooled by the State, which will call on them when emergency supplies are needed, per State's Emergency Water Management Plan. DWR has yet to develop an approach for each WSIP project in regards to connectivity to the system, reliability, and prioritization. Additional discussions will be needed to determine how much public benefit water the Project will provide, as well as how the conflicts between emergency supply (local and State) and fish releases may be resolved.

A handwritten signature in black ink that reads "Nina Hawk".

Nina Hawk
Chief Operating Officer
Water Utility Enterprise

File No.: 19-0412

Agenda Date: 5/20/2019

Item No.: 5.2.

COMMITTEE AGENDA MEMORANDUM

Water Storage Exploratory Committee

SUBJECT:

Semitropic and Out-of-County Groundwater Banking

RECOMMENDATION:

Receive and discuss information regarding status of Semitropic groundwater bank and other potential banking programs. This is an information-only item and no action is required.

SUMMARY:

Santa Clara Valley Water District (Valley Water) planning studies have assumed that the Semitropic groundwater bank (Semitropic) will continue to serve as the primary source of out-of-County storage and a critical source of dry year supplemental supply. Nonetheless, there are benefits in diversifying our storage arrangements that lead us to consider alternatives for the future.

Semitropic Groundwater Bank

To date, the only groundwater storage program that Valley Water has invested in outside of the County is the Semitropic Groundwater Bank (Semitropic Bank), located in northern Kern County and providing up to 350,000 acre-feet of storage capacity. Valley Water has benefited from its investment in Semitropic for more than twenty years. In particular, Semitropic provided the bulk of Valley Water's supplemental supplies during the critically dry years of 2014 and 2015, indicating that the bank can be effective during challenging conditions. Valley Water has stored in aggregate 540 thousand acre-feet and withdrawn in aggregate 248 thousand acre-feet from Semitropic. A benefit of the Semitropic program has been its investment approach, which recovers costs through annual operational charges without a large upfront capital investment

While Semitropic has been an effective program for Valley Water, it has its limitations. The Semitropic Bank (and several other potential banking opportunities) are located in the southern Central Valley, accessed using the California Aqueduct, which means stored water must be retrieved through exchange with water supplies from the Delta. There are potential challenges retrieving water from the bank during critically dry periods when limited State Water Project (SWP) supplies are available for exchange. Semitropic is a member agency of Kern County Water Agency and must receive Kern approval for its banking operations. During critically dry years, when limited SWP supplies are available to support Valley Water banking withdrawals, other SWP contractors have disagreed with some of Valley Water's withdrawal requests.

The Semitropic Water Storage District, which owns the Semitropic Groundwater Bank, has assured

staff that the banking operations will not be affected by the Sustainable Groundwater Management Act (SGMA); however, confirmation will be needed given that Semitropic is located in a groundwater basin that is vulnerable to overdraft and land subsidence.

Semitropic groundwater quality is challenged with elevated arsenic concentrations that require treatment in dry years prior to discharge into the California Aqueduct. To date, the cost of this effort has been reasonable, and banking withdrawals have not been reduced due to water quality issues. There are separate concerns for 1,2,3- Trichloropropane (TCP) pesticide contaminants in Kern County groundwater left over from pre-1940s agricultural operations. The State Water Resources Control Board has collected water quality samples from several wells in Northern Kern County that have indicated some potential for TCP contamination within Semitropic. Additional analyses are needed to assess Semitropic TCP conditions, and other banking partners have expressed concerns for returning any contaminated water to the California Aqueduct.

Other Groundwater Banking Opportunities

Staff has been evaluating other potential groundwater banking opportunities to diversify its storage portfolio. Several groundwater storage and banking opportunities in out-of-county locations within the Central Valley that have access to State Water Project (SWP) and Central Valley Project (CVP) facilities look promising. These groundwater banking opportunities could increase flexibility for Valley Water's operations through timing of water storage and recovery processes, providing backup during local emergencies, planned and unexpected outages, or periodic shortages such as drought. These opportunities are in various stages of development, and more information will be provided to the Committee as staff's evaluation is further developed.

In the current year, staff has submitted a banking request to Semitropic for up to 36,000 acre-feet of "put" in 2019, given relatively wet hydrologic conditions. This would equate to an end-of-year total of 325,125 acre-feet in storage at Semitropic, roughly 93 percent of total capacity. Staff will continue to provide Semitropic updates to the Committee, and will continue exploration of alternative banking projects to address Valley Water's pressing need for additional storage of their SWP and CVP water supplies.

ATTACHMENTS:

None.

UNCLASSIFIED MANAGER:

Garth Hall, 408-630-2750

File No.: 19-0413

Agenda Date: 5/20/2019

Item No.: 5.3.

COMMITTEE AGENDA MEMORANDUM

Water Storage Exploratory Committee

SUBJECT:

Update on Los Vaqueros Reservoir Expansion Project (LVE Project).

RECOMMENDATION:

Receive and discuss information on the Los Vaqueros Reservoir Expansion Project (LVE Project).

SUMMARY:

Los Vaqueros is an off-stream reservoir located in the foothills west of the Delta in Contra Costa County. Los Vaqueros was initially constructed by the Contra Costa Water District (CCWD) in 1998 with a capacity of 100,000 acre-feet (AF) and then expanded to 160,000 AF in 2012. The original reservoir and first expansion were completed on time, within budget, and without opposition. The Los Vaqueros Expansion (LVE) Project would increase the reservoir capacity to 275,000 AF and build the Transfer-Bethany Pipeline, which would connect CCWD's system to the California Aqueduct at Bethany Reservoir. Regardless of whether the Santa Clara Valley Water District (Valley Water) stores water in the expanded 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. Water delivered through the Transfer-Bethany Pipeline would then continue through the South Bay Aqueduct (SBA) to Santa Clara County. Valley Water staff are evaluating the water supply benefit of the LVE Project and Transfer Bethany Pipeline and the conveyance capacity of the SBA and Valley Water facilities for conveying LVE Project water.

Project Participants

The LVE Project started with 14 Local Agency Partners (LAP). Since then, Eastern Contra Costa Irrigation District has left the project and four members have consolidated under the San Luis & Delta Mendota Water Authority. Therefore, there are currently nine (9) LAPs (not including CCWD), and they are:

1. Alameda County Water District
2. Bay Area Water Supply & Conservation Agency
3. City of Brentwood
4. East Bay Municipal Utility District
5. Grassland Water District
6. Santa Clara Valley Water District
7. San Francisco Public Utilities Commission
8. Zone 7 Water Agency
9. San Luis & Delta Mendota Water Authority

- 9.1. Byron Bethany Irrigation District
- 9.2. Del Puerto Water District
- 9.3. Panoche Water District
- 9.4. Westlands Water District

Total Project Cost

The total project implementation cost of the LVE Project based on assumptions made in the Proposition 1 Water Storage Investment Program (WSIP) application is approximately \$980 million in 2015 constant dollars. LVE Project Cost in 2018 constant dollars is \$864 million. The LVE Project costs have decreased due to the elimination of project elements no longer needed, such as the East Contra Costa Irrigation District interconnection pipeline and an improved alignment for the Transfer-Bethany Pipeline. CCWD received the maximum eligibility award for WSIP funding of \$459 million. In addition, California Water Commission (CWC) authorized \$13.65 million in early funding for planning and design and CCWD received an eligibility award of \$2.15 million in federal funding for planning and design through the Water Infrastructure Improvement for the Nation Act (WIIN Act).

In 2016, Valley Water Board of Directors authorized the CEO to execute an agreement to participate in the LVE Project and contribute \$100,000 to support CCWD's Proposition 1 WSIP application. In 2019, the Board authorized the CEO to execute an agreement to continue its participation in the LVE Project and contribute \$315,000 to continue various planning, permitting and design efforts. Additionally, some of these funds will be used as matching local funds required by WSIP and the WIIN Act.

Project Governance

The LVE Project currently is being led by CCWD. CCWD's financial consultant will work with the LAPs to develop a JPA agreement, anticipated to be established in 2020. The LAPs are planning to hire independent special counsel to represent them during JPA formation (Attachment 2). To participate in the special counsel selection process, each LAP and CCWD can designate an attorney or senior manager to serve on the ad hoc legal work group. Once the JPA is in place, responsibilities such as project financing and executing agreements will transition from CCWD to the JPA.

Potential Valley Water Benefits

The LVE Project 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 through Transfer Bethany Pipeline or pumped into an expanded Los Vaqueros Reservoir for later delivery. Pending further analysis, the LVE Project may provide the following benefits to Valley Water:

- An increase in water supply, primarily in dry years;
- Banking capacity of SWP and CVP contract supplies in an expanded Los Vaqueros Reservoir;
- Alternate points of diversion during periods when SWP and CVP exports are restricted by regulatory requirements that do not apply to CCWD diversions;
- Operational flexibility by conveying imported water from the California Aqueduct through the Transfer-Bethany Pipeline; and
- Improved operational flexibility of regional projects (e.g., desalination, refinery recycled water exchange, Bay Area Regional Reliability water market) by providing an additional conveyance

path via Transfer-Bethany Pipeline.

The extent to which these benefits may be realized depends on several issues that have yet to be resolved, including the level of participation (i.e., with or without storage in Los Vaqueros), permit requirements, regulatory conditions, adequate conveyance capacity in the SBA and Valley Water infrastructure, integration of operations with SWP and CVP, and integration of operations with existing and proposed Valley Water operations and infrastructure.

Valley Water staff continues to participate in the LVE Project discussions and is working with regional partners to evaluate system constraints. Staff is collaborating with SBA contractors and neighboring LAPs to assess SBA and Valley Water infrastructure (e.g., water treatment plants, Milpitas Intertie) capacity requirements and availability to deliver LVE Project water to Valley Water and neighboring LAPs.

Next Steps

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

- Spring/Summer 2019 - Form committee to select outside counsel to form JPA
- Summer 2019 - Review of user fees by third party consultant
- 2019/2020 - Conduct and review various financial model scenarios
- 2020 - Formation of JPA

ATTACHMENTS:

Attachment 1: PowerPoint Presentation

Attachment 2: Special Counsel Selection

UNCLASSIFIED MANAGER:

Jerry De La Piedra, 408-630-2257

MAY 20, 2019

WATER STORAGE COMMITTEE

Los Vaqueros Expansion Project

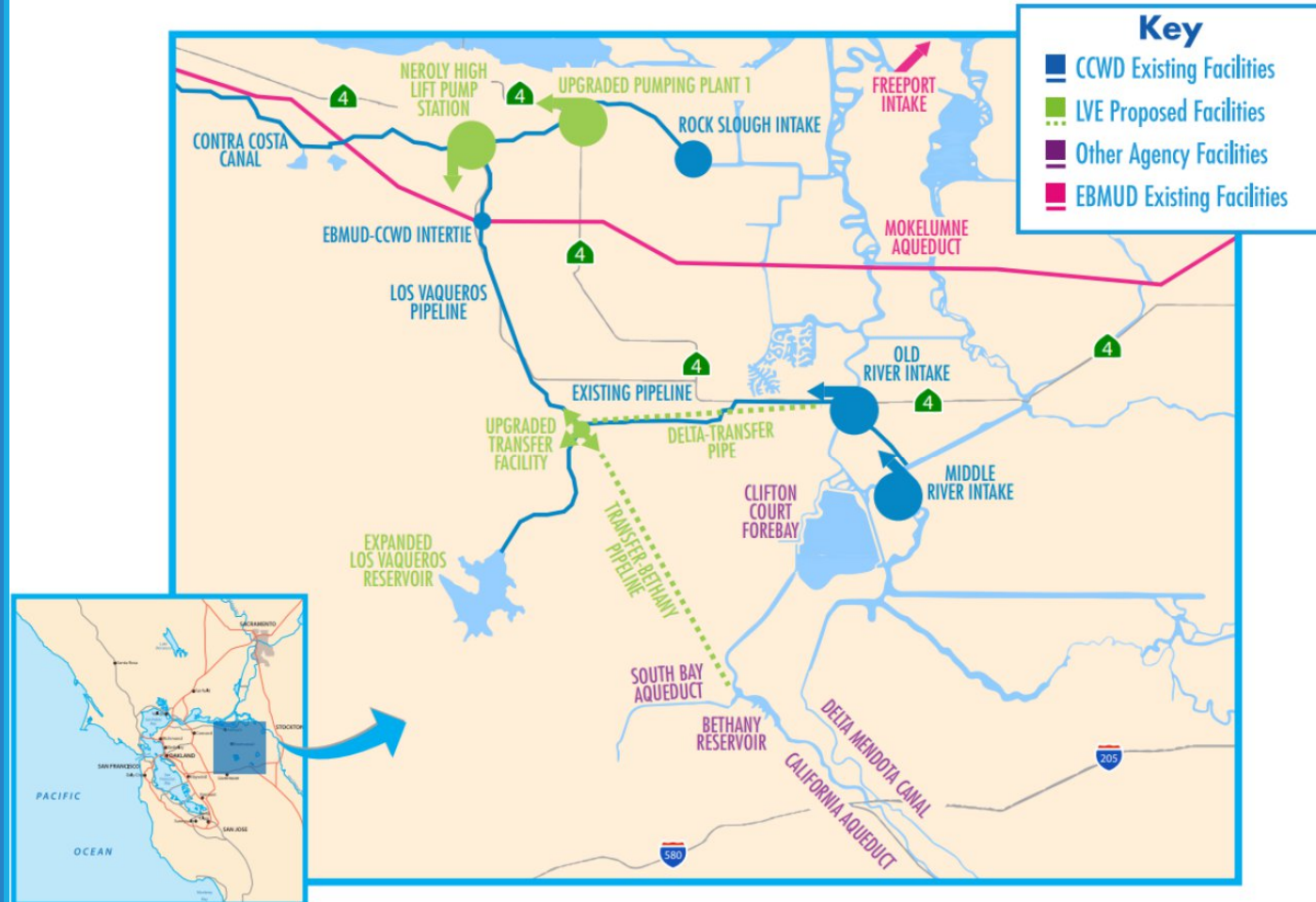


Staff Recommendations

- Receive and discuss information on the Los Vaqueros Reservoir Expansion Project (LVE Project).

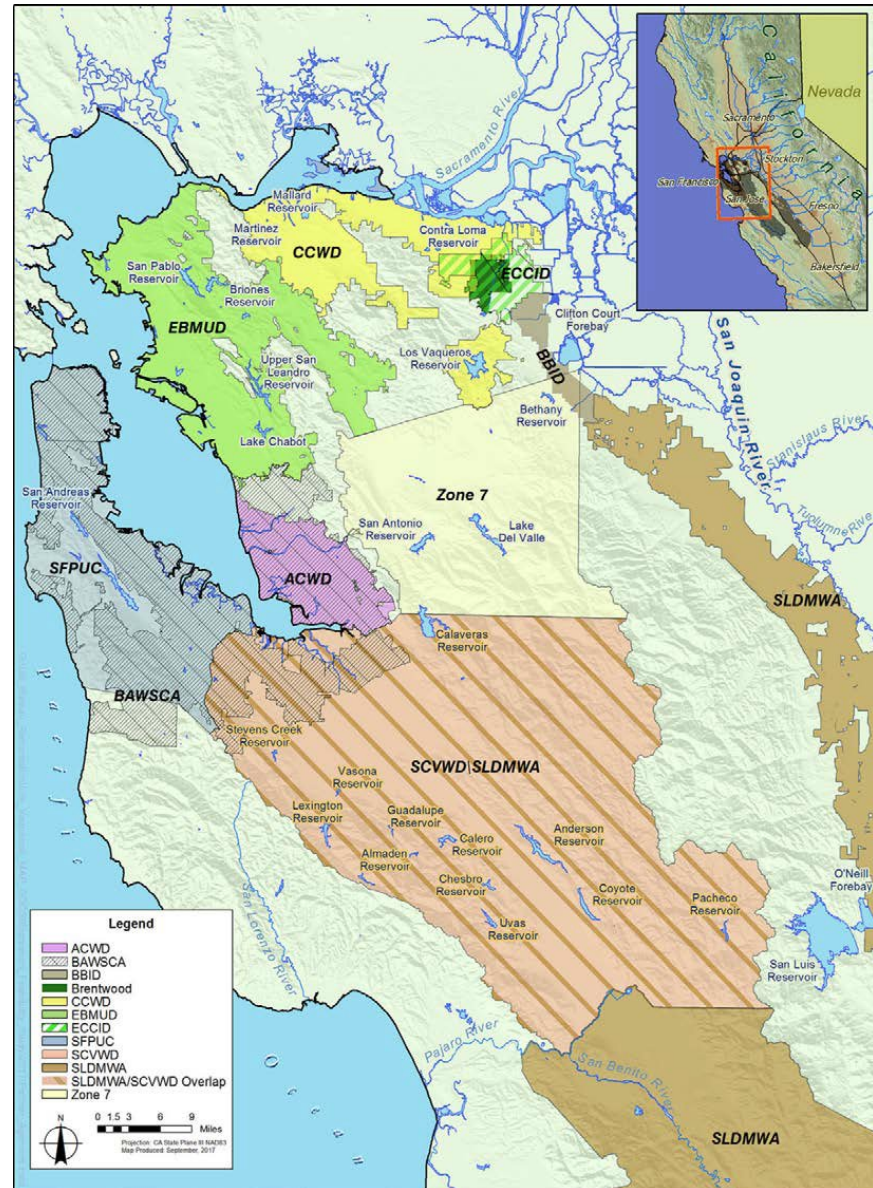
Project Description

- Water is pumped into the system from one of four existing intakes
- Water is sent to an upgraded Transfer Facility pump station
- From the Transfer Facility, water can be delivered directly to local agency partners and wildlife refuges or pumped into an expanded Los Vaqueros Reservoir for later delivery
- Water is delivered via the Transfer-Bethany Pipeline to the South Bay Aqueduct



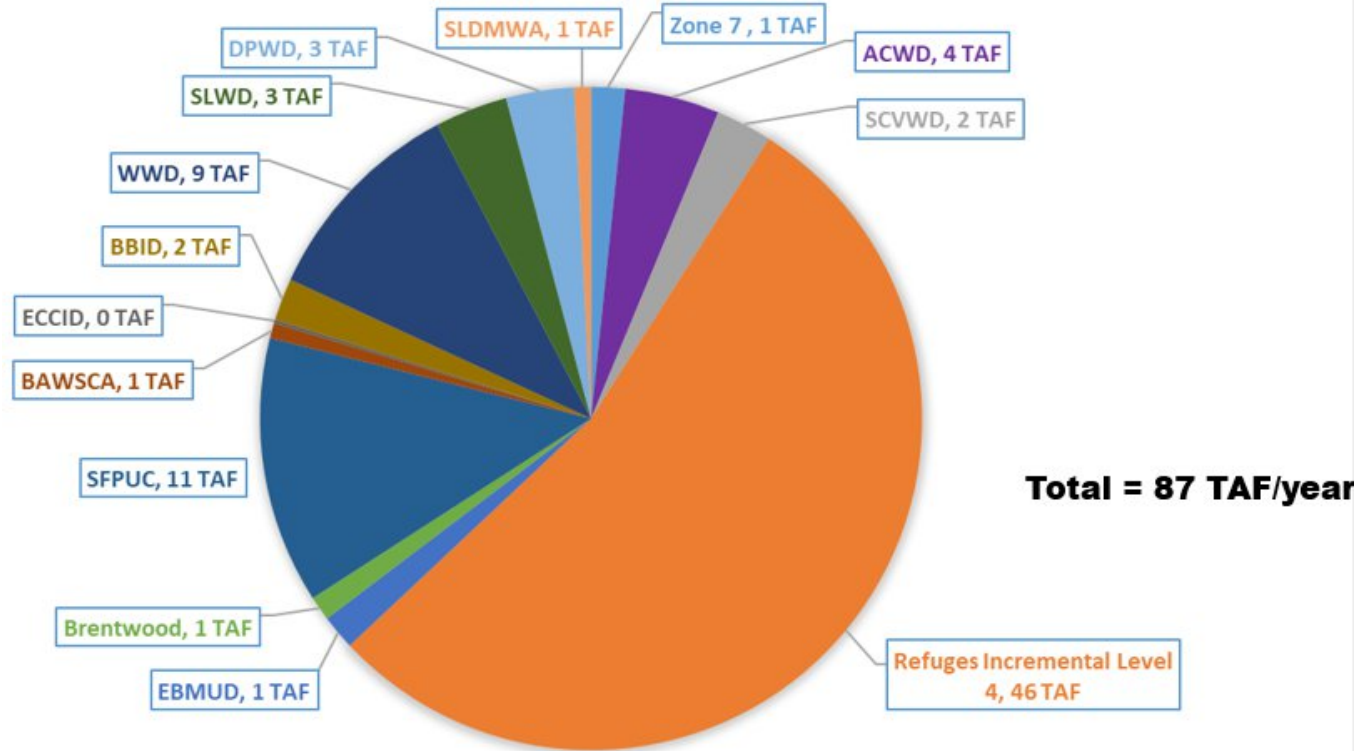
Local Agency Partners (LAPs)

1. Alameda County Water District
2. Bay Area Water Supply & Conservation Agency
3. City of Brentwood
4. East Bay Municipal Utility District
5. Grassland Water District (Refuge)
6. Santa Clara Valley Water District
7. San Francisco Public Utilities Commission
8. Zone 7 Water Agency
9. San Luis & Delta-Mendota Water Authority
 - 9.1 Del Puerto Water District
 - 9.2 San Luis Water District
 - 9.3 Westlands Water District
 - 9.4 Byron Bethany Irrigation District



Annual Average Project Water Deliveries

PHASE 2 LOS VAQUEROS RESERVOIR EXPANSION PROJECT
LONG-TERM AVERAGE ANNUAL WATER DELIVERIES TO PARTNERS



Project Support & Funding

Project Support

- Currently no vocal opposition

Project Costs

- Estimated total project cost: \$864 million
- Awarded \$459 million in Prop. 1 funding
 - Early funding: \$13.65 million
- Valley Water capital cost: TBD

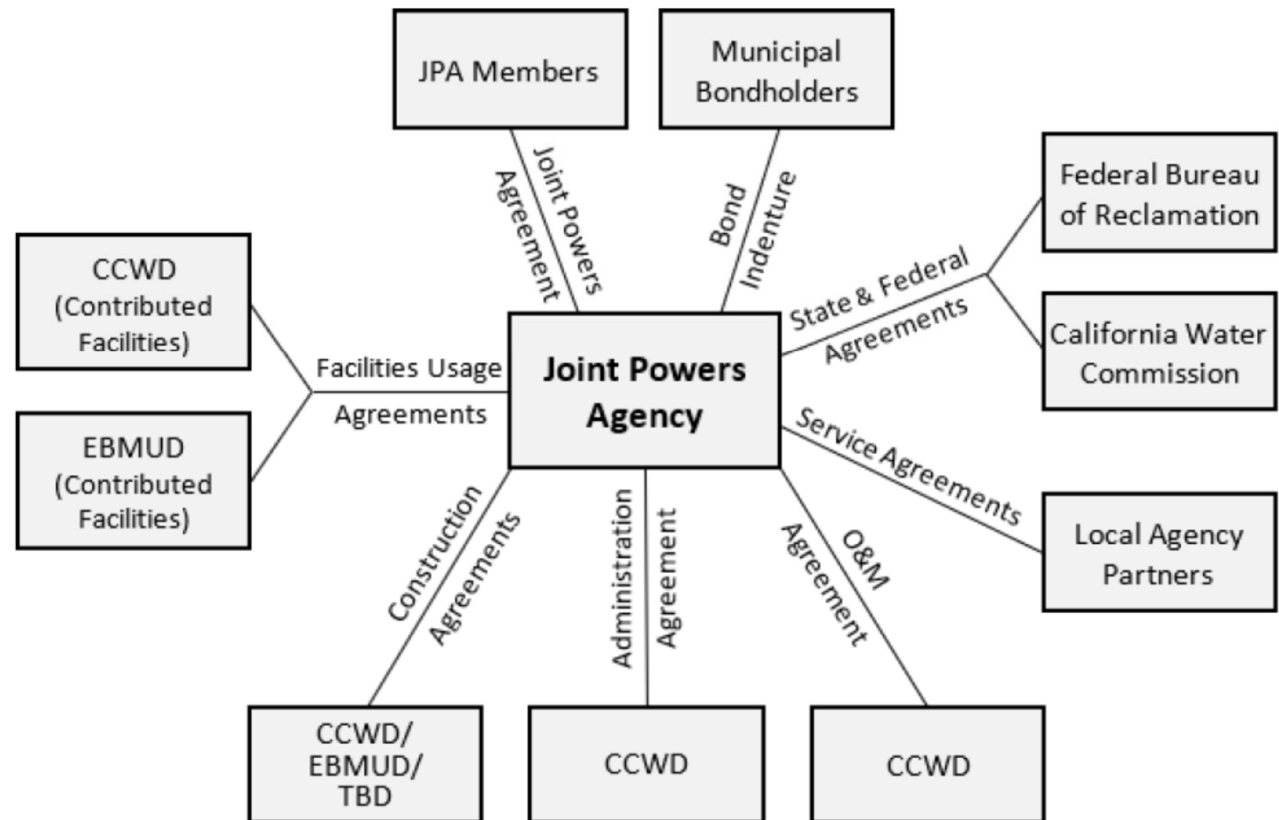
Valley Water Support

- In 2016: \$100,000 to support CCWD's Proposition 1 WSIP application
- In 2019: \$315,000 to continue LVE Project participation
 - Cost share planning, permitting, and design efforts
 - Matching local funds required by WSIP and WIIN Act

Project Governance

- Selection of special counsel to support development of JPA
 - CCWD seeking LAP volunteers to participate in selection process
- Special counsel scope of work
 - \$225,000 budget through June 2020
 - Draft termsheet on structure of JPA
 - Feedback on bond counsel's proposed terms
 - Draft and final JPA Agreement
- Responsibilities such as project financing and executing agreements will transition from CCWD to the JPA

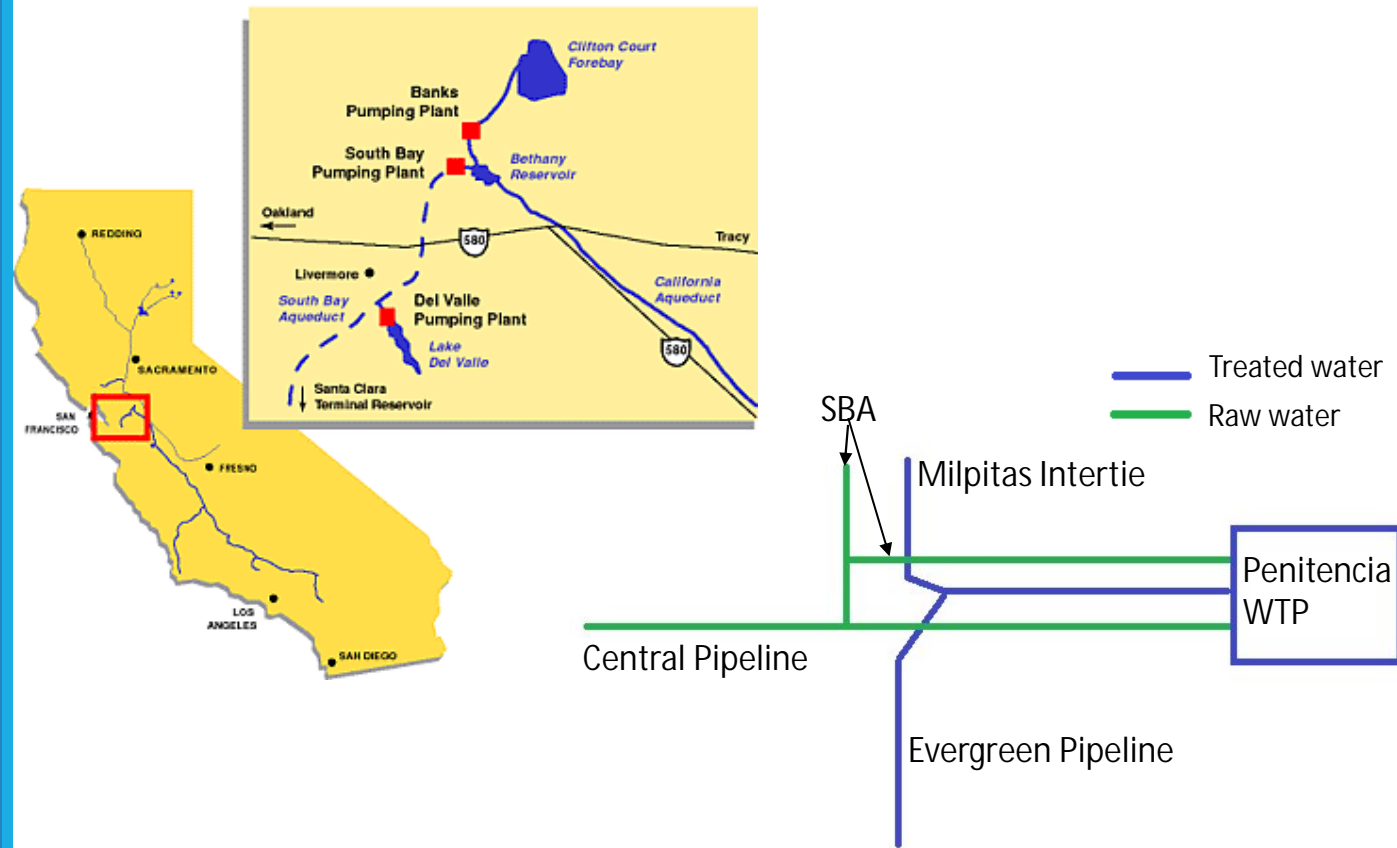
Post Financial Closing



Facility Capacity Analysis

Assessing infrastructure capacity to deliver LVE Project water

- Water delivery to Valley Water and neighboring LAPs
- South Bay Aqueduct (SBA), water treatment plants (WTP), Milpitas Intertie



Valley Water Operations and Benefits



Store surplus water into Los Vaqueros System

- Unused carryover
- Delta surplus
- Unused purified water capacity



Provide operational flexibility in maintaining groundwater levels



Provides operational flexibility via Transfer-Bethany Pipeline (TBP) for delivering regional and imported supplies

Next Steps

- Spring/Summer 2019 – Form committee to select outside counsel to form JPA
- Summer 2019 – Third party consultant review of user fees
- 2019/2020 – Conduct and review various financial model scenarios
- 2020 – JPA Formation
- 2020 – Partners & CCWD negotiate key terms of cost and governance

Los Vaqueros Reservoir Expansion Project Updates

May 8, 2019

JOINT SELECTION OF SPECIAL COUNSEL

Overview: Joint selection and engagement of special counsel to support the Local Agency Partners (LAPs) and CCWD in governance formation

Key concepts:

1. Selection of special counsel to support “the development of a long-term governance structure (currently envisioned as a Joint Powers Authority (JPA))” included as a purpose and joint responsibility in the Multi-party Cost Share Agreement for LVE Project Planning executed in April 2019 by the LAPs and CCWD (reference paragraphs 1.d) and 2.8a)).
2. Each LAP, and CCWD, to designate an attorney (inside or outside counsel) or senior manager to serve on ad hoc legal work group to participate in the joint selection process. Each LAP and CCWD will have equal input on selection of special counsel (i.e. one vote per agency).
3. Current working budget for special counsel is \$225,000 for work through June 2020 with funding provided by the Cost Share Agreement and the Early Funding Agreement executed in December 2018 between CCWD and the California Water Commission.
4. Bold, Polisner, Maddow, Nelson & Judson (BPMNJ), outside counsel to CCWD, will assist to facilitate selection process and administer contract with outside counsel on behalf of LAPs and CCWD. Invoices from outside counsel to be passed through to CCWD for reimbursement. CCWD to provide administrative support.
5. Proposed scope of work includes review of the Draft Termsheet describing the proposed commercial structure of the JPA developed by Clean Energy Capital (with input from LAPs and CCWD); initial feedback on proposed terms from bond counsel; and development of a draft and final Joint Powers Agreement with the review and input of the legal work group.

NEAR TERM MILESTONES

- May 2019
 - Each LAP designates attorney or senior manager to serve on ad hoc legal work group
 - Legal work group to develop draft Request for Proposals (RFP)
 - Legal work group provides suggested list of attorneys and legal firms to receive the RFP

- June 2019
 - Legal work group review and comment on draft RFP and proposed candidate legal firms
 - Finalize RFP and distribute to candidate legal firms
 - Post RFP on CCWD LVE procurement website

- July 2019
 - Legal work group reviews proposals and develops recommendations
 - Legal work group interviews short listed legal firms and selects preferred firm
 - Legal work group reviews the proposed disclosures, conflict waiver(s), common interest agreement, and joint representation agreement

- August 2019
 - All LAPs execute common interest agreement and joint representation agreement with appropriate waivers and disclosures
 - BPMNJ, contracting on behalf of the LAPs and CCWD, executes agreement with selected outside counsel with appropriate waivers and disclosures

- September 2019
 - Work begins with legal counsel review of latest draft of Termsheet

File No.: 19-0414

Agenda Date: 5/20/2019

Item No.: 5.4.

COMMITTEE AGENDA MEMORANDUM

Water Storage Exploratory Committee

SUBJECT:

The Water Supply Benefit of Anderson Reservoir.

RECOMMENDATION:

Receive and discuss information related to the water supply benefit of Anderson Reservoir.

SUMMARY:

Anderson Reservoir is the largest surface water reservoir in Santa Clara County with a storage capacity of approximately 89 thousand-acre-feet (TAF). The reservoir was constructed on Coyote Creek in 1950 to provide a reliable water supply to Santa Clara County residents. Due to seismic concerns, the Santa Clara Valley Water District (Valley Water) is currently operating the reservoir at a restricted capacity of approximately 52 TAF. The Division of Safety of Dams has communicated to Valley Water that a permanent reservoir operating capacity restriction cannot be the long-term dam safety measure. In addition, the Federal Energy Regulatory Commission has indicated that if Valley Water wishes to decommission the hydro-electric facility at the reservoir, we must first complete the seismic safety project (Attachment 2).

Valley Water is in the process of updating its Water Supply Master Plan (WSMP), which will identify the investments needed to meet our long-term water supply reliability goals. On January 14, 2019, as part of the update to the WSMP, Valley Water's Board of Directors (Board) reaffirmed the "Ensure Sustainability" strategy. A key component of this strategy is to secure existing supplies and infrastructure, including retrofitting existing dams. Although the WSMP assumes existing infrastructure will remain in place, Valley Water staff has evaluated combinations of potential projects that could provide a water supply benefit similar to Anderson Reservoir.

Water Supply Projects

Valley Water staff reviewed historical streamflow and recharge data from the Coyote Creek system and estimated that the annual average water supply benefit from Anderson Reservoir without a seismic restriction is approximately 44 TAF, of which 14 TAF could be recharged without the reservoir. Therefore, the net water supply benefit of Anderson Reservoir is estimated to be approximately 30 TAF. The estimated cost to retrofit Anderson Reservoir per the Fiscal Years 2019-2023 Capital Improvement Program report is \$551 million.

Staff reviewed a set of alternative projects that could provide a benefit similar to Anderson Reservoir (Table 1). Staff's assessment was informed through the update to the WSMP. Staff considered local (Pacheco Reservoir and potable reuse), regional (desalination), and state-level projects (California

WaterFix and Sites Reservoir). The state-level projects have the greatest uncertainties regarding estimated water supply benefit and potential for successful implementation. All projects, except for potable reuse, provide less operational flexibility than Anderson Reservoir since they are far from Valley Water's distribution system, managed recharge areas, and/or water treatment plants. The cost of projects or suites of projects that would obtain water supplies similar to those provided by Anderson Reservoir (30 TAF) may range from \$541 million (Additional California WaterFix and Sites Reservoir) to \$1.4 billion (potable reuse and Site Reservoir). Several of the projects listed in Table 1 (e.g., SWP California WaterFix, 24 TAF potable reuse, and Pacheco), are already accounted for in Valley Water's update to the WSMP, along with retrofitting our dams (e.g. Anderson Reservoir). If any of those projects do not move forward, an alternative project not currently accounted for in the WSMP would have to be identified for Valley Water to meet its long-term water supply reliability target.

Table 1. Preliminary project yields and costs. Not all project yield will necessarily be put to beneficial use.

Project Name	Annual Project Yield (TAF)	Lifecycle Cost (Present Value, 2018) ¹	Unit Cost ⁷ (\$ per AF)
Anderson Reservoir ²	30	\$551 million ⁶	\$640
SWP California WaterFix ^{2,3}	18	\$281 million	\$600
Additional California WaterFix ³	25	\$376 million	\$600
Los Vaqueros Reservoir Expansion ⁴	3.5-3.6	\$78-131 million	\$700-\$1,200
Pacheco Reservoir ²	4-6	\$470 million ⁵	\$2,700
Potable Reuse ²	24	\$1.2 billion	\$1,800
Additional Potable Reuse	21	\$1.6 billion	\$2,400
Regional Desalination	5	\$227 million	\$1,600
Sites Reservoir	8	\$165 million	\$1,200

¹The Valley Water Lifecycle Cost (Present Value, 2018\$) includes Valley Water's capital, operations, maintenance, rehabilitation, and replacement costs, as applicable, for a 100-year period, discounted back to 2018 dollars. All costs are subject to change pending additional planning and analysis.

² Projects were included as part of the Protection and Augmentation of Water Supplies FY 2019-2020 water rate scenario.

³The California WaterFix project is currently being reevaluated by the California Department of Water Resources. Yield and cost values are as reported in the May 8, 2018 agenda memo to the Board.

⁴The low range for the yield and cost assumes only participating in Transfer Bethany Pipeline. The high range in yield and cost assumes participating in Transfer Bethany Pipeline and storage in the expanded Los Vaqueros Reservoir.

⁵Assumes \$485 million of Water Storage Infrastructure Program (WSIP) funding through the California Water Commission. The cost estimate does not include WIIN funding, WIFIA loan, and partner agencies payments.

⁶Cost only includes capital investment costs. The completion of this project is not anticipated to increase or decrease annual operating costs, as the project does not significantly alter the existing facilities or modes of operation.

⁷Based on the operational characteristics of each project and the pairing of projects, not all project yield may be put to beneficial use. Therefore, each project may have a different effective yield, which may change the unit costs.

Other Considerations

Anderson Dam must be seismically retrofitted to remove the interim reservoir storage restriction and operate at full capacity, allowing Valley Water to maximize its ability to use its water rights. The

Federal Energy Regulatory Commission has indicated that if Valley Water wishes to decommission the hydro-electric facility at the reservoir, we must first complete the seismic safety project. The decommissioning of Anderson Dam may significantly increase the flood risk to downstream communities, potentially impact the Fisheries and Habitat Collaborative Effort (FAHCE), and reduce in-county emergency supplies and operational flexibility. Anderson Reservoir is integral to Valley Water's emergency response and operational flexibility because it is close to Valley Water's distribution system, water treatment plants, and Valley Water's managed recharge areas. Currently, Anderson Reservoir is the larger of only two reservoirs that can send stored surface water directly to water treatment plants. In addition, there would be significant cost and regulatory requirements associated with decommissioning the dam.

Next Steps

The Board approved the WSMP "Ensure Sustainability" strategy on January 14, 2019. The strategy includes securing existing supplies and infrastructure (including dam retrofits), supplementing existing supplies through conservation and recycled water, and optimizing the existing system. Staff is in the process of finalizing an internal draft of the WSMP with the assumption that existing dams will be retrofitted. If one or more of the existing dams will not be retrofitted, additional analysis will be needed to better understand the overall impact to the region in terms of benefits (i.e. water supply, potential flood risk reduction, environmental, etc.) and their associated costs.

ATTACHMENTS:

Attachment 1: PowerPoint

Attachment 2: February 2018 Memorandum

UNCLASSIFIED MANAGER:

Jerry De La Piedra, 408-630-2257

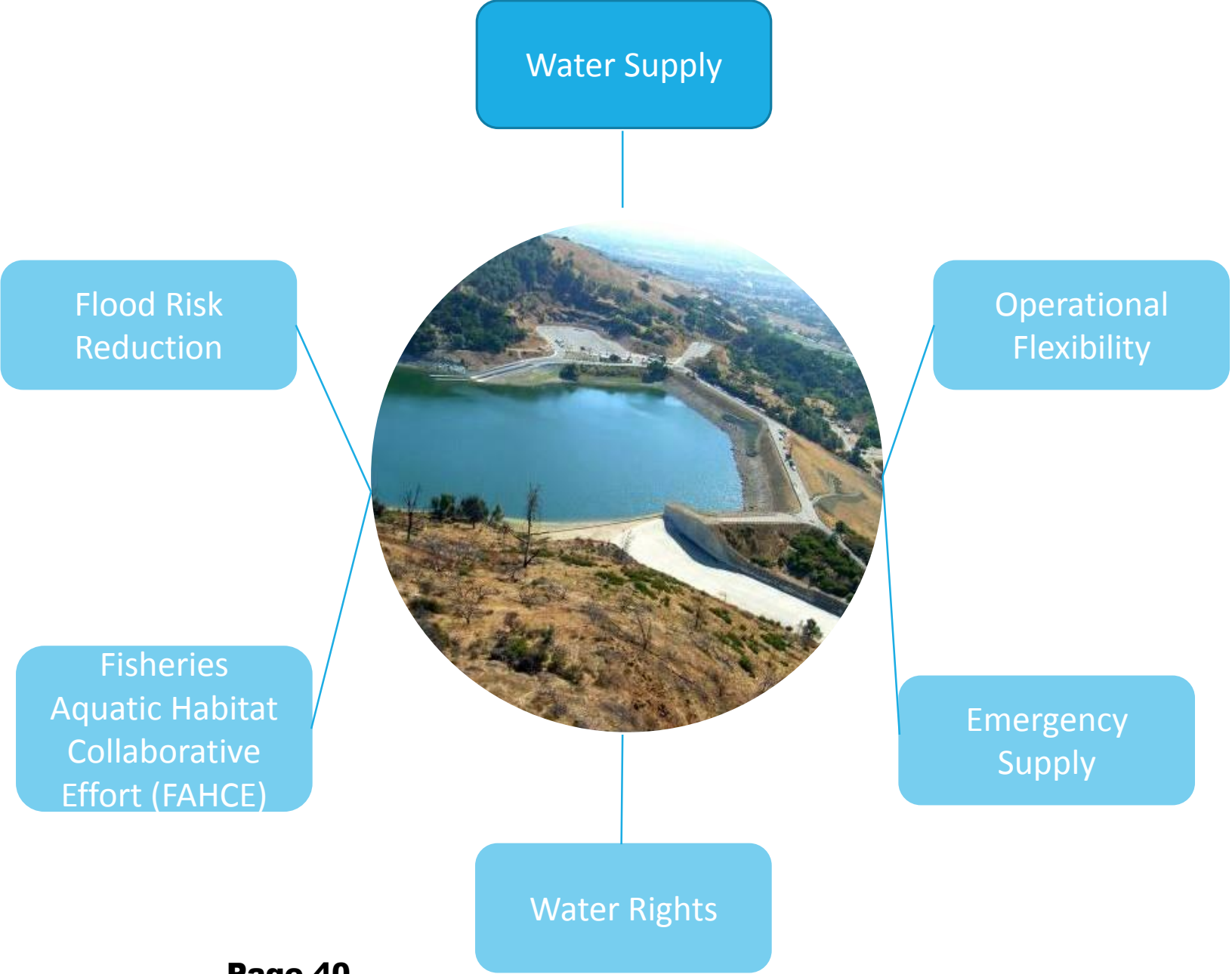
MAY 20, 2019

Anderson Reservoir

Water Storage Committee



Anderson Reservoir Benefits and Other Considerations



Water Supply Benefits

- Coyote creek system water supply benefit is approximately 44 thousand acre-feet (TAF)
 - 14 TAF could be recharged without Anderson Dam
 - Net water supply benefit = 30 TAF
- Seismic retrofit cost: \$551 million
- Division of Safety of Dams:
 - Permanent operating capacity restriction cannot be the long-term dam safety measure
- Federal Energy Regulatory Commission:
 - Complete seismic safety project before decommissioning the hydro-electric facility

Water Supply Benefits and Costs

Project Name	Annual Average Yield (TAF)	Lifecycle Cost (Present Value, 2018)	Unit Cost (\$ per AF)
Anderson Reservoir ¹	30	\$551 million ²	\$640
SWP California WaterFix ¹	18	\$281 million	\$600
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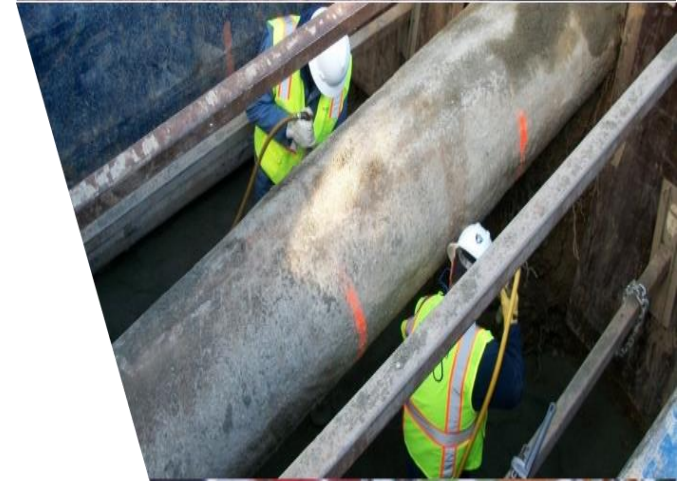
¹Included as part of the Protection and Augmentation of Water Supplies FY 2019-2020 water rate scenario to ensure a reliable supply in 2040.

²From the 2019-2023 Capital Improvement Program report. Only includes capital investment costs.

Water Supply Master Plan

Ensure Sustainability Strategy:

1. Secure existing supplies and infrastructure
 2. Expand conservation and reuse
 3. Optimize the system
- Includes dam seismic retrofits, pipeline maintenance and repair, securing imported water supplies
 - Protects past investments
 - Secures the foundation upon which new projects will be built:
 - 55,000 acre-feet per year (AFY) of natural groundwater recharge
 - 85,000 AFY of local surface water supply



Next Steps

- Staff in process of finalizing an internal draft of the Water Supply Master Plan
- Without seismic retrofits, additional analysis will be needed to better understand the impacts to the region:
 - Water supply benefits
 - Potential flood risk reduction
 - Fisheries Aquatic Habitat Collaborative Effort (FAHCE)
 - Emergency supply
 - Operational flexibility
 - Water rights
 - Cost



MEMORANDUM

TO: Victor Gutierrez, PE
District Project Manager
Anderson Dam Seismic Retrofit Project
(ADSRP)

FROM: Megan Puncke, PG, CEG
ADSRP PMC PM

SUBJECT: ADSRP Discussion of Surrendering the
Federal Energy Regulatory Commission
Exemption for the Hydropower Facility at
Anderson Dam

DATE: February 21, 2018

Background

The District applied for an exemption from a license for a small hydropower facility at the base of Anderson Dam on April 11, 1984. The project was deemed to be exempt from the requirements of Part I of the Federal Power Act and the exemption was finalized by Federal Energy Regulatory Commission (FERC) on August 24, 1984 with no conditions placed on the District (as the licensee) by resource agencies, such as US Fish and Wildlife Agency and State Historic Preservation Office. With the Anderson Dam Seismic Retrofit Project (ADSRP) moving forward, the District has started to weigh the options of applying for an amendment to the existing exemption versus surrendering the exemption and decommission the hydropower facility. The current plan is to file for an amendment to the existing exemption, which will require the District to submit application materials to FERC Division of Hydropower Compliance and Administration (DHAC) after the Environmental Impact Report (EIR) is finalized, as many of the application materials will be derived from the environmental review process. However, if the District does intend to remove the hydropower facility in the near future, that could be done as a part of the ADSRP project and any potential impacts could be evaluated in the EIR that is currently being developed. Because the ADSRP has not yet hit the 60% Design milestone or finalized the Project Description to be evaluated in the EIR, very little rework would be required to evaluate that action as a part of the ADSRP efforts and it may be an advantageous time to begin to surrender the exemption for the power generation facility and remove the facility. Here are some key points for the District to consider regarding surrendering the exemption.

According to the District's preliminary discussions with FERC, the process for surrendering an exemption is similar to the exemption amendment process (procedurally) and is not likely to impact the permitting or construction schedule. Both processes require FERC to consult resource agencies for compliance under Section 106 National Historic Preservation Act and Section 7 Endangered Species Act requirements. On October 17, 2017, Steve Hocking (FERC DHAC) discussed the surrender option with Kurt Lueneburger and indicated that the surrender process would be more efficient for the District and FERC than filing for an exemption amendment. However, the surrender would be conditioned, including a provision that the surrender would not be effective until all safety issues are addressed, i.e. the seismic retrofit project is complete, and any FERC mandated restoration measures are completed.

In general, FERC does not mandate long-term conditions as a part of the surrender process. However, pursuing an exemption amendment (instead of surrendering the exemption) could result in new

conditions being placed on the District by resource agencies. In particular, the National Marine Fisheries Service (NMFS) would be expected to request FERC to place conditions on the District to provide fish passage over Anderson Dam. Early estimates indicate that a trap and haul program would cost \$8-17M initially, plus \$0.5 M for annual operating costs.

The District is at a decision point in regards to surrendering the hydropower facility at Anderson Dam or keeping the hydropower facility and pursuing an exemption amendment during the ADSRP permitting process. The pros and cons for each scenario are summarized in Table 1 below. The District needs to decide if the electricity generation at the powerhouse is worth the additional costs associated with FERC’s involvement in future dam work and the potential mandate of a fish passage.

Table 1. Summary of Pros and Cons for Surrendering the Exemption or Amending the Exemption

OPTION	PROS	CONS
<p>Exemption Amendment</p>	<ul style="list-style-type: none"> • Continued generation of hydropower 	<ul style="list-style-type: none"> • FERC oversight requirements would continue for Anderson Dam related activities • Could open the door to new conditions on the District, i.e. provide fish passage over Anderson
<p>Surrender of Exemption</p>	<ul style="list-style-type: none"> • The surrender process is more efficient than the amendment process and would likely have little impact on the project schedule • Once the surrender process is complete, the District will not be required to coordinate with FERC for activities on Anderson Dam • The surrender process will not likely include long-term conditions, such as a mandate for fish passage 	<ul style="list-style-type: none"> • Loss of 800 kW (at maximum production) generated by the power plant • The surrender process will only be effective once all safety concerns and restoration on Anderson Dam are addressed

Recommendation

The PMC recommends that if the District is planning to surrender the hydropower facility, it appears advantageous to do so as a part of the ADSRP environmental review and permitting process to avoid potentially costly conditions being placed on the District.

File No.: 19-0490

Agenda Date: 5/20/2019

Item No.: 5.5.

COMMITTEE AGENDA MEMORANDUM

Water Storage Exploratory Committee

SUBJECT:

B.F. Sisk Dam Raise.

RECOMMENDATION:

Receive and discuss information on the B.F. Sisk Dam Raise.

SUMMARY:

This memo provides information regarding recent efforts to study a possible raise of B.F. Sisk Dam to expand San Luis Reservoir's existing water storage capacity. On August 31, 2018, the San Luis and Delta-Mendota Water Authority (SLDMWA) sent a letter to the United States Bureau of Reclamation's (Reclamation) Mid-Pacific Regional Director requesting that Reclamation investigate the feasibility of raising Sisk Dam as part of its B.F. Sisk Safety of Dams Modification Project, which is addressing seismic stability concerns of the existing dam. Subsequently, at its February 7, 2019 Board meeting, the SLDMWA approved execution of a contributed funds agreement with Reclamation in the amount of \$25,000 to fund additional studies that will produce a revised cost estimate, project schedule, and description of how these projects might be integrated. The results of these studies have not yet been released.

Information discussed at the September 13, 2018 SLDMWA Board meeting indicated that raising B.F. Sisk Dam by an additional 10 feet above the height required to address the seismic concerns, would result in an increased storage volume of 120 thousand acre-feet, at an additional cost of between \$400 million and \$600 million. It has not been determined how the additional yield or storage capacity might be shared among the potential beneficiaries.

ATTACHMENTS:

None

UNCLASSIFIED MANAGER:

Garth Hall, 408-630-2750

File No.: 19-0415

Agenda Date: 5/20/2019

Item No.: 5.6.

COMMITTEE AGENDA MEMORANDUM

Water Storage Exploratory Committee

SUBJECT:

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

RECOMMENDATION:

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

SUMMARY:

The Committee's Work Plan outlines the Board-approved topics for discussion to be able to prepare policy alternatives and implications for Board deliberation. The work plan is agendaized at each meeting as accomplishments are updated and to review additional work plan assignments by the Board.

BACKGROUND:

Governance Process Policy-8:

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

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

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

ATTACHMENTS:

Attachment 1: WSEC 2019 Work Plan

Attachment 2: Next Meeting's Proposed Agenda

File No.: 19-0415

Agenda Date: 5/20/2019
Item No.: 5.6.

UNCLASSIFIED MANAGER:
Michele King, 408-630-2711

2019 Work Plan: Water Storage Exploratory Committee

Update: April 2019

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)	ACCOMPLISHMENT DATE AND OUTCOME
1	Pacheco Reservoir Expansion Project Update	2-22-19 5-20-19	Review, discuss, and provide input regarding the status of the Pacheco Reservoir Expansion Project.	Accomplished February 22, 2019: The Committee reviewed, discussed, and provided input regarding the status of the Pacheco Reservoir Expansion Project and took no action.
2	Update on the Los Vaqueros Reservoir Expansion Project (LVE Project)	2-22-19 5-20-19	Receive an update on the Los Vaqueros Expansion Project.	Accomplished February 22, 2019: The Committee Receive an update on the Los Vaqueros Expansion Project and took the following action:
3	Sites Project Authority 2019 Reservoir Project Agreement for Continued District Participation in the Sites Reservoir Project	2-22-19	<ul style="list-style-type: none"> Receive information on the Sites Project Authority 2019 Reservoir Project Agreement for Continued District Participation in the Sites Reservoir Project. 	Accomplished February 22, 2019: The Committee received information on the Sites Project Authority 2019 Reservoir Project Agreement for continued District participation in the Sites Reservoir Project and took the following action:
4	Semitropic and other potential groundwater banking programs	2-22-19	<ul style="list-style-type: none"> Receive information on the Semitropic and other potential groundwater banking programs. 	Accomplished February 22, 2019: The Committee received information on the Semitropic and other potential groundwater banking programs and took no action.
5	Review of 2018 Water Storage Exploratory Committee Work Plan	2-22-19 5-20-19	<ul style="list-style-type: none"> Review the Committee's 2019 Work Plan. 	Accomplished February 22, 2019: The Committee reviewed the Committee's 2019 Work Plan and took no action.

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

Attachment 1

Page 1 of 2

2019 Work Plan: Water Storage Exploratory Committee

Update: April 2019

ITEM	WORK PLAN ITEM	MEETING	INTENDED OUTCOME(S)	ACCOMPLISHMENT DATE AND OUTCOME
6	Semi tropic and out of county storage discussion.	5-20-19	<ul style="list-style-type: none"> Discuss Semi tropic and out of county storage. 	
7	Anderson Dam cost benefit discussion	5-20-19	<ul style="list-style-type: none"> Discuss Anderson Dam cost benefit 	
8	Update on the Proposed Sites Reservoir Project	TBD	<ul style="list-style-type: none"> Receive an update on the Proposed Sites Reservoir Project. 	
9	Update on San Luis Reservoir Expansion	TBD	<ul style="list-style-type: none"> Receive an overview of the San Luis Reservoir Expansion. 	
10	Update on San Luis Low Point Improvement Project	TBD	<ul style="list-style-type: none"> Receive an update on the San Luis Low Point Improvement Project 	
11	Update on Shasta Reservoir Expansion	TBD	<ul style="list-style-type: none"> Receive an update on Shasta Reservoir Expansion 	

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

SCVWD Water Storage Exploratory Committee:

Director Gary Kremen (Committee Chair)

Director Richard P. Santos

Director John L. Varela



AGENDA

WATER STORAGE EXPLORATORY COMMITTEE

TBD

Time Certain:

	1.	<u>Call to Order/Roll Call</u>
	2.	<u>Time Open for Public Comment on Any Item Not on the Agenda</u> <i>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.</i>
	3.	<u>Approval of Minutes</u> 3.1 Approval of Minutes – May 20, 2019, meeting
	4.	<u>Action Items:</u> 4.1 Pacheco Reservoir Expansion Project Update (Chris Hakes) Recommendation: This is an information only item and not action is required. However, the Committee may provide comments for Board consideration. 4.2 Update on the Los Vaqueros Reservoir Expansion Project (LVE Project) (Jerry De La Piedra) Recommendation: Receive and discuss information on the Los Vaqueros Reservoir Expansion Project (LVE Project). 4.3 Review of 2018 Water Storage Exploratory Committee Work Plan and the Committee's next meeting agenda (Committee Chair) Recommendation: Review the Committee work plan to guide the Committee's discussions regarding policy alternatives and implications for Board deliberation.
	5.	<u>Clerk Review and Clarification of Committee Actions</u> <i>This is a review of the Committee's Actions (from Item 4).</i>
	6.	<u>Adjourn</u>

Reasonable efforts to accommodate persons with disabilities wishing to attend committee meetings will be made. please advise the Clerk of the Board Office of any special needs by calling (408) 630-2277.

Meetings of this committee will be conducted in compliance with all Brown Act requirements. 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 same time that the public records are distributed or made available to the legislative body, at the following location:

Santa Clara Valley Water District, Office of the Clerk of the Board
5700 Almaden Expressway, San Jose, CA 95118

WATER STORAGE EXPLORATORY COMMITTEE PURPOSE:

The purpose of the Water Storage Exploratory Committee will receive and discuss information on issues related to water storage options. The Committee representatives may assist their respective Board of Directors on policies and actions related to these matters