

December 4, 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
Tim Bramer, Interim Deputy Operating Officer, Water Utility Capital Division
Christopher Hakes, Deputy Operating Officer, Dam Safety & Capital Delivery Division
Rechelle Blank, Assistant Officer, Dam Safety and Capital Delivery Division
Jerry De La Piedra, Assistant Officer, Water Supply Division Deputy's Office
Cindy Kao, Imported Water Manager, Imported Water Unit
Ryan McCarter, Pacheco Project Manager, Pacheco Project Delivery Unit
Charlene Sun, Treasury and Debt Manager
Medi Sinaki, Senior Engineer – Water Quality
Metra Richert, Unit Manager, Water Supply Planning & Conservation Unit

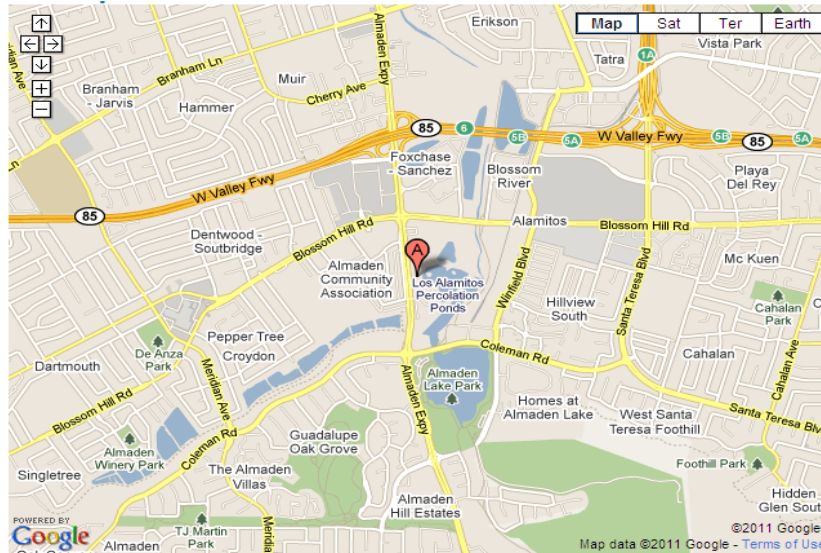
A regular meeting of the Santa Clara Valley Water District (SCVWD) Water Storage Exploratory Committee is to be held on **Wednesday, December 11, 2019, at 10:00 a.m.** in the Headquarters Building Boardroom located at the Santa Clara Valley Water District, 5700 Almaden Expressway, San Jose, California. Refreshments 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 Boardroom
5700 Almaden Expressway
San Jose CA 95118

REGULAR MEETING AGENDA

Wednesday, December 11, 2019
10:00 AM

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

WATER STORAGE EXPLORATORY
COMMITTEE

Gary Kremen, Chair, District 7
Richard P. Santos, District 3
John Varela, District 1

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 the committee meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 265-2600.

CHRISTOPHER HAKES
Committee Liaison

GLENNA BRAMBILL
Management Analyst II
Office/Clerk of the Board
(408) 630-2408
gbrambill@valleywater.org
www.valleywater.org

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

**Santa Clara Valley Water District
Water Storage Exploratory Committee
REGULAR MEETING
AGENDA**

Wednesday, December 11, 2019

10:00 AM

Headquarters Boardroom 5700 Almaden
Expressway San Jose CA 95118

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 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.

3. APPROVAL OF MINUTES:

3.1. Approval of Minutes.

[19-1115](#)

Recommendation: Approve the October 25, 2019, Meeting Minutes.

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: 102519 DRAFT Mins](#)

Est. Staff Time: 5 Minutes

4. INFORMATION ITEMS:

4.1. Standing Items Information.

[19-1116](#)

Recommendation: A. This agenda item allows the Committee to receive verbal or written updates and discuss the following subjects. These items are generally informational; however, the Committee may request additional information from staff:

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

1. Update on Los Vaqueros Reservoir Expansion Project (Metra Richert) and Update on Management of South Bay Aqueduct (SBA) Facilities (Erin Baker)

Report:

Valley Water staff have been working with Contra Costa Water District (CCWD) and Clean Energy Capital (CEC) to review the draft LVE Project JPA Term Sheet, defining Local Agency Partner (LAP) participation. CCWD and CEC have held conference call workshops to discuss Term Sheet feedback and LAP concerns, attended by both Valley Water staff and executive management, focused mainly on defining proposed JPA roles, responsibilities, and project participant risks. JPA formation and structure (i.e., project governance) will be the foundation for LAP participation in the LVE Project moving forward. As such, future workshops are expected to continue JPA-related discussions, and address proposed LAP project costs and operations for both Los Vaqueros Reservoir Expansion storage and Transfer Bethany Pipeline conveyance. Valley Water General Counsel has also been working with other LAPs to select external legal counsel for pending review of the JPA Term Sheet and proposed formation/structure.

Related to specific LAP coordination, Valley Water staff have been evaluating Bay Area Water Supply & Conservation Agency (BAWSCA) and San Francisco Public Utilities Commission (SFPUC) requests to convey, treat and transfer their LVE Project water through South Bay Aqueduct (SBA) facilities, Valley Water's Water Treatment Plants, and the Milpitas Intertie. Staff presented a brief high-level review of SBA and Valley Water facility capacities at BAWSCA meeting during November 2019 and will continue to explore options to facilitate these requests. Additionally, Valley Water financial staff have been working with external consultants to analyze proposed usage fees related to project reliance on existing facilities (e.g., existing Los Vaqueros Reservoir and Freeport Diversion), with draft fees and reports anticipated for by December

2019.

Staff will provide a verbal update at the 12-11-19, meeting.

Report:

The South Bay Contractors will meet with the Deputy Director of the State Water Project to discuss the South Bay Aqueduct condition issues on November 22, 2019. Staff will provide a brief verbal update at the 12-11-19, meeting.

2. Water Banking Opportunities including but not limited to Pleasant Valley Water District (Cindy Kao)
3. Update on Conceptual Lake Del Valle Modifications (Cindy Kao)
4. Del Puerto (Cindy Kao)

Manager: Michele King, 408-630-2711

Est. Staff Time: 10 Minutes

5. ACTION ITEMS:

5.1. Pacheco Reservoir Expansion Project Update

[19-1117](#)

Recommendation: Receive and discuss information regarding status of the Pacheco Reservoir Expansion Project. This is an information-only item and no action is required.

Manager: Christopher Hakes, 408-630-3796

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

Est. Staff Time: 10 Minutes

5.2. Semitropic Groundwater Bank Update

[19-1118](#)

Recommendation: Receive and discuss information regarding the status of Semitropic Groundwater Bank. This is an information-only item and no action is required.

Manager: Garth Hall, 408-630-2750

Attachments: [Attachment 1: Semitropic Bank Contractual Allocations](#)
[Attachment 2: Valley Water's Semitropic GSP Comment Letter](#)

Est. Staff Time: 10 Minutes

- 5.3. Water Storage-P3 (Public Private Partnership) Project Delivery Presentation. [19-1119](#)
Recommendation: Receive and discuss information regarding a conceptual presentation from Mr. Paul Kelley-Infracapital. This is an information-only item and no action is required.
Manager: Michele King, 408-630-2711
Attachments: [Attachment 1: Infracapital Presentation](#)
- 5.4. Legislative Guiding Principles - South Bay Aqueduct Operational Reliability and Maintenance [19-1156](#)
Recommendation: Recommend that the Board amend the 2020 Legislative Guiding Principles to add the South Bay Aqueduct Operational Reliability and Maintenance.
Manager: Rachael Gibson, 408-630-2884
Attachments: [Attachment 1: October 25, 2019 WSEC Agenda Item](#)
[Attachment 2: 2020 Legislative Guiding Principles and Proposals](#)
Est. Staff Time: 10 Minutes
- 5.5. Review Water Storage Exploratory Committee Work Plan and the Committee's Next Meeting Agenda. [19-1120](#)
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 2020](#)
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.



Santa Clara Valley Water District

File No.: 19-1115

Agenda Date: 12/11/2019
Item No.: 3.1.

COMMITTEE AGENDA MEMORANDUM

Water Storage Exploratory Committee

SUBJECT:

Approval of Minutes.

RECOMMENDATION:

Approve the October 25, 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: 102519 WSEC Draft Mins

UNCLASSIFIED MANAGER:

Michele King, 408-630-2711



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

DRAFT MINUTES

FRIDAY, OCTOBER 25, 2019
9:30 AM

(Paragraph numbers coincide with agenda item numbers)

A regular meeting of the Water Storage Exploratory Committee (Committee) was held on October 25, 2019, in the Headquarters Building Boardroom at Valley Water, 5700 Almaden Expressway, San Jose, California.

1. CALL TO ORDER

The Water Storage Exploratory Committee was called to order by Chair Director Gary Kremen at 9:31 a.m.

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: Bradly Arnold, Aaron Baker, Erin Baker, Rechelle Blank, Glenna Brambill, Tim Bramer, Frances Brewster, Jerry De La Piedra, Vanessa De La Piedra, Samantha Greene, Christopher Hakes, Kathleen Low, Metra Richert, Eli Serrano, Charlene Sun, and Beckie Zisser.

Guests in attendance were: Brad Gleason Stephen Jordan, Doug Muirhead, Thomas Niesar and Marguerite Patil.

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

There was no one present who wished to speak.

3. APPROVAL OF MINUTES

3.1 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 August 27, 2019, meeting of the Water Storage Exploratory Committee as presented.

3.2 APPROVAL OF MINUTES

It was moved by Director John L. Varela, seconded by Director Richard P. Santos, and unanimously carried to approve the closed session minutes of the October 15, 2019, meeting of the Water Storage Exploratory Committee as presented.

4. ACTION ITEMS

4.1 UPDATE ON LOS VAQUEROS RESERVOIR EXPANSION PROJECT

Mr. Brad Arnold reviewed the materials as outlined in the agenda item.

The Committee discussed the following, JPA status, potential local partners and WIIN grant status.

Ms. Marguerite Patil was available to answer questions.

The Committee took no action.

4.2 SEMITROPIC GROUNDWATER BANK UPDATE

Mr. Brad Arnold reviewed the materials as outlined in the agenda item.

The Committee discussed the following, storage capacity, Los Vaqueros' rights, dominant user, semitropic exempt from volunteer agreements, SGMA limits, worth per acre foot (af), costs, dry years, governance, cost of savings with non-use, transfers, credits, active storage, semitropic tour and potential partnerships with ACWA.

Ms. Metra Richert, Ms. Marguerite Patil, Mr. Garth Hall and Mr. Jerry De La Piedra were available to answer questions.

The Committee took no action.

4.3 PLEASANT VALLEY WATER DISTRICT GROUNDWATER BANKING CONCEPT

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

The Committee discussed the following, service area, Westlands, partnerships, design, building, overdraft, meeting SGMA requirements, governance structure, JPA, spillage and potential loss of funds.

Mr. Brad Gleason spoke on this issue and was available to answer questions.

The Committee took no action.

4.4. UPDATE ON CONCEPTUAL LAKE DEL VALLE MODIFICATIONS

Mr. Bradly Arnold reviewed the materials as outlined in the agenda item.

The Committee discussed the following, Valley Water's involvement/participation and suggest having CEO Camacho speak with ACWD's General Manager.

Mr. Thomas Niesar spoke on this issue regarding potential acquisition of land to protect watershed.

Ms. Marguerite Patil spoke on this issue regarding suitable land and easements (conservation) and resource agencies.

The Committee took no action.

4.5. UPDATE ON CONCEPTUAL LAKE DEL VALLE MODIFICATIONS

Ms. Erin Baker reviewed the materials as outlined in the agenda item.

The Committee discussed the following, sole source contract, storage capacity San Luis and Delta-Mendota Water Authority, Milpitas Intertie and BAWSCA's concerns.

Mr. Aaron Baker, Ms. Metra Richert, Ms. Samantha Green, Mr. Thomas Niesar and Ms. Marguerite Patil were available to answer questions.

The Committee took no action.

4.6 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.

The Committee discussed inviting Semitropic General Manager along with the guests from 10/25/19, meeting, GSA Lead, maybe SFPUC (Mr. Ritchie), possible invite to East Bay Municipal Utility District (EBMUD), tossing around the idea of a possible tour of semitropic site, and placing on the agenda a discussion on intertie (Milpitas, Mountain View and Palo Alto).

5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE ACTIONS

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

6. ADJOURNMENT

Chair Director Gary Kremen adjourned the meeting at 10:57 a.m.

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

Approved:



Santa Clara Valley Water District

File No.: 19-1116

Agenda Date: 12/11/2019

Item No.: 4.1.

COMMITTEE AGENDA MEMORANDUM

Water Storage Exploratory Committee

SUBJECT:

Standing Items Information.

RECOMMENDATION:

- A. This agenda item allows the Committee to receive verbal or written updates and discuss the following subjects. These items are generally informational; however, the Committee may request additional information from staff:
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Report:

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2. Water Banking Opportunities including but not limited to Pleasant Valley Water District (Cindy Kao)
3. Update on Conceptual Lake Del Valle Modifications (Cindy Kao)
4. Del Puerto (Cindy Kao)

SUMMARY:

Standing Items will allow regular reports from staff on subjects that may be of interest to the committee members.

ATTACHMENTS:

None.

UNCLASSIFIED MANAGER:

Michele King, 408-630-2711



Santa Clara Valley Water District

File No.: 19-1117

Agenda Date: 12/11/2019

Item No.: 5.1.

COMMITTEE AGENDA MEMORANDUM

Water Storage Exploratory Committee

SUBJECT:

Pacheco Reservoir Expansion Project Update

RECOMMENDATION:

Receive and discuss information regarding status of the Pacheco Reservoir Expansion Project. This is an information-only item and no action is required.

SUMMARY:

Background and Funding

On August 14, 2017, Santa Clara Valley Water District (Valley Water) submitted an application to the California Water Commission (CWC) for the California Proposition 1 Water Storage Investment Program (WSIP) funding for the Pacheco Reservoir Expansion Project (Project).

The CWC conditionally approved Valley Water's full funding request of \$484.55 million on July 24, 2018, which included an Early Funding award of \$24.2 million. The Early Funding award was authorized by the CWC to reimburse Valley Water for funds expended starting August 14, 2017 for efforts related to the completion of the Environmental Documentation and Permitting for the Project.

Staff completed negotiations with the CWC regarding the requirements of the Early Funding Agreement (EFA) and it was fully executed on December 10, 2018. Staff has been providing quarterly reports to the CWC as required and submits quarterly invoices to the CWC against the EFA for cost reimbursement.

Financing and Partnering Opportunities

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 identified as the National Economic Development Plan within the San Luis Reservoir Low Point Improvement Project (SLLPIP) led by the United States Bureau of Reclamation (USBR). USBR released the public draft Environmental Impact Statement/Environmental Impact Report for the SLLPIP on July 26, 2019. Valley Water participation in the SLLPIP provides a nexus for potential partial federal funding of the Project. Staff and the consulting team are working to provide documents for a design, engineering, and construction (DEC) review to accompany the Federal Feasibility Report.

Valley Water is partnering with both Pacheco Pass Water District (Pacheco Pass) and San Benito

County Water District (San Benito). A Memorandum of Understanding was signed by all three agencies in June 2018. Currently staff is working with San Benito to develop both an Allocation Plan and an Operation Agreement that will identify San Benito's participation level on the project. These agreements will recognize and support the continuation of the operational benefits currently enjoyed by Pacheco Pass.

Preliminary modeling and operations analyses have been conducted to identify available water storage in the proposed reservoir. After public benefit annual volumes are accounted for, the remainder of available storage and CVP allocation fluctuates directly related to year type. Based on current assumptions, up to 40 TAF could be available annually in San Luis Reservoir for partners in the Delta system.

Project Implementation

On November 20, 2018, the Board approved the two Consultant Services Agreements for this project. The first contract was for program management (PM) services and the second for planning, design, and environmental consultant services and permitting support (PDEC).

Efforts are underway by both consultants on various project management tasks and planning deliverables including, but not limited to: project schedule updates, tribal consultation, Problem Definition Report development, data needs memoranda; and operational modeling assumptions. Initial geotechnical and environmental investigations are underway. The data gathered from these investigations will be used to develop preliminary design alternatives and environmental documentation.

Public Outreach

Site meetings and coordination with State and Federal agencies has been conducted. A video production agency has been contracted to produce an informational video with high resolution photos and aerial footage captured at the site that will be used as part of the outreach tour efforts. A communication plan is being developed that will incorporate Valley Water communication efforts and San Benito's public outreach consultant.

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: Powerpoint Presentation

UNCLASSIFIED MANAGER:

Christopher Hakes, 408-630-3796

Unique Opportunity for Ecosystem Enhancement,
Flood Risk Reduction, Improved Water Supply
Reliability and Emergency Water Supply

Water Storage Exploratory Committee Meeting
December 11, 2019

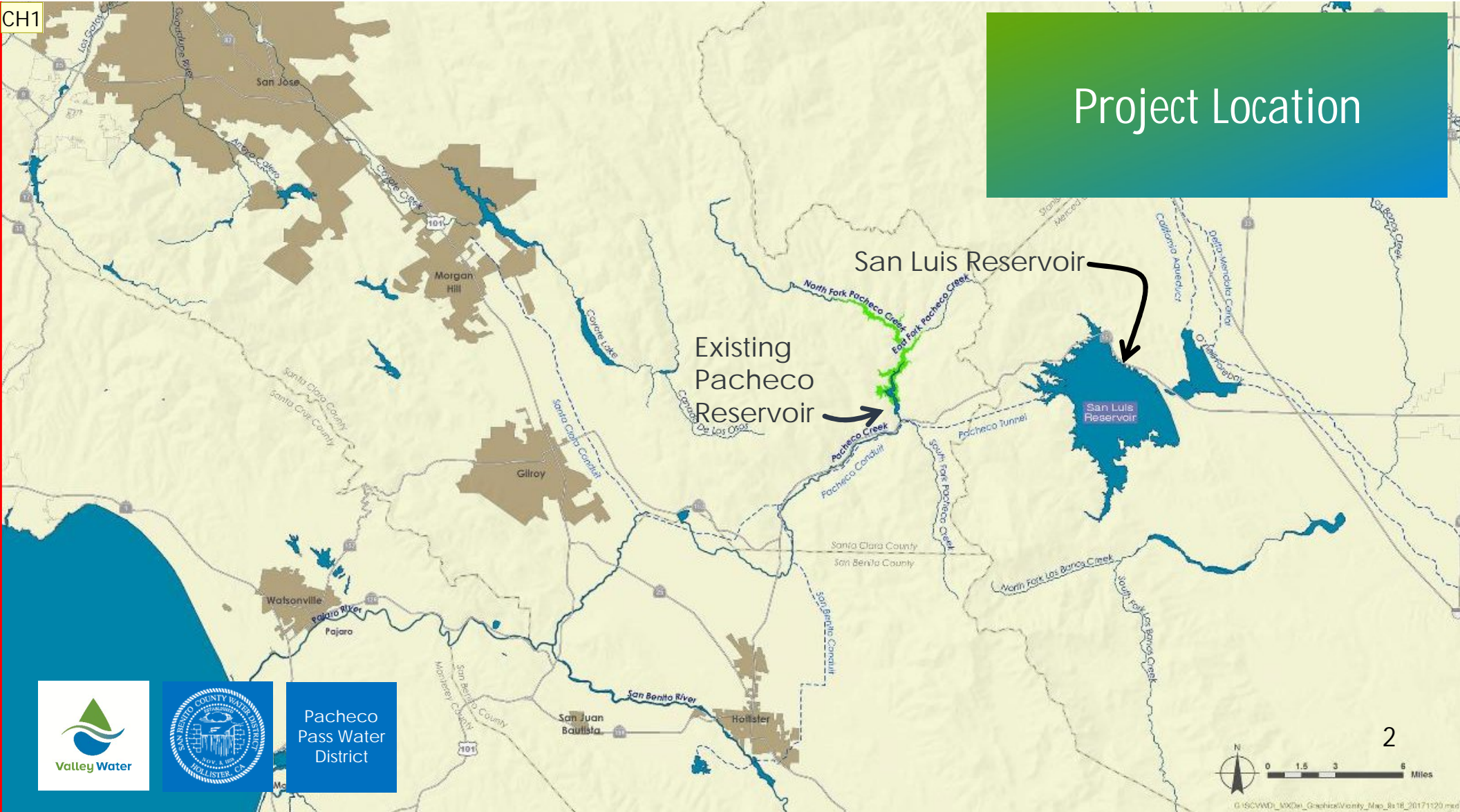


Pacheco Reservoir Expansion Project

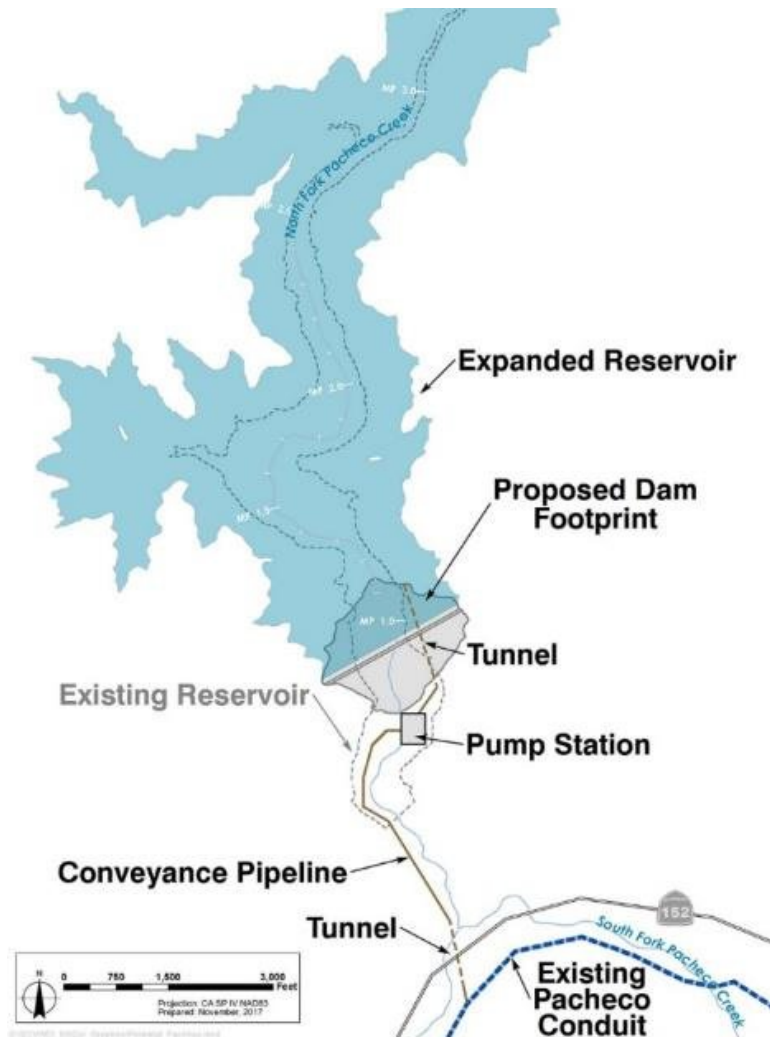
Presented by: Christopher Hakes, Deputy, Dam Safety and Capital Delivery Division



Project Location



CH1 Please add San Bentio and PPWD logos
Christopher Hakes, 10/21/2019



Proposed Pacheco Reservoir Facilities

Expanded Dam/Reservoir

- Up to 140,000 acre-foot reservoir
- New 319-foot earth embankment dam
- New concrete spillway

Conveyance between Pacheco Conduit and expanded reservoir

- 1-Mile tunnel/pipeline
- Pump station
- Selective level inlet/outlet structure within reservoir

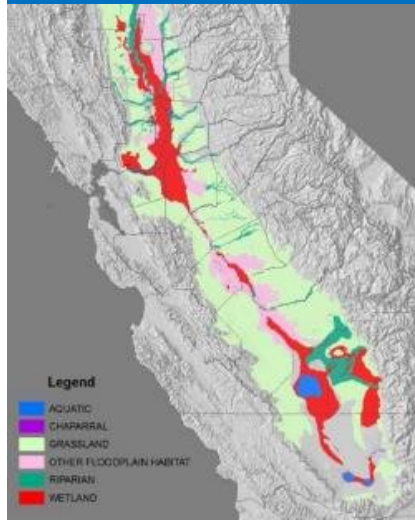
Project Benefits

4

Enhance habitat for federally threatened steelhead



Enhance water supply in below- normal years to wildlife refuges in the Delta



Increase water supply reliability and emergency water supply



Resolve the water quality problem in supply sourced from San Luis Reservoir

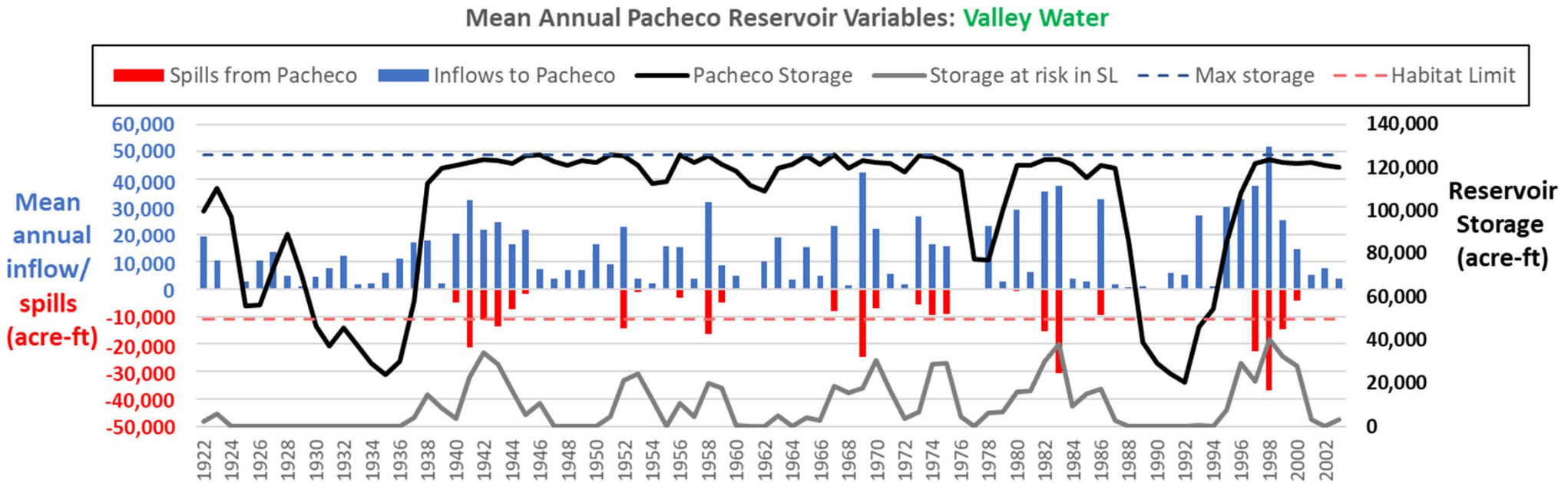


Reduce flooding along Pacheco Creek and to disadvantaged communities



Inflow, Spills, and Storage in San Luis: Valley Water

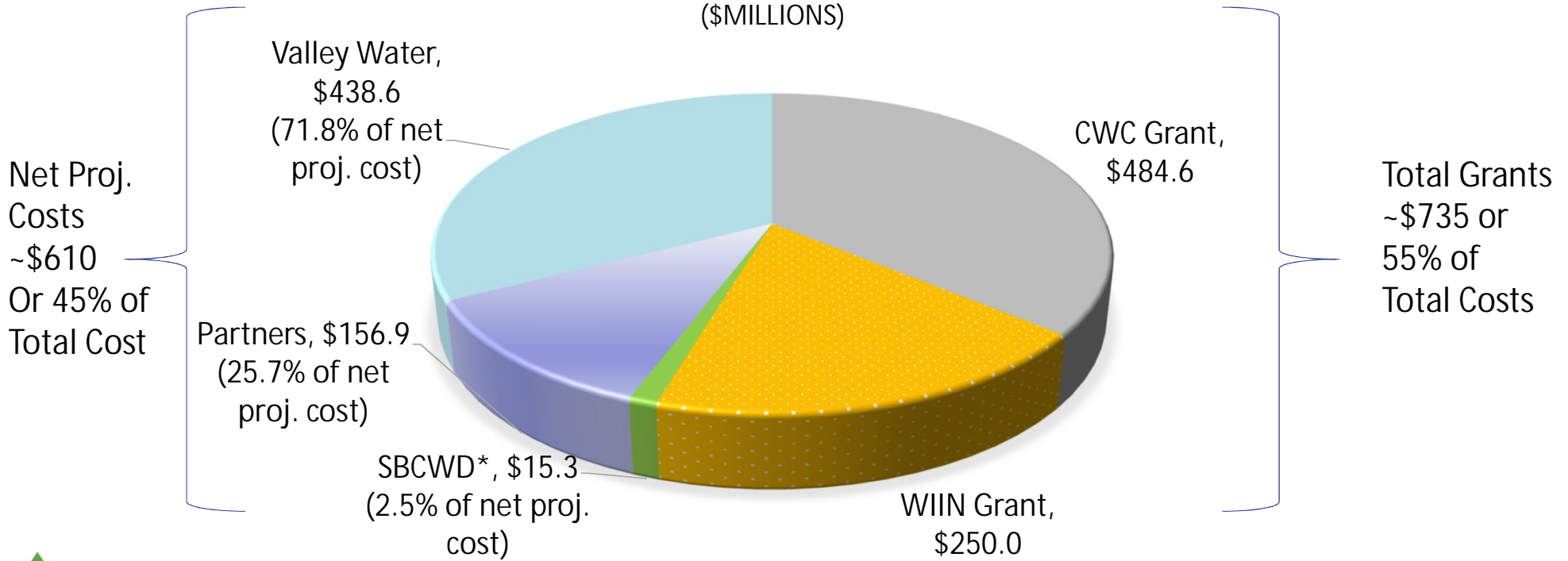
- Spills occur when the reservoir is full
- 'At risk' storage in San Luis generally increases when reservoir is full – cannot move to a full Pacheco



FY 2020-2024 Capital Improvement Program Approved by Board in May 2019

6

PACHECO RESERVOIR TOTAL COST \$1,345M
(\$MILLIONS)



valleywater.org



* Assumes San Benito County Water District (SBCWD) participates at 2.5% of the capital cost net of grants

Questions?



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Santa Clara Valley Water District

File No.: 19-1118

Agenda Date: 12/11/2019

Item No.: 5.2.

COMMITTEE AGENDA MEMORANDUM

Water Storage Exploratory Committee

SUBJECT:

Semitropic Groundwater Bank Update

RECOMMENDATION:

Receive and discuss information regarding the status of Semitropic Groundwater Bank. This is an information-only item and no action is required.

SUMMARY:

Santa Clara Valley Water District (Valley Water) staff have continued ongoing analysis of the long-term risks and benefits associated with Valley Water's use of the Semitropic Groundwater Banking Program (Semitropic Bank). Updates from the prior Committee agenda item (October 25, 2019 Item 4.2, File 19-0994) related to Semitropic Bank contractual considerations and potential risks associated with the Sustainable Groundwater Management Act (SGMA) are provided below. As of November 2019, Valley Water is fully utilizing its 350,000 acre-foot storage capacity in the Semitropic Bank to store imported water supplies for recovery in future supply-limited conditions.

Semitropic Bank Contractual Considerations

The October 25, 2019 memo identified several questions requiring further consideration regarding Valley Water's existing *1997 Agreement Between Santa Clara Valley Water District and Semitropic Water Storage District and Its Improvement Districts for a Santa Clara-Semitropic Water Banking and Exchange Program* (Agreement). Valley Water staff is working with legal counsel to review that Agreement. Staff believes that Valley Water has approval and environmental coverage to store its State Water Project (SWP) and Central Valley Project (CVP) water supplies in the bank, and to recover these supplies. Staff further believes that the Agreement allows Valley Water to store and recover other imported water supplies such as procured transfers and exchanges; however, additional agreements and CEQA/NEPA coverage would likely be needed for Valley Water to use the bank for other imported water supplies.

One question is what happens when the Agreement terminates on December 31, 2035. If the Agreement is not renewed it will continue for as long as is necessary for Valley Water to receive all its SWP and CVP stored water, as requested.

On the question of how unused storage and recovery capacity is allocated, specifically the potential for annual storage and recovery above and beyond contractual capacities: the bank's "unused" storage and recovery capabilities are generally allocated among the banking partners per their participation percentage in the Semitropic Bank (35 percent for Valley Water). To staff's knowledge,

arrangements among bank participants for uses of others' storage capabilities have not arisen; however, use of underutilized recovery capacity is made available on occasion to participants based on the timing of their requests. Consideration is given to local agricultural users within Semitropic's service area when allocating "unused" capacities, specifically their needs for use of Semitropic conveyance facilities; however, this has never constrained Valley Water's use of the Semitropic Bank. The contractual storage and recovery guarantees are provided for reference in Attachment 1.

Sustainable Groundwater Management Act Update

The Semitropic Groundwater Sustainability Agency (Semitropic GSA) released a public review draft of their Groundwater Sustainability Plan (GSP). GSP and SGMA guidance documents for the Semitropic GSA are due to the California Department of Water Resources (DWR) by January 2020. Valley Water staff reviewed the Draft GSP as it relates to third-party groundwater banking, specifically Valley Water's involvement in the existing Semitropic Bank, and noted that the GSP identifies no significant changes or constraints being proposed to bank operations going forward under SGMA. Valley Water sent a response letter acknowledging staff review of the draft GSP (Attachment 2). Staff plans to meet with Semitropic Bank operators to discuss long-term compliance with groundwater management objectives and protection of Valley Water's existing Semitropic Bank contract under SGMA. Valley Water staff will monitor the GSP as it is finalized, and DWR's pending review of SGMA documents.

Additional Considerations

Given the uncertainties surrounding future use and reliability of the Semitropic Bank, Valley Water staff plan to take the following actions:

1. Continue to consult with legal counsel to review specific risks and vulnerabilities related to Valley Water's storage and long-term reliance on Semitropic Bank.
2. Request 'Letter of Understanding' or similar official document be provided to Valley Water by Semitropic that identifies how Semitropic Bank operations will remain compliant with long-term groundwater management objectives, and how Valley Water's existing Semitropic Bank contract will be protected under SGMA.
3. Track DWR's and the State Water Resources Control Board's actions with respect to GSPs submitted by Semitropic and other GSAs responsible for high priority basins.
4. Investigate other opportunities for groundwater banking and storage programs. The Semitropic Bank has generally worked well for Valley Water, but other groundwater banking programs in combination with Semitropic may provide a less risky storage portfolio.

ATTACHMENTS:

Attachment 1: Semitropic Bank Contractual Allocations

Attachment 2: Valley Water's Semitropic GSP Comment Letter

UNCLASSIFIED MANAGER:

Garth Hall, 408-630-2750

Valley Water’s Semitropic Bank Storage and Recovery Limits

Information below provides details regarding Valley Water’s share of Semitropic Bank annual storage and recovery capacities, per the “1997 Agreement Between Santa Clara Valley Water District and Semitropic Water Storage District and its Improvement Districts for a Santa Clara-Semitropic Water Banking and Exchange Program.”

Valley Water share of Semitropic Bank annual Storage capacity:

$$[\text{BankParticipation}\%] * 90500 = [\text{PutCapacity}]$$

- Fixed based on bank participation percentage.

Valley Water share of Semitropic Bank annual Recovery capacity:

$$[\text{BankParticipation}\%] * (90000 + (([\text{SWPAllocation}\%] * 155000) - 22000)) = [\text{TakeCapacity}]$$

- Variable based on annual SWP Allocation % to Semitropic making water available for exchange.

Total Valley Water Storage (TAF)	350,000	
BankParticipation%	35%	
	PutCapacity	TakeCapacity
SWPAllocation%	AF/yr	AF/yr
0%	31,675	31,675*
5%	31,675	31,675*
10%	31,675	31,675*
15%	31,675	32,113
20%	31,675	34,825
25%	31,675	37,538
30%	31,675	40,250
35%	31,675	42,963
40%	31,675	45,675
45%	31,675	48,388
50%	31,675	51,100
55%	31,675	53,813
60%	31,675	56,525
65%	31,675	59,238
70%	31,675	61,950
75%	31,675	64,663
80%	31,675	67,375
85%	31,675	70,088
90%	31,675	72,800
95%	31,675	75,513
100%	31,675	78,225

* Defaults to minimum value, equal to put/storage capacity.

November 26, 2019

Jason Gianquinto, General Manager
Semitropic Water Storage District
P.O. Box 8403
Wasco, CA 93280-0877

Subject: Valley Water Review of Semitropic W.S.D. Groundwater Sustainability Agency
August 2019 Draft Groundwater Sustainability Plan.

Dear Mr. Gianquinto,

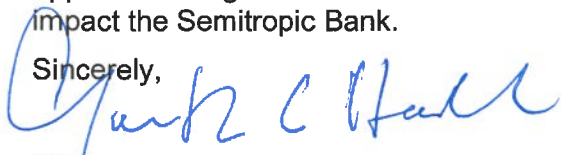
Santa Clara Valley Water District (Valley Water) has participated in the Semitropic Water Banking and Exchange Program (Semitropic Bank) since 1997 as an 'original banking partner', and has received significant benefit from the access to storage capacity outside of Santa Clara County (County). Valley Water's planning studies have assumed the Semitropic Bank will continue to serve as the primary source of out-of-County storage for Valley Water going forward, and will provide a critical source of dry year supplemental water supply. Given this importance, Valley Water has been following developments of the Sustainable Groundwater Management Act (SGMA) as it could lead to potential groundwater management changes in the Kern County Sub-Basin (Kern Sub-Basin), in which the Semitropic Bank is operated.

The Semitropic Groundwater Sustainability Agency (Semitropic GSA), which Valley Water understands will manage SGMA requirements in Semitropic's service area of the Kern Sub-Basin, recently released a Draft Groundwater Sustainability Plan (Draft GSP) for public review in preparation for a January 2020 submittal to the California Department of Water Resources (DWR). Valley Water staff have reviewed the Draft GSP as it relates to third-party groundwater banking, specifically Valley Water's involvement in the existing Semitropic Bank, and are pleased to learn there are no significant changes or constraints being proposed to bank operations in the Draft GSP.

Long-term and sustainable management of California's groundwater basins is important, and Valley Water will encourage the Semitropic GSA's to make efforts towards curbing historic overdraft and other undesirable groundwater impacts in its portion of Kern County. In this regard, Valley Water also recognizes that groundwater bank 'leave behind' (i.e., 10-percent of all stored water provided to Semitropic for their use in local groundwater management), provided by Valley Water and the other banking partners, has proven a positive contribution to local groundwater levels. It is important to Valley Water that existing Semitropic Bank terms and conditions are protected as groundwater managers move forward with the requirements of SGMA.

Valley Water will continue to monitor GSP development throughout the DWR review process, and will continue to work with Semitropic regarding annual banking operations. Additionally, as the Semitropic GSA moves forward with SGMA requirements and finalizing the GSP document, Valley Water would appreciate insight or notice from Semitropic on how contemplated actions could directly or indirectly impact the Semitropic Bank.

Sincerely,



Garth Hall
Deputy Operating Officer, Water Supply Division
Santa Clara Valley Water District

Cc: N. Camacho, N. Hawk, J. De La Piedra, C. Kao, V. De La Piedra, B. Arnold, D. Jacobson, File





Santa Clara Valley Water District

File No.: 19-1119

Agenda Date: 12/11/2019

Item No.: 5.3.

COMMITTEE AGENDA MEMORANDUM

Water Storage Exploratory Committee

SUBJECT:

Water Storage-P3 (Public Private Partnership) Project Delivery Presentation.

RECOMMENDATION:

Receive and discuss information regarding a conceptual presentation from Mr. Paul Kelley-Infracapital. This is an information-only item and no action is required.

SUMMARY:

Mr. Kelley is working with Infracapital; a firm with expertise in delivering large projects like water storage.

They have local knowledge, expertise in engineering and finance to implement all aspects of P3 (Public Private Partnership) project delivery.

He would like to introduce the company by making a presentation to the Water Storage and Exploratory Committee.

Infracapital would like to build a relationship with Valley Water to help implement water storage project needs.

Attached is an introductory letter of their background.

ATTACHMENTS:

Attachment 1: Infracapital Introductory Letter

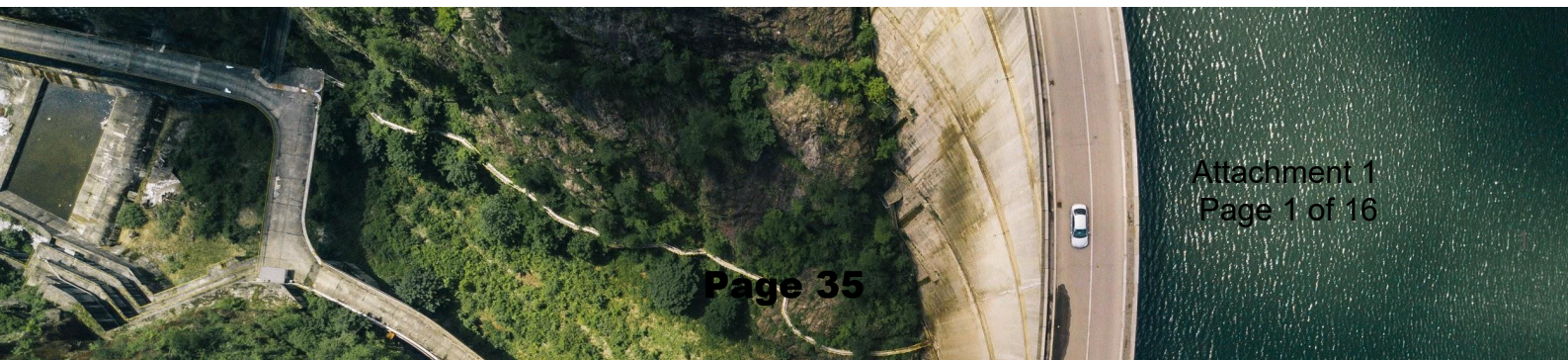
UNCLASSIFIED MANAGER:

Michele King, 408-630-2711

INFRACA CAPITAL

Providing leadership and expertise to develop early-stage infrastructure projects into viable investment opportunities for institutional investors

Project Delivery Advisory Proposal





Contents

1. Our Letter
2. Why Infracapital
3. Our Understanding of Pacheco Reservoir Expansion Project
4. Your Expectation
5. Our Approach and Methodology
6. Our Early Risk Assessment
7. Expected Project Timeline
8. Our Recommendation
9. Appendix

Dear Gary,

RE: Proposed Advisory Service on Pacheco Reservoir Expansion Project - End to End Project Delivery and PPP Strategy / Execution

My name is Edward and I'm part of the Infracapital leadership team. I believe you had a chat with my colleague, Paul, recently.

Thank you for your time and the opportunity to discuss your current project, Pacheco Reservoir Expansion Project ("the Project"). We note the Project's background, goals and implementation roadmap and subsequently, your interest to support Valley Water ("the Project Owner") in successfully delivering the Project with a particular focus on advising and structuring end-to-end Public Private Partnership (P3) model; with private finance involvement.

Further to our discussion, and reflecting on the Infracapital's collective experiences and track records of delivering P3 projects in California and globally, we envision following crucial aspects to be key factors in raising private capital for an adequate private-public-partnership.

- An experienced leadership team with strong track records in end-to-end delivery of large infrastructure projects
- Good understanding and experience in managing local public relations including public opinions and government stakeholders (municipal, State and Federal level)
- Strong understanding and relationships with capital market players to raise adequate finances from private institutional investors
- Local and international knowledge and experience to gauge and negotiate with external consultants
- Comprehensive technical background in the infrastructure project delivery
- Strong project management expertise to liaise all parties involved

Infracapital team is extremely well credential to assist the Project Owner in this process, 1) having successfully delivered numerous similar projects, 2) maintain excellent relationships with the potential local & international partners including those from capital markets 3) boast experience and expertise from both public and private sectors. Additional information about founding teams' previous projects and experience is attached for your reference.

We look forward to having an opportunity to present to you, and your colleagues, an overview of P3 models, our track records and our methodologies / recommendations in successfully delivering the Project. Should you have any queries, please do not hesitate to contact us.

Kind Regards



Edward Kim

Managing Director
Infracapital LLC, California
2019

Why Infracapital?

Infracapital (Infracapital) is a California-based independent project development and project finance advisory firm that focuses on delivering best-in-class advisory service in P3 structuring, capital raising and end-to-end project delivery to project developers and sponsors.

Our founders have over 61 collective years of experience in investment banking, project finance, P3 project delivery, public relations and delivering and structuring private finance through capital roadshows and hold various global certifications in fields of Accounting, Project Management, Project Development and Engineering Management.

The Infracapital Difference

With years of experience delivering PPP projects either from both public and private sector organizations as well as deep knowledge and relationships with major players in the US and globally, the Infracapital founding team has hand-picked best practices and strategies to advise its client on effectively delivering successful P3 infrastructure projects.

Our proven methodology is as outlined below:



1. Most project financiers focus on ready-made projects and the project success is determined by the quality of project preparation. Infracapital develops an effective strategy covering both financing and implementation from its conceptual stage and the strategy covers for whole project lifecycle phases and for all parties involved.
2. Infracapital team has delivered various local projects in California and its founders held various board positions in public organizations. Our working relationship with stakeholders and the public is key to the successful delivery of projects.
3. Infracapital is built upon a strong bedrock of technical background and certifications to deal with all aspects of the project life cycle.
4. Global experience and relationships allow best-in-class strategy and understanding of any project
5. Deep working relationships with both debt & equity capital markets enable securing of competitive market financing terms

Our Understanding on Pacheco Reservoir Expansion Project

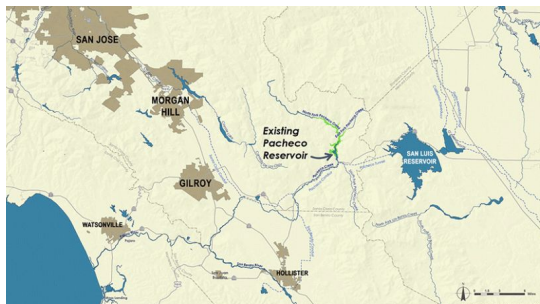
Project Background

In November 2014, during California’s five-year drought, voters voted in the Proposition I, \$2.7 billion water bond, to fund water projects with significant public benefits through its Water Storage Investment Program (WSIP).

In line with WSIP, Valley Water (VW), has proposed a regional surface storage project, the Pacheco Reservoir Expansion (PRE) Project. The PRE Project would enlarge the existing reservoir located in southeast Santa Clara County, from 6 thousand acre-feet (TAF) to 141.6 TAF.

Key Project Objectives

- Avoid supply interruptions when water is needed
- Increasing the reliability and quantity of yearly allocations to South-of-Delta contractors
- Provide opportunities for ecosystem restoration.



Name	Pacheco Reservoir Expansion Project
Project Owner	Valley Water
Project COD	2029 / 2030
Estimated Cost	\$ 1,345,000,000
Public Finance Available	\$ 484,550,000
Early Funding	\$ 24,200,000

Expected Project Timeline



Current Stage

From its early environmental studies and cost/benefit analysis, Valley Water has proposed the following 5 options to the public.

1. No Action/No Project Alternative

The purpose of the No Action or No Project Alternative is to allow decision makers to compare the impacts of approving the project to the impacts of not approving the project. The No Action/No Project Alternative would leave the current operations at San Luis Reservoir unchanged and agricultural contractors would continue to rely on the current water supply allocation process.

2. Lower Other Intakes Alternative

Alternative 2 includes the construction of a new, lower San Felipe Intake to allow reservoir drawdown to its minimum operating level without algae reaching the San Felipe Intake.

3. Treatment Alternative

Alternative 3 would develop new treatment technology at the WTP to address some of the negative impacts associated with increased algae during low point events. The proposed improvements evaluated under this alternative would add a raw water ozonation process to the Santa Teresa Water Treatment Plant.

4. Existing Reservoir Expansion

Alternative 4 would be completed by placing additional fill material on the dam embankment to raise the dam crest to increase storage capacity. The alternative would build upon the dam embankment expansion and foundation modifications to address the seismic concerns. Alternative 4 would allocate the increased capacity to the existing contractors only.

5. Pacheco Reservoir Expansion

Alternative 5 includes the construction and operation of a new dam and reservoir, pump station, conveyance facilities, and related miscellaneous infrastructure. The new dam and reservoir would be constructed on Pacheco Creek 0.5 mile upstream from the existing North Fork Dam and would inundate most of the existing Pacheco Reservoir. The proposed total storage for the new reservoir is 141,600 acre-feet (AF), with active storage of 140,800 AF.

Alternative 5 would be operated by VW to both improve habitat conditions for steelhead in Pacheco Creek and improve VW water supply reliability, including during drought periods and emergencies.

In addition, VW will transfer 2,000 AF of its CVP water contract supplies (in below normal water years), directly or through transfer and exchanges, in perpetuity to Reclamation and U.S. Fish and Wildlife Services' Refuge Water Supply Program (RWSP), for use in the Incremental Level 4 water supply pool for wildlife refuges.

VW is currently holding a series of public information sessions to hear the feedback and intend to make a decision around mid-2020 on which option to move forward with.

Your Expectation

Understanding the options and complex challenges in implementing the project to meet key objectives, we understand that you are seeking for an advisory team that can assist in developing a strategy and manage an implementation process effectively within the limited budget, allocated time and also the standards set in California and the United States. We interpret that the scope of works for the aforementioned advisory team include but not limited to:

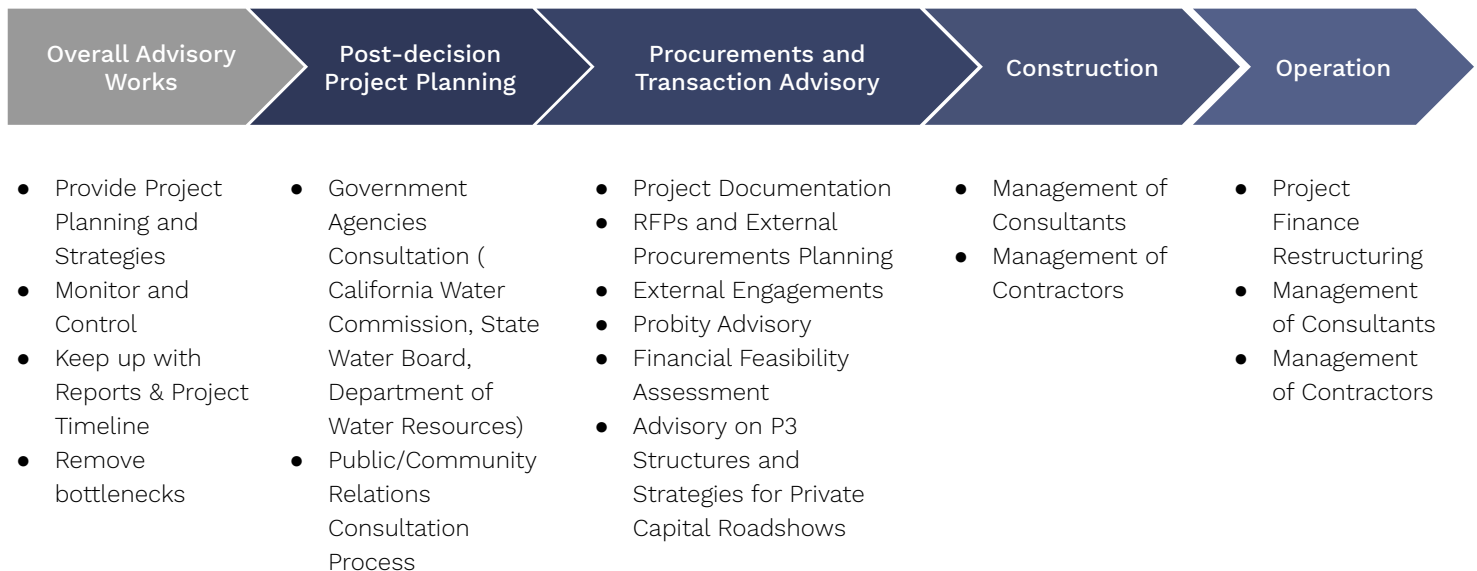
- Overall project lifecycle strategy and leadership management role
- Project Planning and Management
- Monitoring and Evaluation including reporting
- Stakeholder management particularly on facilitating public relations/hearings
- External third party engagement including:
 - Project Preparation and Documentation (Technical, Commercial and Legal)
 - Procurement Planning and Probitary Advisory
 - Transaction Advisory
 - Tender Documentation
 - Negotiations
- Private capital engagement and thorough market research and brokering. These scopes are targeted to market our projects in just the right format

Our Approach & Methodology

This section describes our **indicative** approach and methodology. Each detail shall be discussed and agreed prior to or during the kick-off meeting.

Our approach and methodology (A&M) are developed on a principle that Infracra team will be an integrated part of the VW team in delivering the works. In delivering our advisory works, we propose to carry out a kick-off meeting, attended by Infracra Project Delivery Team and key representatives within the VW, with its objectives as follows:

1. Set up a line of reporting and matrix of responsibilities
2. Align all expectations particularly on inclusions and exclusions of our advisory works
3. Set up an agreed timeline
4. Set up the communication strategy and protocol
5. Set up reporting strategy and delivery
6. Discuss project delivery strategy covering but not limited to the following:



Our Position

As highlighted above, Infracra team intends to be integrated as part of the VW team in delivering our service. From our past experience, we as an advisor will be able to set an effective strategy, to develop a strong planning and to drive a process from the private sector point of view; however, a key delivery factor for any successful P3 project is for public sector official(s) becoming a champion to lead works in public process with a support of our team.

Apart from the above, we are focusing on introducing transparency and continuous information update throughout the implementation process to all stakeholders particularly the impacted community and key private sector. The above-mentioned approach will help to get a social license buy-in that will help to minimize project risk(s). Minimum project risk(s) with good revenue is a formula sought by private sector developers/ financiers to participate in the project.

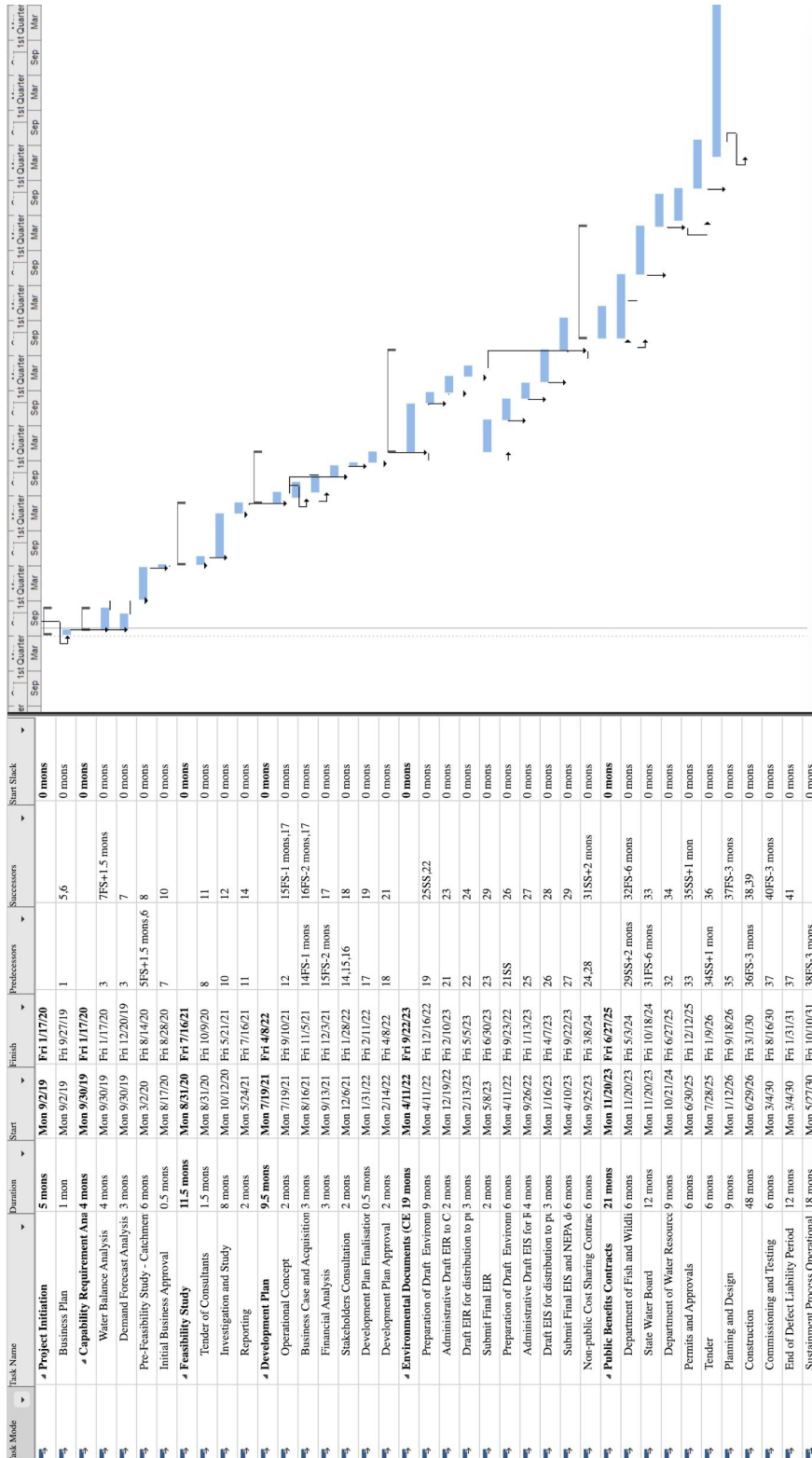
Our Early Risk Assessment

Our Early Risk Assessment is based on our understanding of the Project and our experience with a similar type of water resource project.

Risk Description	Risk Type	Probability	A Typical Mitigation Action
<i>Post-Decision Project Planning</i>			
Community Rejection	High	High	Public Consultation and Project Socialization
Public Sharing Contract	High	Medium	Good Project Preparation including comprehensive Environmental Impact Assessment
Non-Public Sharing Contract	Medium	Medium	Comprehensive Financial Model
Tariff Calculation	Medium	High	Comprehensive Financial Model including non-normal business revenue analysis
<i>Procurement and Transaction Advisory</i>			
Project Financing	High	High	Comprehensive Project Structuring and Financial Model
Political Risk	Low	Low	Guarantee or Contract Clause
Poor Procurement lead to unsuccessful P3 tender	High	Medium	Good tender documentation and transparency from early phase (such as Probity Adviser engagement)
<i>Construction and Operation</i>			
Land Acquisition	High	High	Public Consultation and Project Socialisation from early stage
Environmental Adverse Impact	High	Medium	Best practice Engineering Design and comprehensive Environmental Impact Assessment
Project Delay	Medium	High	Comprehensive Project Planning and Monitoring and Control
Poor Project Delivery	Low	Medium	Selection of Delivery Strategy
Force Majeure	Low	Low	Insurance or Contract Clause

Expected Project Timeline

Based on our experience, the following timeline highlights our end-to-end project delivery cycle. As mentioned earlier in this letter, a more specific timeline for this project will be drawn up from meetings at the start of Infracra's engagement.



Our Recommendation

Success in delivering large infrastructure projects, particularly those involving large public volume, private finance, and P3 arrangements, directly correlates to a successful collaboration of experts from multidisciplinary fields.

Understanding the limitation of time and budget, these projects rely on being successful the first time; therefore, having an advisory board from a team with track record of successfully delivering similar P3 infrastructure projects will no doubt be a key in successfully leading and managing all processes, stakeholders, public relations and all involved project undertakers.

Henceforth, we are proud to offer Infracapital's tailored advisory service in helping Valley Water in delivering this project with the following 6 key aspects:

1.1 Early Risk Identification and Mitigation

With track-record delivering past projects, the Infracapital team is able to identify and mitigate risks that may arise early in its process to minimize project delays and complications.

1.2 Public Relations & Strategy

The high profile nature of the project requires expertise and experience in dealing with public relations & opinions.

Infracapital team has deep-rooted local relationships with a track record of leading California's various public water agencies, managing public relations to successfully deliver water-related projects.

1.3 Stakeholders Management

Infracapital's unique combination of financial/industry expertise and experiences in managing stakeholders allows for effective stakeholder engagement and management.

Moreover, our deep relationships with private sector stakeholders particularly with the international institutional investors keep everyone in check throughout the project delivery cycle and achieve maximum value for itself.

1.4 Ensuring Project Delivery & Timeline

Having delivered similar water reservoir expansion projects, the Infracapital team is able to keep track of and foresee up-coming targets; mitigating any risks for project delay or undermining relations with project stakeholders.

1.5 Engaging External Consultants

With strong technical background has having delivered similar projects, the Infracapital team has engaged the market countless times for various technical consultants including accountants, lawyers, and engineers. Infracapital is therefore able to manage tender processes, negotiate key terms and mitigate correct risk item to appropriate parties, insuring adequate protection for project owners, the VW.

1.6 Financial Feasibility, P3 Strategy & Private Capital Raise

The Infracapital team has a proven track record in restructuring and analyzing project financial feasibility. This will include tailoring the structure to meet the certain appetite of investors.

Appendix - The Team



Managing Director

Prior to co-founding InfraCa Capital, Edward was a VP at Macquarie Group, working in strategy team, originating more than \$1.5b of opportunities, structuring project finance deals and executing capital raising roadshows across the US, Korea and SE Asia.

Edward has extensive relationships with c-level executives, political figures and large family conglomerates across the world and has extensive experience and particular know-how in structuring project development opportunities into bankable investment products for institutional investors.



**Head of Com. & Sales
Principal**

Paul is a recognized, experienced leader in the areas of water, transportation, agriculture, business, development, technology and renewable energy. He also served on many local and regional boards gaining experience working on diverse issues with diverse interests. This experience has helped Paul become recognized as an accomplished leader, spokesperson, advocate and negotiator.

Providing Strategic initiative facilitation services as Executive Director of industry associations and for projects – and notably serving as President of the Association of California Water Agencies, and serving on the California Water Commission and sixteen years as a County Supervisor.



**Head of Corporate Relations
Director**

Rock is a co-founding partner of InfraCa Capital and brings 25 years of experience working with various technology and healthcare projects in the US. As a venture capitalist in two funds, a long time angel investor and serial Chief Executive Officer, Rock has successfully structured many partnerships and led financings, mergers and acquisitions, and Initial Public Offerings.



**Head of Project Delivery
Director**

Rainier is a co-founding partner of Infracapital and has over 18 years of experience working in the infrastructure engineering and infrastructure finance sector in Australia, Middle East and Asia. He has held various positions either within a project delivery team or a business unit.

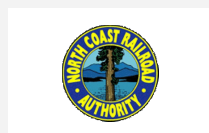
Prior to joining Infracapital, he was the Chief Advisor at KPMG Infrastructure Indonesia and Executive Director of KPPIP, an inter-ministerial committee of Indonesia chaired by the Coordinating Minister of Economic Affairs with key mandates to: monitor and evaluate and accelerate National Strategic Projects. Rainier has personally dealt with 500+ infrastructure projects with the total value of over US \$350b across assets in water, wastewater, waste management, energy, transportation, special economic/industrial zones.

Rainier is a Chartered Professional Engineer and a certified Project Manager under the Project Management Institute (PMI PMP®).

Appendix - Case Studies & Past Project Experience I*

	<p>Project Development Advisor Russian River Biological Opinion – Water supply Project</p>	<ul style="list-style-type: none"> Regulatory and Relationship advisor Develop water Supply security through regulatory certainty Public interaction and communications 	<ol style="list-style-type: none"> Feasibilities Early Stage Development Late Stage Development Capital Raising
	<p>Project Development Advisor Bay Area Regional Desalination Project</p>	<ul style="list-style-type: none"> Facilitate meetings with potential partners Provide project development education and delivery options Consultation developing regional needs analysis & private partner relationship 	<ol style="list-style-type: none"> Feasibilities Early Stage Development Late Stage Development Capital Raising
	<p>Project Development Advisor Australia - Adelaide Desalination Project</p>	<ul style="list-style-type: none"> Technical Advisory - Planning and Design Vendor Interfacing 	<ol style="list-style-type: none"> Feasibilities Early Stage Development Late Stage Development Capital Raising
	<p>Project Development Advisor Australia - Belongil Creek Catchment and Flood Management Project</p>	<ul style="list-style-type: none"> Technical Advisory - Modelling and Planning Development of Operational Concept and Business Case Public Benefits Consultation and Contracts 	<ol style="list-style-type: none"> Feasibilities Early Stage Development Late Stage Development Capital Raising
	<p>Commercial Advisor Australia - Sydney Water Desalination Project</p>	<ul style="list-style-type: none"> Advised Sydney Water on procurement of electricity and RECs for Sydney desalination plant PPA agreements done by our executives underpinned the development of Capital wind farm in the ACT 	<ol style="list-style-type: none"> Feasibilities Early Stage Development Late Stage Development Capital Raising
	<p>Project Development Advisor Australia - Sydney Catchment Authority WATHNET Verification Project</p>	<ul style="list-style-type: none"> Water Balance Analysis Water Demand Modelling Financial Modelling 	<ol style="list-style-type: none"> Feasibilities Early Stage Development Late Stage Development Capital Raising
	<p>Project Development Advisor Indonesia - Umbulan Water Supply System (SPAM) PPP Project</p>	<ul style="list-style-type: none"> Stakeholder management including engagement of technical, legal and commercial Financing Strategy and Capital Raising Offtake negotiations (PPA) Successful PPP Tender Implementation Debottlenecking 	<ol style="list-style-type: none"> Feasibilities Early Stage Development Late Stage Development Capital Raising
	<p>Project Lead Indonesia National Strategic Projects</p>	<ul style="list-style-type: none"> Stakeholder management Engagement of technical, legal and commercial feasibility studies Offtake negotiations (PPA) Capital raise strategy and market sounding Program Monitoring and Evaluation Permit and Licensing Implementation of Debottlenecking 	<ol style="list-style-type: none"> Feasibilities Early Stage Development Late Stage Development Capital Raising

Appendix - Case Studies & Past Project Experience II *



Lead PR & External Negotiations

Private Freight Rail Operator on Public Rail line lease and operating agreement

- RFP development for a private operator on rail line
- Board member interaction
- Contract / Lease negotiations and regulatory compliance work

1. Feasibilities
2. Early Stage Development
3. Late Stage Development
4. Capital Raising



Project Development Advisor

Bali Airport (Indonesia) - Non-Aero Airport Development

- Engaged externals for technical and legal
- Setting Business Model
- Setting Financial Structure
- Organized and conducted market sounding
- Tender Documentation
- Strategic agreement review and negotiations

1. Feasibilities
2. Early Stage Development
3. Late Stage Development
4. Capital Raising



Financial Advisor

Synergy A \$1.2 billion asset acquisition

- Financial adviser to Synergy, the WA State-owned electricity and gas retailer, in relation to its formation of and participation in a consortium seeking to acquire the West Australian electricity and gas assets of Alinta / Babcock and Brown Power

A \$1.2 billion asset acquisition



Financial Advisor

Australia - Genex Power A \$610million debt facility from Northern Australia

- Technical Advisory - Modelling and Planning
- Risk identification & mitigation
- Scenario Modeling
- Financial Analysis
- Debt capital arrangement
- Equity capital raising

1. Feasibilities
2. Early Stage Development
3. Late Stage Development
4. Capital Raising



Strategy & Financial Advisor

Australia - NSW government's solar flagships programme

- Financial advisory for A\$120m in financial assistance for NSW-based applicants in the Solar Flagships Programme
- Structuring of financial assistance including evaluation of requests
- Bid management & negotiation

Tender / Bid Management



Strategy & Relationships Advisor

Telstra Philippines Initiative

Strategy and relationships advisory for Telstra Corporation Limited, largest telecommunications company in Australia, to enter the Filipino carrier market.

1. Feasibilities
2. Early Stage Development
3. Late Stage Development
4. Capital Raising



M&A & Strategy Advisor

Air Asia Leasing divestiture, Macquarie Asset Finance

Key relationships and strategy advisor for Macquarie Asset Finance team's M&A bid for Air Asia's leasing arm asset fleet

- Relationships management
- Strategy forecast reporting

Relationships & Bid Management



Institutional Roadshow Advisor

CharterHall Prime Office Fund - Capital Raise Roadshow in Korea

- On-going investor appetite research
- Pre-roadshow interest research and material preparation
- Organized and facilitated roadshow meetings

A \$200 million capital raised

Attachment 1
Page 14 of 16

Appendix - Who We Work With

IBK&Life

 BARCLAYS

 MACQUARIE

Bank of America.


 FIRST
PACIFIC

TEMASEK

 HSBC

 Deutsche Bank

 CPP
INVESTMENT
BOARD

 NPS

 UBS Hana
Asset Management

 KHAZANAH
NASIONAL

 KeyWest Partners

 MITSUI & CO.

 KAZYNA
CAPITAL
MANAGEMENT

 QAZKOM

Marubeni

 THAMES
CAPITAL

 Investec
Property

 METRO
PACIFIC
INVESTMENTS

 KPMG

 allotrope
PARTNERS

 WestLB

 CPG

Charter Hall 

Contact Us

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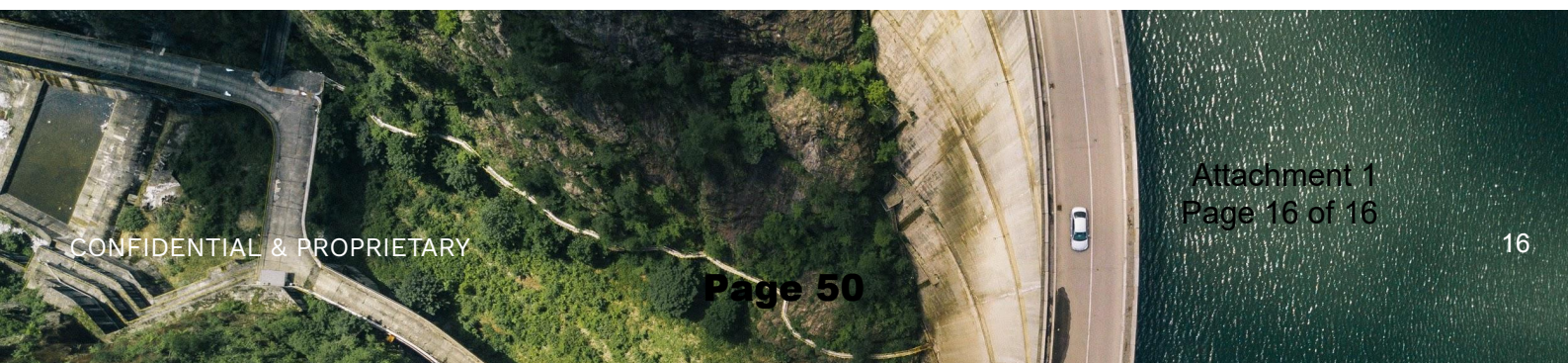
Paul Kelley - Head of Communications & Sales

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Disclaimer future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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Santa Clara Valley Water District

File No.: 19-1156

Agenda Date: 12/11/2019

Item No.: 5.4.

COMMITTEE AGENDA MEMORANDUM

Water Storage Exploratory Committee

SUBJECT:

Legislative Guiding Principles - South Bay Aqueduct Operational Reliability and Maintenance

RECOMMENDATION:

Recommend that the Board amend the 2020 Legislative Guiding Principles to add the South Bay Aqueduct Operational Reliability and Maintenance.

SUMMARY:

The Board annually reviews and adopts legislative policy proposals and legislative guiding principles that form the framework for advocacy efforts at the local, regional, state, and federal levels. Based on these Board-adopted policy proposals and guiding principles, the Office of Government Relations (OGR) develops strategies to achieve the outcomes outlined in the proposals. These strategies may include advancing Valley Water's interests through legislative, administrative, or regulatory means. OGR uses the guiding principles as the foundation that drives Valley Water efforts in influencing the outcome of numerous legislative, regulatory, and budgetary items impacting Valley Water.

OGR staff received a request to bring an item before the Water Storage Exploratory Committee to discuss a recommendation to the Board to amend the 2020 Legislative Policy Proposals and Guiding Principles with a policy to address the operational reliability and maintenance of the South Bay Aqueduct (SBA).

South Bay Aqueduct Discussions

On October 25, 2019, the Water Storage Exploratory Committee discussed information regarding the status of SBA facilities management. The information included a description of the importance of SBA facilities to the water supply of Santa Clara County and the region, supplying over 100,000 acre feet to the Bay Area annually. As the SBA infrastructure is almost 55 years old, it has experienced increasing periods of interruptions, causing loss of capacity and delivered water supplies. As such, the SBA has been experiencing leaks that cause unplanned interruptions to service.

As previously discussed, the SBA contractors (Valley Water, Zone 7, and Alameda County Water District) have been meeting with the California Department of Water Resources (DWR) staff to review facilities outages and maintenance, monitor SBA degradation, and develop a Draft Pipeline Management Plan (Draft Plan) by July 2021. The Draft Plan is intended to assess and analyze SBA information (e.g., hydraulic analysis, risks assessment, repairs needed, additional studies required) needed to maintain use of the SBA facilities.

Defined construction work and associated costs are anticipated following development of the Draft Plan, once SBA repair needs are better understood. The SBA contractors expect to continue coordination with DWR regarding funding measures for such work and develop plans for predictable and prioritized maintenance of SBA facilities. In the interim, Valley Water staff has been coordinating with DWR's Delta Field Division staff regarding scheduled outages and maintenance to assess and plan for potential impacts to the State Water Project (SWP) water supply deliveries.

2020 Legislative Policy Proposals and Guiding Principles

On October 22, 2019, the Board adopted the 2020 Legislative Policy Proposals and Guiding Principles that will serve as the basis of OGR's advocacy for the upcoming year. The proposals currently include two principles that would support efforts to advocate for the expedited improvement of the SBA. First is Key Guiding Principle #1: "Ensure the reliable supply of clean drinking water." The second is General Water Policy and Reliability Principle #4: "Support legislation that provides for the reliability of operations of the state and federal water projects."

While these current policy principles provide general direction, they do not address the specific issue regarding the reliability and maintenance of the SBA. Should the Water Storage Exploratory Committee wish to recommend amending the 2020 Legislative Policy Proposals and Guiding Principles to add more detailed direction that could assist in addressing the aging infrastructure of the SBA, staff will need to place an agenda item before the full Board for consideration and adoption.

Suggested SBA Specific Policy Principle

Staff recommends amending the current General Water Policy and Reliability Principle #4, on page 2 of the 2020 Legislative Guiding Principles, as follows:

4. Support *actions* that provide for the operational reliability *and maintenance* of state and federal water projects, *including the South Bay Aqueduct*.

By changing "legislation" to "actions," adding "maintenance," and specifically calling out the SBA, this amendment would make clear that SBA reliability is a key priority and that a host of actions by OGR, beyond just legislation, can be deployed to achieve the critical goal of keeping the SBA properly maintained and operational. These actions might include organizing meetings with senior DWR staff, coordinating with other SBA contractors, briefing elected officials on the current status of the SBA and the need for expedited efforts by DWR, and other steps that support expedited treatment of SBA improvements. What specific actions would be taken by OGR would be determined through coordination with the Water Utility and the other SBA contractors.

ATTACHMENTS:

Attachment 1: October 25, 2019 WSEC Agenda Item

Attachment 2: 2020 Legislative Guiding Principles and Proposals

UNCLASSIFIED MANAGER:

Rachael Gibson, 408-630-2884

COMMITTEE AGENDA MEMORANDUM

Water Storage Exploratory Committee

SUBJECT:

Update on Management of South Bay Aqueduct Facilities

RECOMMENDATION:

Receive and discuss information regarding status of South Bay Aqueduct facilities management. This is an information-only item and no action is required.

SUMMARY:

The South Bay Aqueduct (SBA) supplies water to several communities in the Livermore-Amador Valley, East Bay, and Silicon Valley areas. It has delivered roughly 108,000 acre-feet per year, on average, to the Bay Area since its construction was completed in 1965. SBA facilities are owned, operated, and maintained by the California Department of Water Resources (DWR). It is the primary method for conveying State Water Project (SWP) water supplies from the Sacramento-San Joaquin River Delta (Delta) to the Santa Clara Valley Water District (Valley Water) for retailer delivery and groundwater recharge. Other SWP contractors, besides Valley Water, reliant on the SBA for water delivery include Alameda County Water District (ACWD), and Alameda County Flood Control and Water Conservation District (Zone 7) (collectively, the 'SBA Agencies'). A detailed map of SBA facilities is provided in Attachment 1. The SBA is a combination of underground pipeline and open channel over 40 miles from the South Bay Pumping Plant to the terminus near San Jose. Valley Water receives SWP supplies via a metered turnout located on 'Reach 9' of the SBA, the final point of delivery to a SWP contractor along the aqueduct.

The SBA facilities are ageing and have been subject to periodic planned and unplanned shutdowns, resulting in sometimes significant operation impacts to the SBA Agencies. More recently, DWR has limited Valley Water's available capacity by 5 percent on a permanent basis to protect against further outages. These impacts have lead SBA agencies to work with DWR to address the long-term reliability of the SBA. Below is an overview of the status of these efforts related to SBA facilities management.

Condition Assessment

The SBA Agencies have experienced periodic facility outages due to DWR Delta Field Division (Delta Field Division) inspections and repair of facilities limiting their water supply deliveries. For instance, recent SBA flow tests and studies have shown an actual Reach 9 capacity around 174 cubic feet per second (cfs) (around 5 percent reduction from 184 cfs capacity), which directly impacted roughly 5,800 acre-feet of Valley Water's SWP supply in 2018¹. Valley Water has worked with the other SBA Agencies regarding SBA condition assessments and technical work needed to review capacity impacts and facility limitations. Additional work is likely needed, which may lead to identifying significant repair of the SBA to prevent future issues; however, the scale and scope of this work has not been fully assessed by DWR or the SBA Agencies to date.

The SBA Agencies have been meeting with DWR staff to review facilities outages and maintenance, monitor SBA degradation, and develop a Draft Pipeline Management Plan (Draft Plan) by July 2021. The Draft Plan is intended to assess and analyze SBA information (e.g., hydraulic analysis, risks assessment, repairs needed, additional studies required) needed to maintain use of the SBA facilities.

Defined construction work and associated costs are anticipated following development of the Draft Plan, once SBA repair needs are better understood. The SBA Agencies expect to continue coordination with DWR regarding funding measures for such work and develop plans for predictable and prioritized maintenance of SBA facilities. In the interim, Valley Water staff has been coordinating with Delta Field Division staff regarding scheduled outages and maintenance to assess and plan for potential impacts to SWP water supply deliveries.

SBA Modifications

Since the start of SBA operations, DWR and the SBA Agencies have made numerous improvements, expansions, and repairs to portions of the SBA. Some of these modifications have been permanent, while others have been temporary fixes to address specific SBA issues. Some of the major efforts undertaken are highlighted below.

In 1999, Zone 7 planning documents indicated a rapid increase in their projected SWP water demands and a need for increased capacity on the SBA. Subsequent enlargement of the SBA, from 300 cfs to 430 cfs total capacity, was completed and has been operational since 2015. This provided for increased flow capacity for SWP supplies and increased reliability of the facilities in the upper SBA reaches closer to Bethany Forebay, while also improving operational flexibility to reduce SWP peak power consumption. That SBA enlargement is being repaid by Zone 7. Additional expansion of SBA reach capacities closer to Valley Water's turnout have not been proposed.

DWR provided a separate SBA Reliability Improvements Proposal memo in 2014 (SBA Reliability Project), which outlined some efforts needed to monitor the SBA with short and long-term response actions. The SBA Reliability Project resulted in some physical improvements and strategic actions by DWR, such as stockpiling repair materials and intensifying monitoring of known sections of the SBA prone to failure. However, additional work proposed by the memo, focused on pipeline portions of the SBA, have not yet materialized (e.g., fixes to Santa Clara Pipeline portion of SBA).

The separate Los Vaqueros Reservoir (Los Vaqueros) Expansion Project (LVE Project) has proposed a new Transfer Bethany Pipeline (Pipeline) to convey water from Los Vaqueros to the SBA, connected via Bethany Forebay. That Pipeline could increase reliability and flexibility of Delta water supplies for those SBA Agencies participating in the LVE Project by adding supplemental SBA inflow below the existing Banks Pumping Plant. However, downstream SBA facilities may ultimately need repair or replacement for Valley Water to rely on long-term operations of the proposed Pipeline.

Valley Water staff intends to continue working with the other SBA Agencies and DWR on review of SBA facility issues. Given the importance of SBA facilities to Valley Water's SWP water supplies, Valley Water has made multiple requests to DWR to perform an all-inclusive condition assessment of all SBA operational components, and has

supported the Draft Plan efforts. The latest letter addressed to DWR from the SBA Agencies is provided in Attachment 2. Should additional information become available regarding SBA facilities management or the Draft Plan, staff will provide the Committee with additional updates.

¹ Valley Water did not lose this 2018 SWP water supply given contractual protections and other storage options (e.g., San Luis Reservoir carryover). However, re-scheduling did increase risk of loss if SWP conditions had been less favorable, and likely altered raw water system and treatment plant operations.

ATTACHMENTS:

Attachment 1: SBA Facilities Map

Attachment 2: Feb 2018 Letter to DWR Director

UNCLASSIFIED MANAGER:

Nina Hawk, 408-630-2736

2020



Legislative Guiding Principles

Serving 2 million people living and working in Silicon Valley, Valley Water is the primary water resources agency for Santa Clara County, California.

Valley Water acts not only as the county's water wholesaler, but also as its flood protection agency and the steward for its watersheds, streams and creeks, underground aquifers and Valley Water-built reservoirs. As the county's water wholesaler, Valley Water makes sure there is enough clean, safe water for the county's residents. As the agency responsible for local flood protection, Valley Water works diligently to protect Santa Clara Valley homes, schools, roadways, and businesses from the devastating effects of flooding. Our watershed and stream stewardship responsibilities include protection and restoration of habitats, and protection of endangered species in connection with carrying out the purposes of the District Act.

To support our efforts in managing critical water issues, Valley Water advocates for legislation that advances our key guiding principles:

- 1. Ensure a reliable supply of healthy, clean drinking water**
- 2. Reduce the potential for flood damages**
- 3. Enhance the quality of life through the protection and enhancement of watersheds, streams, and natural resources**
- 4. Protect revenues, enhance revenues, and contain costs**
- 5. Encourage opportunities for job creation, and the protection and stability of Valley Water's workforce**

Attachment 1

Page 1 of 3

Ensure a reliable supply of healthy, clean drinking water

Water is a finite resource that must be protected. As the water wholesaler for our county, our ability to deliver a reliable, clean water supply for one of the country's most important technology communities continues to be challenged by a multitude of factors. Valley Water advocates for legislation impacting our water supply that accomplishes the following:

Water Supply and Drought

1. Support legislative, administrative or other efforts that protect and/or advance Valley Water's interests in California's Modernization of the Delta Conveyance, including efforts to ensure financially-prudent project delivery.
2. Support legislative actions that provide for drought relief funding and policies.
3. Support efforts that encourage the use of recycled water for indirect and direct potable use.
4. Oppose measures that reduce the reliability or quality of Valley Water's imported water supplies.
5. Support increasing water use efficiency throughout the state, while taking into account previous water use efficiency investments.
6. Support strengthening local agencies' ability to manage and protect groundwater supplies.
7. Support the role of technology in addressing water conservation efforts and encourage government funding for technological advancements.
8. Support tax-exempt status for water conservation rebates.
9. Support legislative efforts that provide public water agencies with first right of refusal to accept waste water.
10. Support legislation and policies that prioritize municipal and industrial water supplies during shortages.
11. Support enactment of county or city ordinances that would promote compliance with SB 407 by requiring the replacement of non-water-conserving plumbing fixtures upon the transfer of real property, or other enforcement mechanisms.

Water Quality

1. Support efforts to place a moratorium on fracking, and all related legislative bills.
2. Support efforts to aggressively protect the quality of our groundwater basin from contaminants.
3. Support efforts to amend the Clean Water Act consistent with our mission.
4. Support efforts to address all Delta stressors, including toxics, invasive species, and in-Delta and upstream diversions.
5. Oppose weakening the State Water Resource Control Board's anti-degradation policy.
6. Support legislative efforts and regional initiatives that would provide research funding into understanding and addressing issues around Constituents of Emerging Concern (CECs) in the water supply.

Funding for Water Infrastructure

1. Support funding to ensure sustainable long-term water supplies, including recycled water projects.
2. Support funding for boating inspections and other measures to prevent the spread of invasive mussels.
3. Support funding for planning and environmental review of new Delta conveyance facilities.
4. Support protection of funding for improving the integrity of Delta levee systems that impact salinity intrusion.
5. Support assessing the state of the nation's dams and providing grants or infrastructure loans for dam retrofits.
6. Support legislation that allows a borrower to pay the credit subsidy on a Water Infrastructure Finance and Innovation Act (WIFIA) loan.
7. Support legislation, bond measures, appropriations, or other funding mechanisms that fund or could fund Valley Water infrastructure projects.

General Water Policy and Reliability

1. Support timely permitting of water supply capital and operations and maintenance projects.
2. Support legislative efforts that better integrate water resources in the land-use and decision-making processes.
3. Support efforts to streamline the permitting of water recycling projects, taking into account the need to protect high-quality groundwater basins.
4. Support legislation that provides for the reliability of operations of state and federal water projects.
5. Support regulatory and legislative proposals that reduce impediments for public agencies seeking to use effluent water for recycling purposes.
6. Support and promote the concept of beneficiary pays.
7. Support changes to the definition of disadvantaged community so that affordability factors are considered to address specific communities.
8. Support legislative efforts that amend Proposition 218 and Proposition 26 to allow low-income rate assistance.



Reduce the potential for flood damages

Silicon Valley's waterways pass through areas populated by homes, schools, farms, and businesses. When our communities flood, the ensuing loss in productivity easily runs into millions of dollars, in addition to the physical infrastructure damage. Additionally, our shoreline area, which is vulnerable to tidal flooding, requires investments in levee maintenance and repair, and houses a number of Silicon Valley Fortune 500 businesses.

To maintain and expand the flood protection infrastructure necessary to prevent flooding and resulting damages, Valley Water advocates for legislation that accomplishes the following:

Flood Protection Funding

1. Support funding for infrastructure, construction, and repair of flood protection systems.
2. Support funding for the Federal Emergency Management Agency (FEMA) to update tidal and fluvial flood risk maps.
3. Support funding for the implementation of a statewide flood protection needs assessment.
4. Support equitable funding and staffing for the State Flood Control Subventions Program.
5. Support reimbursement of local funds used for the Upper Llagas Creek Flood Protection Project.
6. Support authorization for Valley Water projects at the federal level, including federal authorization for the South San Francisco Bay Shoreline, San Francisquito Creek, and Upper Llagas Creek Projects.

7. Support funding for research of Atmospheric Rivers, and for new technologies that provide improved information for weather forecasts, streamflows, reservoir operations, and flooding.

Flood Protection and Regulatory Efforts

1. Support timely and more appropriate permitting of capital and operations and maintenance (O&M) projects in order to provide or maintain capacity within river and stream systems.
2. Ensure participation in the Community Rating System recertification process through FEMA's National Flood Insurance Program.
3. Support efforts to continue the National Flood Insurance Program with a balanced approach to program reform.
4. Support efforts to modify the U.S. Army Corps of Engineers' levee policy regarding vegetation near levees.

Enhance the quality of life through the protection and enhancement of watersheds, streams, and natural resources

In order to protect and enhance the environment and improve the health of our watersheds, Valley Water advocates for legislation that accomplishes the following:

Waterway and Ecosystem Protection

1. Support legislative efforts to eliminate or reduce waste entering our waterways (e.g., plastic bags, expanded polystyrene, etc.).
2. Support legislation that facilitates the cleanup of unlawful encampments, and reduces or prevents homelessness.
3. Support legislation that protects the environment through conservation and the preservation of natural resources, habitat, and improving the health of local watersheds.
4. Support legislative efforts to address abandonment or derelict operation of vessels in navigable waterways and reservoirs.
5. Support legislation and policies that address mercury contamination in local waterways.
6. Support ecosystem restoration in the Delta.

4. Support changing certification requirements for water treatment operators who work at recycled water facilities.
5. Support legislative efforts that allow an applicant to conduct environmental review only under CEQA when both federal and state approval is required for public projects in California.
6. Support efforts to reduce the impact of including "the banks" in the definition of "Waters of the State."

Resource Protection Funding

1. Support funding to address climate change impacts on water supply and flood management facilities and infrastructure needs.
2. Support the use of alternative funding instruments to fund maintenance of mitigation sites.



Regulatory Efforts

1. Support CEQA reform to accelerate projects.
2. Promote a regulatory environment that allows and encourages special districts and municipalities to achieve local, state, and national water conservation and environmental goals.
3. Support adequate funding for regulatory agencies to ensure proper levels of service and reduce the cost of inflation due to regulatory delay.

2020 Legislative Guiding Principles

Protect revenues, enhance revenues, and contain costs

Valley Water’s multiple responsibilities are supported by a diverse array of funding sources. As we continue to maintain our operational budget while meeting the infrastructure needs of our complex water system, Valley Water will advocate for legislation that accomplishes the following:

1. Support state and federal funding for key infrastructure efforts, including funding for local projects and a Bay-Delta solution.
2. Support innovative funding proposals that leverage government dollars.
3. Oppose the involuntary realignment of services and revenues.
4. Oppose efforts to eliminate local agencies’ ability to issue tax-exempt bonds and Certificates of Participation.
5. Protect local government revenues by maintaining local authority over the collection of fees and generation of revenues.
6. Oppose efforts to reallocate property taxes among state and local agencies.
7. Support the California Water Commission engaging Congress and the federal government in supporting the completion of projects in Santa Clara County.
8. Support reducing the voting requirement for special taxes.
9. Oppose the imposition of unfunded mandates.
10. Clarify groundwater charges and language.
11. Support exemptions for storm water and flood protection fees.
12. Support the creation of a \$100,000 threshold when requiring a competitive selection process for the contracting of professional services.
13. Support utilization of drone technology for inspections of Valley Water systems and facilities.
14. Support flexibility in public works construction contracting.

Encourage opportunities for job creation, and the protection and stability of Valley Water’s workforce

Supporting the creation of local jobs and ensuring a well-trained workforce to carry out Valley Water’s mission while containing costs continue to be priorities. To support opportunities for job creation, and the protection and stability of Valley Water’s workforce, Valley Water will advocate for legislation that accomplishes the following:

1. Support transparency and accountability for local government.
2. Oppose legislation that reduces the authority and/or ability of local government to determine how best and most effectively to operate local programs and provide services.
3. Support workforce training, job creation, and research and development efforts.
4. Support legislative efforts that curb and/or control the escalating cost of employer-provided benefits.
5. Promote policies that provide a more sustainable and cost-effective delivery of workers compensation benefits for injured Valley Water employees.
6. Oppose legislation that interferes with the employer/employee relationship or places employees at risk while performing their duties.
7. Support efforts to develop and implement statewide integrated public safety communication systems.
8. Support creation of a single department to oversee and coordinate emergency preparedness, response, recovery, and homeland security activities.

CONTACT US

For more information, contact us at **(408) 630-2600**, or visit our website at **valleywater.org**.



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Santa Clara Valley Water District

File No.: 19-1120

Agenda Date: 12/11/2019

Item No.: 5.5.

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.: 19-1120

Agenda Date: 12/11/2019
Item No.: 5.5.

UNCLASSIFIED MANAGER:
Michele King, 408-630-2711

2019 Work Plan: Water Storage Exploratory Committee

Update: November 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 8-27-19 12-11-19	Review, discuss, and provide input regarding the status of the Pacheco Reservoir Expansion Project.	<p>Accomplished February 22, 2019: The Committee reviewed, discussed, and provided input regarding the status of the Pacheco Reservoir Expansion Project and took no action.</p> <p>Accomplished May 20, 2019: The Committee reviewed, discussed, and provided input regarding the status of the Pacheco Reservoir Expansion Project and took no action.</p> <p>Accomplished August 27, 2019: The Committee reviewed, discussed, and provided input regarding the status of the Pacheco Reservoir Expansion Project and took no action.</p>
2	Update on the Los Vaqueros Reservoir Expansion Project (LVE Project)	2-22-19 5-20-19 8-27-19 10-25-19 12-11-19	Receive an update on the Los Vaqueros Expansion Project.	<p>Accomplished February 22, 2019: The Committee Receive an update on the Los Vaqueros Expansion Project and took no action.</p> <p>Accomplished May 20, 2019: The Committee Receive an update on the Los Vaqueros Expansion Project and took no action.</p> <p>Accomplished August 27, 2019: The Committee Receive an update on the Los Vaqueros Expansion Project and took no action.</p>

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

Attachment 1

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2019 Work Plan: Water Storage Exploratory Committee

Update: November 2019

ITEM	WORK PLAN ITEM	MEETING	INTENDED OUTCOME(S)	ACCOMPLISHMENT DATE AND OUTCOME
				<p>Accomplished October 25, 2019: The Committee Receive an update on the Los Vaqueros Expansion Project and took no action.</p>
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. 	<p>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: The Committee 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. <i>The Board received the Committee's request at its February 26, 2019, meeting and approved staff recommendations, and authorized a 3.2 percent (\$.96 million) participation level.</i></p>
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. 	<p>Accomplished February 22, 2019: The Committee received information on the Semitropic and other potential groundwater banking programs and took no action.</p>
5	Review of 2018 Water Storage Exploratory Committee Work Plan	2-22-19 5-20-19 8-27-19 10-25-19 12-11-19	<ul style="list-style-type: none"> Review the Committee's 2019 Work Plan. 	<p>Accomplished February 22, 2019: The Committee reviewed the Committee's 2019 Work Plan and took no action.</p> <p>Accomplished May 20, 2019: The Committee reviewed the Committee's 2019 Work Plan and took no action, but the Committee confirmed adding a discussion on Sargent Ranch (recreational area) in conjunction with the Pajaro River and its potential nexus to the Pacheco Project to the Committee's work plan.</p>

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

Attachment 1

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2019 Work Plan: Water Storage Exploratory Committee

Update: November 2019

ITEM	WORK PLAN ITEM	MEETING	INTENDED OUTCOME(S)	ACCOMPLISHMENT DATE AND OUTCOME
				<p>Accomplished August 27, 2019: The Committee reviewed the Committee's 2019 Work Plan and took no action.</p> <p>Accomplished October 25, 2019: The Committee reviewed the Committee's 2019 Work Plan and took no action but wanted to add an Intertie discussion (Milpitas, Mountain View and Palo Alto).</p>
6	Semitropic and out-of-County Groundwater Banking	5-20-19	<ul style="list-style-type: none"> Discuss Semitropic and out-of-County Groundwater Banking 	<p>Accomplished May 20, 2019: The Committee discussed Semitropic and out-of-County Groundwater Banking and took the following action: The Committee approved for Board consideration to have an in-depth discussion with the full Board regarding: storage, risks and benefits of semitropic and groundwater banking along with reviewing the Groundwater Sustainability Plan (GSP) when released.</p>
7	The Water Supply Benefit of Anderson Reservoir	5-20-19	<ul style="list-style-type: none"> Discuss the Water Supply Benefit of Anderson Reservoir 	<p>Accomplished May 20, 2019: The Committee discussed the Water Supply Benefit of Anderson Reservoir and took no action.</p>
8	B.F. Sisk Dam Raise	5-20-19	<ul style="list-style-type: none"> Receive an update on the B. F. Sisk Dam Raise 	<p>Accomplished May 20, 2019: The Committee received an update on the B. F. Sisk Dam Raise and took no action.</p>
9	Pacheco Reservoir Expansion Project - Cost Allocation	8-27-19	<ul style="list-style-type: none"> Review, discuss, and provide input regarding the status of the Pacheco Reservoir Expansion Project Cost Allocation. 	<p>Accomplished August 27, 2019: The Committee reviewed, discussed, and provided input regarding the status of the Pacheco Reservoir Expansion Project Cost Allocation and took the following action: The Committee unanimously approved to have the Board consider the Committee's request to</p>

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

Attachment 1

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2019 Work Plan: Water Storage Exploratory Committee

Update: November 2019

ITEM	WORK PLAN ITEM	MEETING	INTENDED OUTCOME(S)	ACCOMPLISHMENT DATE AND OUTCOME
				<p>authorize the Chief Executive Officer to negotiate with San Benito County Water District (SBCWD) on partnership terms for participation in the Pacheco Reservoir Expansion Project.</p> <p><i>The Board approved the Committee's request at its October 8, 2019, meeting.</i></p>
10	Semitropic Groundwater Bank Update	8-27-19 10-25-19 12-11-19	<ul style="list-style-type: none"> Receive and update regarding Semitropic Groundwater Bank. 	<p>Accomplished August 27, 2019: The Committee received an update on the Semitropic Groundwater Bank and took no action.</p> <p>Accomplished October 25, 2019: The Committee received an update on the Semitropic Groundwater Bank and took no action.</p>
11	Update on Proposed Lake Del Valle Modifications	8-27-19 10-25-19 12-11-19	<ul style="list-style-type: none"> Receive an update on proposed Lake Del Valle modifications 	<p>Accomplished August 27, 2019: The Committee received an update on proposed Lake Del Valle modifications and took no action.</p> <p>Accomplished October 25, 2019: The Committee received an update on proposed Lake Del Valle modifications and took no action.</p>
12	Pleasant Valley Water District Groundwater Banking Concept	10-25-19 12-11-19	<ul style="list-style-type: none"> Receive and discuss information regarding a conceptual Pleasant Valley Water District Groundwater Bank. 	<p>Accomplished October 25, 2019: The Committee received an update on conceptual Pleasant Valley Water District Groundwater Bank and took no action.</p>
13	Update on Management of South Bay Aqueduct Facilities	10-25-19 12-11-19	<ul style="list-style-type: none"> Receive and discuss information regarding status of South Bay Aqueduct facilities management. 	<p>Accomplished October 25, 2019: The Committee received and discussed information regarding status of South Bay Aqueduct facilities management and took no action.</p>

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Blue = Action taken by the Board of Directors

Attachment 1

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2019 Work Plan: Water Storage Exploratory Committee

Update: November 2019

ITEM	WORK PLAN ITEM	MEETING	INTENDED OUTCOME(S)	ACCOMPLISHMENT DATE AND OUTCOME
14	Legislative Guiding Principles - Adding Expedient Maintenance of South Bay Aqueduct	12-11-19	<ul style="list-style-type: none"> Receive and discuss information regarding Legislative Guiding Principles - Adding Expedient Maintenance of South Bay Aqueduct. 	
15	Update on the Proposed Sites Reservoir Project	TBD	<ul style="list-style-type: none"> Receive an update on the Proposed Sites Reservoir Project. 	
16	Update on San Luis Reservoir Expansion	TBD	<ul style="list-style-type: none"> Receive an overview of the San Luis Reservoir Expansion. 	
17	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 	
18	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

Attachment 1
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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 – December 11, 2019, meeting
	4.	<u>Standing Items Information:</u> A. This agenda item allows the Committee to receive verbal or written updates and discuss the following subjects. These items are generally informational; however, the Committee may request additional information from staff: B. This is informational only and no action is required. 1. Update on Los Vaqueros Reservoir Expansion Project 2. Water Banking Opportunities including but not limited to Pleasant Valley Water District 3. Update on Conceptual Lake Del Valle Modifications 4. Update on Management of South Bay Aqueduct (SBA) Facilities 5. Del Puerto
	5.	<u>Action Items:</u> 5.1 Review of 2020 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.
	6.	<u>Clerk Review and Clarification of Committee Actions</u> <i>This is a review of the Committee's Actions (from Item 5).</i>
	7.	<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