



SOUTH COUNTY REGIONAL
WASTEWATER AUTHORITY

December 12, 2019

NOTICE OF MEETING – REQUEST FOR RSVPS

Members of the Joint Water Resources Committee (City of Gilroy, City of Morgan Hill, and Valley Water)

Santa Clara Valley Water District (Valley Water):

Hon. Richard P. Santos, District 3, Committee Chair
Hon. John L. Varela, District 1

City of Gilroy:

Hon. Marie Blankley, Mayor Pro Tempore
Hon. Dion Bracco, Council Member and SCRWA Board Vice Chairman

City of Morgan Hill:

Hon. Larry Carr, Council Member, District A. SCRWA Board Chairman, and Committee Vice Chair
Hon. Rene Spring, Council Member and SCRWA Board Vice Chairman

SCRWA = South County Regional Wastewater Authority

A meeting of the Joint Water Resources Committee (City of Gilroy, City of Morgan Hill, and Valley Water) will take place at 8:00 a.m. on **Thursday, December 19, 2019, at the South County Regional Wastewater Authority Conference Room, 1500 Southside Drive, Gilroy, CA 95020.**

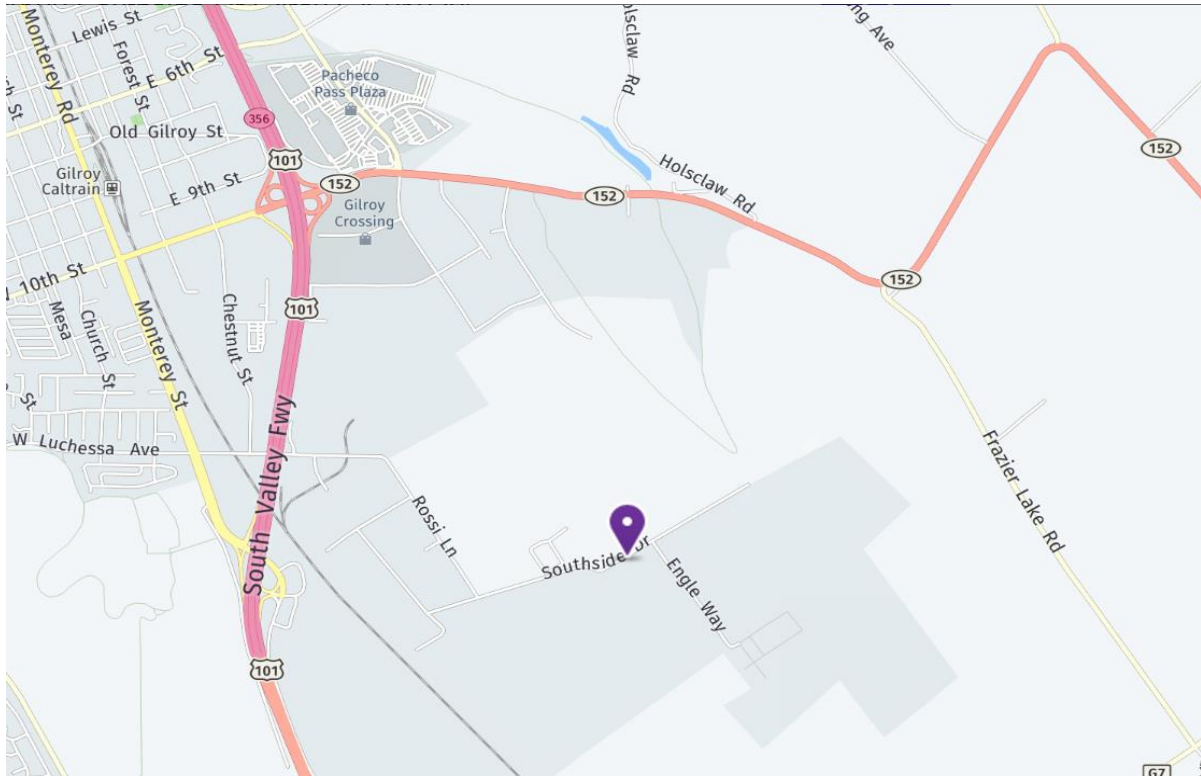
Enclosed for your convenience is a copy of the agenda and corresponding materials. Please bring these materials to the meeting with you.

Please RSVP at your earliest convenience by calling Glenna Brambill at 1-408-630-2408, or by email to gbrambill@valleywater.org

Santa Clara Valley Water District
Office of the Clerk of the Board

Enclosures

**SOUTH COUNTY REGIONAL WASTEWATER AUTHORITY MAP
1500 SOUTHSIDE DRIVE
GILROY CA 95020
(408) 848-0480**



From District:

Go North on Almaden Expressway
Turn right onto Hwy 85 South
To Hwy 101 South to Gilroy
Take exit 356 toward CA 152 East/10th St.
Turn right onto East 10th St.
Turn left onto Automall Parkway
Turn left onto East Luchessa Ave
Continue on --name changes to Rossi Ln
Turn left onto Southside Dr.
SCRWA is on the right side (1500)
{cross street Engle Way}



**Santa Clara Valley Water District
Joint Water Resources Committee with Cities of
Gilroy and Morgan Hill**

**South County Regional Wastewater Authority
Conference Room
1500 Southside Dr
Gilroy CA 95020**

**REGULAR MEETING
AGENDA**

**Thursday, December 19, 2019
8:00 AM**

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

Director District 3 Richard Santos

Director District 1 John L. Varela

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

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
Joint Water Resources Committee with Cities of Gilroy and Morgan Hill
REGULAR MEETING
AGENDA

Thursday, December 19, 2019

8:00 AM

South County Regional Wastewater Authority
Conference Room, 1500 Southside Dr.
Gilroy, CA 95020

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.

[19-1176](#)

Recommendation: Approve the September 4, 2019, Meeting Minutes

Manager: Michele King 408-630-2711

Attachments: [Attachment 1: 090419 Jt Water Res Comm Draft Mins](#)

4. ACTION ITEMS:

4.1. South County Drinking Water Treatment Plant Discussion.

[19-1177](#)

Recommendation: This is a discussion item and no action is required. However, the Committee may provide comments for Board consideration.

Manager: Garth Hall, 408-630-2750

Attachments: [Attachment 1: Project List](#)
[Attachment 2: Project Location Map](#)

Est. Staff Time: 20 Minutes

4.2. Water Supply Master Plan Update. [19-1178](#)

Recommendation: This is a discussion item and no action is required. However, the Committee may provide comments for Board consideration.

Manager: Garth Hall, 408-630-2750

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

Est. Staff Time: 20 Minutes

4.3. Open Space Credit Options Discussion. [19-1179](#)

Recommendation: Discuss Open Space Credit options and/or ideas with the Cities of Gilroy and Morgan Hill.

Manager: Michele King, 408-630-2711

Est. Staff Time: 20 Minutes

4.4. Review Joint WRC with Cities of Gilroy/Morgan Hill/SCRWA Committee Work Plan, the Outcomes of Board Action of Committee Requests; and the Committee's Next Meeting Agenda. [19-1180](#)

Recommendation: Review the Committee 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 Jt Wtr Res Comm Work Plan](#)
[Attachment 2: 030420 Jt Wtr Res Comm DRAFT Agenda](#)

Est. Staff Time: 5 Minutes

5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.

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

6. ADJOURN:

6.1. Adjourn.



Santa Clara Valley Water District

File No.: 19-1176

Agenda Date: 12/19/2019

Item No.: 3.1.

COMMITTEE AGENDA MEMORANDUM

Joint WRC with Cities of Gilroy/Morgan Hill/SCRWA

SUBJECT:

Approval of Minutes.

RECOMMENDATION:

Approve the September 4, 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: 090419 Jt Water Res Comm Draft Mins

UNCLASSIFIED MANAGER:

Michele King 408-630-2711



JOINT WATER RESOURCES COMMITTEE (CITY OF GILROY, CITY OF MORGAN HILL AND VALLEY WATER)

DRAFT MINUTES

**WEDNESDAY, SEPTEMBER 4, 2019
8:30 AM**

(Paragraph numbers coincide with agenda item numbers)

A meeting of the Joint Water Resources Committee (City of Gilroy, City of Morgan Hill and Valley Water) (Committee) was held on September 4, 2019, at the South County Regional Wastewater Authority Conference Room, 1500 Southside Dr., Gilroy, California.

1. CALL TO ORDER/ROLL CALL

A meeting of the Joint Recycled Water Committee (City of Gilroy, City of Morgan Hill and Valley Water) was called to order by Committee Chair Hon. Richard P. Santos at 9:15 a.m.

Committee Members in attendance were: City of Gilroy Council Member: Hon. Marie Blankley, City of Morgan Hill Council Member: Hon. Larry Carr; Valley Water Directors: Hon. Richard P. Santos, District 3, and Hon. John L. Varela, District 1.

Valley Water Staff members in attendance were: Gina Adriano, Hossein Ashktorab, Glenna Brambill, Jerry De La Piedra, Vanessa De La Piedra, Victoria Garcia and David Tucker.

City of Gilroy Staff Members in attendance were: Girum Awoke and Saeid Vaziry.

City of Morgan Hill Staff Members in attendance were: Anthony Eulo, Chris Ghione, Dan Repp and Christina Turner

Guest Attendees: Doug Muirhead, Chris Caine, Mengli Shi and Billy Wong (Stantec)

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

Mr. Doug Muirhead of Morgan Hill spoke about receiving an email from the State Water Resources Control Board on Revision 2 Direct Potable Reuse Framework, opening the public comment hearing.

3. APPROVAL OF MINUTES

3.1 APPROVAL OF MINUTES

It was moved by Hon. John L. Varela, seconded by Hon. Larry Carr and unanimously carried, to approve the minutes of the June 5, 2019, Joint Water Resources Committee (City of Gilroy, City of Morgan Hill and Valley Water) meeting, as presented.

4. ACTION ITEMS

4.1 SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) UPDATE

Ms. Vanessa De La Piedra reviewed the materials as outlined in the agenda item.

The Joint Water Resources Committee discussed the following items: Does the State help the underserved, are voluntary agreements included, Central Valley report water used-agricultural zones, will this impact the District Act, SGMA may limit pumping, 2014 State enacted imposes rules already followed that other basins may be impacted, does Valley Water have authority/rights to review development plans of the cities/land use, discussion of development issues with the agencies needs to happen, Llagas basin, 2040 Master Plan, development tied to transportation but not water is a concern, partnerships, dams. Pacheco project and growth management.

Mr. Anthony Eulo and Mr. Doug Muirhead had questions regarding imported water, developers potentially offering sewage capacity, wastewater, drinking water, depth of wells and domestic shallow wells.

The Joint Water Resources Committee took no action.

4.2 UPDATE ON COUNTYWIDE WATER REUSE MASTER PLAN

Mr. David Tucker reviewed the materials as outlined in the agenda item.

The Joint Water Resources Committee discussed the following items: floating island, purifying process and technique of removing metals, levees along the project, pilot project at the Purification Center, potential tour for members to see the projects and question on how long water supply would last.

Ms. Vanessa De La Piedra was available to answer questions.

The Joint Water Resources Committee took no action.

4.3 REVIEW JOINT WRC WITH CITIES OF GILROY/MORGAN HILL/SCRWA COMMITTEE WORK PLAN, THE OUTCOMES OF BOARD ACTION OF COMMITTEE REQUESTS; AND THE COMMITTEE'S NEXT MEETING AGENDA

Ms. Glenna Brambill reviewed the materials as outlined in the agenda item.

The Committee discussed the following items: Place on next meeting's agenda more information on the Countywide Water Reuse Master Plan and a discussion on the potential South County Treatment Plant. Also, having the discussion for Open Space Credit-Sources of Revenue to Subsidize Agricultural Water Rates, Director Varela will advise if this item will be ready for the December meeting in October.

The Joint Water Resources Committee took no action.

5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE ACTIONS

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

6. ADJOURN

Chair Hon. Richard P. Santos adjourned at 10:22 a.m. to the next meeting on December 4, 2019.

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

Approved:



Santa Clara Valley Water District

File No.: 19-1177

Agenda Date: 12/19/2019

Item No.: 4.1.

COMMITTEE AGENDA MEMORANDUM

Joint WRC with Cities of Gilroy/Morgan Hill/SCRWA

SUBJECT:

South County Drinking Water Treatment Plant Discussion.

RECOMMENDATION:

This is a discussion item and no action is required. However, the Committee may provide comments for Board consideration.

SUMMARY:

Board policy directs the Santa Clara Valley Water District (Valley Water) to ensure a safe, clean, and reliable water supply currently and in the future. In southern Santa Clara County (South County) the community relies primarily on groundwater pumping to meet water demands, but pumping exceeds natural groundwater recharge. To ensure sustainable groundwater supplies, Valley Water replenishes the groundwater subbasins with local and imported surface water. As the South County population grows in the future, additional investments may be required to meet water demands. Valley Water has identified several projects that may help meet projected future demands, including a South County drinking water treatment plant (WTP). This memo describes South County water supply planning and the potential need for a WTP.

BACKGROUND:

The cities of Morgan Hill and Gilroy rely on groundwater pumping to meet nearly all water demands, as do thousands of private well owners in unincorporated areas of Santa Clara County (County). Pumping far exceeds natural recharge from rainfall and other sources, so Valley Water replenishes the groundwater subbasins with local and imported surface water. Recycled water and water conservation programs also help maintain sustainable groundwater conditions by reducing the need for pumping.

Valley Water, in collaboration with its water retailers and other key stakeholders, undertakes various planning efforts to ensure water supply reliability for current and future generations. Valley Water coordinated with the water retailers, cities and other stakeholders on the update to Valley Water's Water Supply Master Plan 2040 (Master Plan). This plan recommends additional actions and investments needed to address projected future shortfalls during multi-year droughts. As part of the Master Plan, Valley Water is also completing a groundwater recharge assessment to help inform which Master Plan projects may meet pumping demands, including additional recharge projects and in-lieu recharge projects such as a WTP.

The Master Plan process involved developing demand projections through year 2040, modeling to

determine potential future investment needs, and modeling proposed water supply projects to assess how they may meet future needs. In 2016, Valley Water updated its demand modeling, which considered development assumptions and constraints provided by retailers and land use agencies. Demand modeling indicated that South County demands may increase by approximately 9% by 2040. Valley Water is currently updating their demand model, in part, to reflect post-drought water use practices and update development assumptions. Staff will provide an update once the new demand modeling is completed.

Staff regularly models Valley Water's water supply system and groundwater conditions to help inform future water supply investment needs. Modeling indicates a future need for additional supply in South County if demands increase as projected. Staff assesses potential projects identified through the Master Plan update that can help meet the additional demand, including additional groundwater recharge or an in-lieu recharge project to reduce groundwater pumping, such as a WTP. Potential South County projects include managed recharge in the Butterfield Channel, optimizing San Pedro Pond recharge operations, stormwater recharge, expanded recycled water use, additional water conservation, and a new WTP (Attachment 1).

Valley Water Board of Directors directed staff to begin planning to implement a "no regrets" package of water conservation and stormwater projects that includes projects in South County. In addition, staff is developing the Countywide Water Reuse Master Plan which, in part, builds on the 2015 South County Recycled Water Master Plan and evaluates expanded South County recycled water potential. Staff is also investigating increasing recharge operations at San Pedro Ponds and the feasibility of building a South County WTP.

SOUTH COUNTY WATER TREATMENT PLANT

A South County WTP would use imported water (and possibly local surface water) supplies to provide potable drinking water to help meet water demands. Imported water would likely come from supplies stored in the San Luis Reservoir or in the proposed Pacheco Reservoir while local supplies may come from Anderson Reservoir. In the past, staff evaluated different WTP sizes, ranging from as small as 3.5 million gallons per day (MGD) in a 2009 study to 25 MGD in a 2003 study. The 2009 study found that the 3.5 MGD plant provided similar benefits towards maintaining South County groundwater storage as the 25 MGD plant, but at significantly lower cost. However, the 2009 study still concluded that additional groundwater recharge facilities could provide similar benefits as a South County WTP but for approximately \$1 million less per year, primarily owing to the higher construction costs of a WTP.

The Master Plan describes an annual monitoring and assessment plan (MAP) for water supply projects to ensure Valley Water continues to achieve water supply sustainability and resiliency. Through the MAP, staff is evaluating a 5 MGD South County WTP, with an estimated 100-year lifecycle cost (2018 dollars) ranging from \$85-\$140 million. A 5 MGD plant can provide up to 5,600 acre-feet per year and should provide adequate capacity to account for higher treated water demands during the summer. However, winter water demands are often lower than summer water demands, which may result in a lower annual average treated water demand. The cost estimate for the 5 MGD WTP includes planning, design, construction, operations and maintenance, and repair and replacement of the new WTP. The cost estimate does not include pipeline connections or

property acquisition.

Building a WTP would require 5 to 30 acres of land, depending on plant size. Valley Water has the authority to acquire lands necessary to carry out the objectives and purposes of the District Act, including acquiring property to meet drinking water demands in South County through the construction of a WTP. However, a California Environmental Quality Act evaluation that includes analysis of the intended use of the land would need to be completed prior to acquiring land.

Valley Water owns three properties in the size range of 5 to 30 acres in South County that could be a future site for a South County WTP (Attachment 2). Each property is near a retailer service area, while the smallest property is also near a raw water pipeline. Building a WTP on a property farther from a raw water pipeline will be more expensive and will likely pose greater implementation risks. However, each of these sites would require further evaluation to determine suitability.

Staff analysis shows that a WTP can provide similar level of service benefits as an additional managed groundwater recharge project (e.g., San Pedro Pond optimization or Butterfield Channel managed recharge). Water supply modeling and cost projections indicate that the projects which focus on demand management, stormwater capture, or maximizing operations of existing infrastructure can meet current projections for South County water demands. Additional groundwater recharge is more economical than a South County WTP and groundwater modeling indicates that additional managed recharge could maintain sustainable groundwater conditions under 2040 pumping demands. While a South County WTP may not be as economical as a new or improved recharge facility, it would increase operational flexibility in that surface water could be sent directly to the water treatment plant or to groundwater recharge facilities.

NEXT STEPS

To evaluate whether planned investments are adequate or additional action is needed, Valley Water will continue to monitor South County groundwater conditions and overall water supply and demand trends, including the development of the groundwater recharge assessment. Staff will continue to communicate with South County agencies on their projected growth and to obtain feedback on potential water supply projects. Once Valley Water updates demand projections, staff will further evaluate proposed water supply projects for South County, including a WTP. If staff concludes that a WTP may be needed, staff may recommended that Valley Water proceed with land acquisition.

ATTACHMENTS:

Attachment 1: Project List

Attachment 2: Project Location Map

UNCLASSIFIED MANAGER:

Garth Hall, 408-630-2750

Potential South County Projects
(excerpted from Appendix D of the Water Supply Master Plan 2040)

Project	Project Status ¹	District Lifecycle Cost (Present Value, 2018) ²	Average Annual Yield (AFY) ³	Cost/AF	Relative Risk ⁴
Church Avenue Pipeline: Diverts water from the Santa Clara Conduit to the Church Avenue Ponds. The Morgan Hill recharge projects provide the same or better yields at a lower cost.	Inactive	\$31 million	1,000	\$900	TBD
Delta Conveyance Project (formerly known as California WaterFix): Constructs alternative conveyance capable of diverting up to 9,000 cubic feet-per-second from the Sacramento River north of the Delta and delivering it to the SWP pumps at the southern end of the Delta. The goal is to reduce impacts of diversions, help maintain existing deliveries, improve the ability to do transfers, help adapt to changing precipitation and runoff patterns, and protect water quality from sea level rise. The project has significant implementation complexity and stakeholder opposition. The State is currently revising the project from two tunnels down to one tunnel. A new project description is forthcoming.	Master Plan Project	\$630 million	41,000	\$600	High - Extreme

¹ Project status is either “Master Plan Project” for projects in the Water Supply Master Plan 2040, “Active” for projects where there is ongoing Valley Water activity and the project could be an alternative project for the Water Supply Master Plan, or “Inactive” for projects that could be potential future projects.

² Valley Water Lifecycle Cost (Present Value, 2018\$) includes capital, operations, maintenance, rehabilitation, and replacement costs, as applicable, for a 100-year period, discounted back to 2018 dollars. Only Valley Water costs, after grants and other funding sources, are included. All costs are subject to change pending additional planning and analysis.

³ The average annual yield of many projects depends on which projects they are combined with and the scenario being analyzed. For example, groundwater banking yields are higher in portfolios that include wet year supplies. Similarly, they would be lower in scenarios where demands exceed supplies and excess water is unavailable for banking.

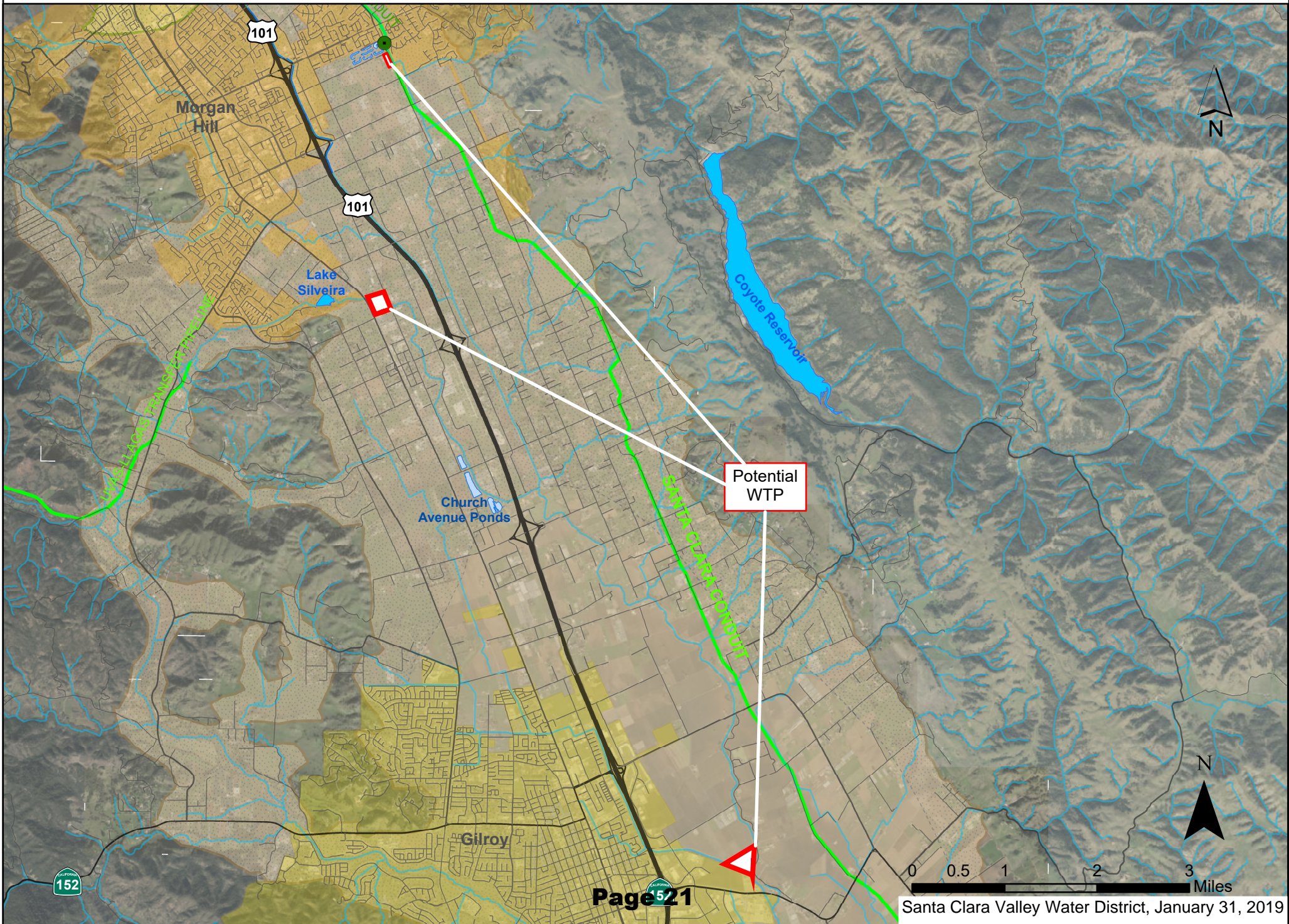
⁴ Valley Water staff complete risk ranking analyses in September 2017 and December 2018. Not all the potential projects were included in the analysis. “TBD” indicates the project was not included in either of the risk ranking analyses.

Project	Project Status ¹	District Lifecycle Cost (Present Value, 2018) ²	Average Annual Yield (AFY) ³	Cost/AF	Relative Risk ⁴
Local Land Fallowing: Launches program to pay growers not to plant row crops in critical dry years. This would primarily save water in the South County. The South County recharge projects have similar or greater yields at a lower cost and are more consistent with County land use policy and grower interests.	Inactive	\$50 million	1,000	\$2,400	TBD
Morgan Hill Recycled Water: Constructs a 2.25 MGD scalping plant in Morgan Hill. Would need to replace a lower cost recycled water project in Gilroy due to capacity constraints on the system.	Inactive	\$85 million	3,000	\$1,100	TBD
Additional Conservation and Stormwater Projects and Programs	Master Plan Project	\$60 million	11,000	\$200	Medium
Advanced Metering Infrastructure (AMI): Implements a cost share program with water retailers to install AMI throughout their service area. AMI would alert customers of leaks and provide real-time water use data that allows users to adjust water use.		\$20 million	4,000	\$100	Low
Graywater Rebate Program Expansion: Expand Valley Water's existing rebate program for laundry-to-landscape graywater systems. Potentially could include a direct installation program and/or rebates for graywater systems that reuse shower and sink water.		\$1 million	< 1,000	\$3,300	Low
Leak Repair Incentive: Provides financial incentivizes homeowners to repair leaks.		\$1 million	< 1,000	\$9,200	Low
New Development Model Ordinance: Encourages municipalities to adopt an ordinance for enhancing water efficiency standards in new developments. Components include submetering multi-family residences, onsite water reuse (rainwater, graywater, black water), and point-of use hot water heaters.		\$2 million	5,000	\$100	Medium
Stormwater - Agricultural Land Recharge: Flooding or recharge on South County agricultural parcels during the winter months.		\$10 million	1,000	\$1,000	Low

Project	Project Status ¹	District Lifecycle Cost (Present Value, 2018) ²	Average Annual Yield (AFY) ³	Cost/AF	Relative Risk ⁴
Stormwater - Rain Barrels: Provides rebates for the purchase of a rain barrels.		\$10 million	< 1,000	\$17,900	Low
Stormwater - Rain Gardens: Initiates a Valley Water rebate program to incentivize the construction of rain gardens in residential and commercial landscapes.		\$10 million	< 1,000	\$3,000	Low
Pacheco Reservoir: Through a partnership with Pacheco Pass Water District, San Benito County Water District (SBCWD), and potentially other partners, Valley Water will enlarge Pacheco Reservoir from about 6,000 AF to about 140,000 AF and connect the reservoir to the San Felipe Division of the CVP. The primary water sources to fill the expanded reservoir would be natural inflows from the North and East Forks of Pacheco Creek. Supplemental flows to the expanded reservoir would arrive from Valley Water's SBCWD's share of contracted CVP pumped water from San Luis Reservoir. The project will be operated to provide water for fisheries downstream of the reservoir and increase in-county storage. Other potential benefits could include managing water quality impacts from low-point conditions in San Luis Reservoir and downstream flood protection. The project will also deliver water to up to eight south-of-Delta wildlife refuges in Merced County. Potentially significant environmental and cultural resource impacts.	Master Plan Project	\$340 million	6,000	\$2,000	Medium
Retailer System Leak Detection/Repair: Recent legislation requires retailers to complete annual water loss audits, which will then be used by the State to establish water loss standards. Staff will reconsider this alternative after the standards are developed.	Inactive	TBD	TBD	TBD	TBD

Project	Project Status ¹	District Lifecycle Cost (Present Value, 2018) ²	Average Annual Yield (AFY) ³	Cost/AF	Relative Risk ⁴
South County Recharge – Butterfield Channel: Extends the Madrone Pipeline from Madrone Channel to Morgan Hill’s Butterfield Channel and Pond near Main Street. Would help optimize the use of existing supplies. Would need to be operated in conjunction with the City’s stormwater operations.	Master Plan Project	\$10 million	2,000	\$400	Low
South County Recharge - San Pedro Ponds: Implements a physical or institutional alternative to enable the ponds to be operated at full capacity without interfering with existing septic systems in the vicinity.	Active	\$10 million	1,000	\$400	TBD
South County Water Treatment Plant: Provides in-lieu groundwater recharge by delivering treated surface water to the Cities of Morgan Hill and Gilroy. Would require a connection to the Santa Clara Conduit or other raw water pipeline and pipelines from the plant to the cities' distribution systems. Valley Water owns two properties that could potentially be used for this project. The South County recharge projects provide similar benefits at significantly lower cost.	Active	\$85-140 million	2,000	\$2,400	TBD
Uvas Pipeline: Captures excess water (e.g., water that would spill) from Uvas Reservoir and diverts the water to Church Ponds and a 25 acre-foot pond near Highland Avenue. The new pond would be adjacent to and connected by a pipe to West Branch Llagas Creek. The South County recharge projects provide similar or better yields at a lower cost.	Inactive	\$90 million	1,000	\$2,600	TBD
Uvas Reservoir Expansion: Would expand Uvas Reservoir by about 5,100 AF to 15,000 AF, reducing reservoir spills. Project would be located on Uvas Creek, which currently provides good steelhead habitat. Other water storage options under consideration provide better yield for the cost.	Inactive	\$330 million	1,000	\$20,500	TBD

Potential South County Water Treatment Plant Sites



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Santa Clara Valley Water District

File No.: 19-1178

Agenda Date: 12/19/2019

Item No.: 4.2.

COMMITTEE AGENDA MEMORANDUM

Joint WRC with Cities of Gilroy/Morgan Hill/SCRWA

SUBJECT:

Water Supply Master Plan Update

RECOMMENDATION:

This is a discussion item and no action is required. However, the Committee may provide comments for Board consideration.

SUMMARY:

Santa Clara Valley Water District (Valley Water) staff will present an update on the 2040 Water Supply Master Plan (Master Plan) recently adopted by the Board and, in particular, a description of the Monitoring and Assessment Plan (MAP) element of the Master Plan. Going forward, the MAP will provide an annual review of the water supply strategies and project evaluations contemplated in the Master Plan. Attachment 1, a Powerpoint slide deck, provides an overview of the Master Plan, with a focus on the MAP.

The Valley Water Board of Directors adopted the Master Plan on November 20, 2019. The MAP will be a critical piece of the Valley Water planning process used to provide up-to-date operational and financial assumptions for water supply projects identified in the Master Plan, and to consider any proposed changes to the set of projects previously selected by the Board for planning purposes.

The Committee previously received a presentation on the *draft* Master Plan at its March 6, 2019 meeting.

ATTACHMENTS:

Attachment 1: Staff Presentation

UNCLASSIFIED MANAGER:

Garth Hall, 408-630-2750



Water Supply Master Plan Update

Presented by Water Supply Planning & Conservation Unit
Joint Water Resources Committee, December 19, 2019



Overview

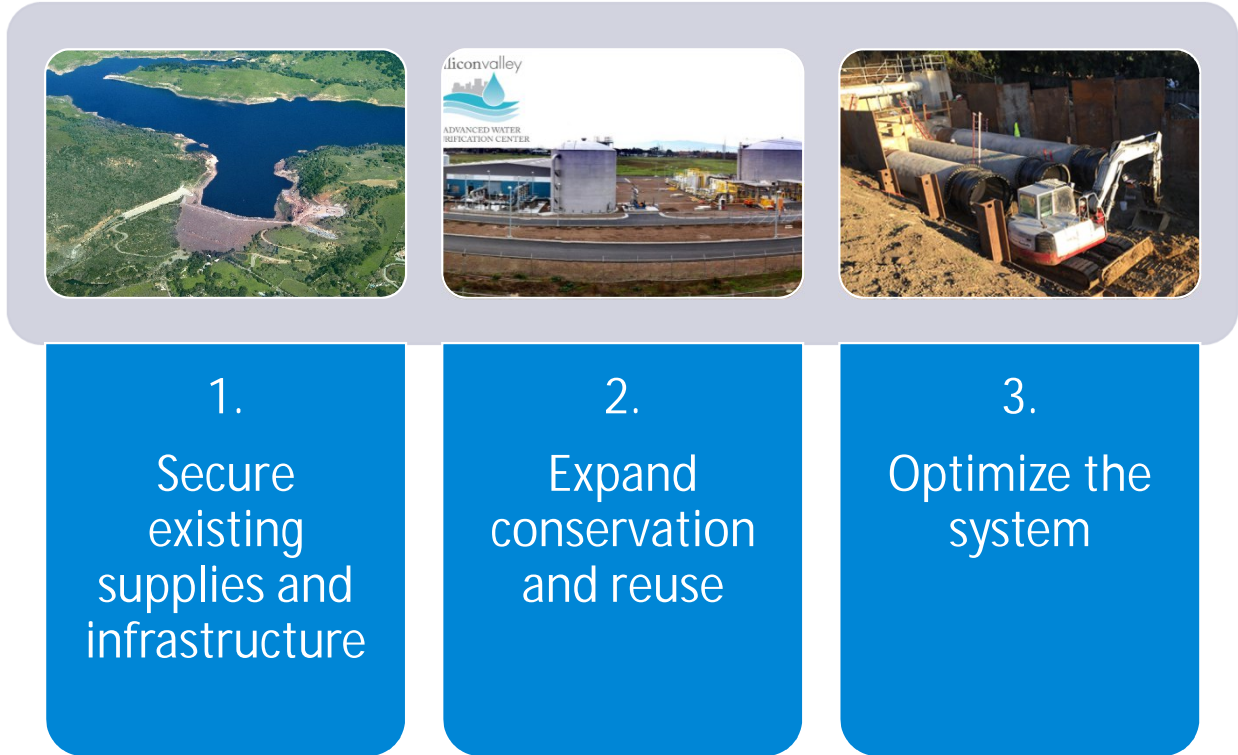
- Review Water Supply Strategy
- Master Plan Project Evaluation
- **Monitoring and Assessment Approach**



Water Supply Strategy

- Protects existing assets
- Leverages past investments
- Meets new demands with drought-resilient supplies
- Develops local and regional supplies to reduce reliance on the Delta
- Increases flexibility
- Increases resiliency to climate change

“Ensure Sustainability” Strategy¹



¹ Ensure Sustainability strategy reaffirmed by the Board on 01/14/19

Master Plan Evaluation of Projects

4



 Sustainability

 Operational Flexibility

 Yield

 Local vs. Regional Supply

 Environmental Impacts

 Climate Change

 Cost

 Rate Impacts

 Regulatory Restrictions

 And more...

valleywater.org



Master Plan Projects

- Baseline Projects¹
- Delta Conveyance Project
- Additional Conservation & Stormwater Projects
- Potable Reuse (Phase 1- 24,000 AF by FY28)
- Pacheco Reservoir Expansion
- Transfer-Bethany Pipeline
- South County Recharge

¹ Dam seismic retrofits, Rinconada Water Treatment Plan reliability improvement project, 10-year pipeline rehabilitation program, Vasona pumping plan upgrade, 100,000 AFY water conservation savings, and assumes 33,000 AFY of countywide non-potable recycled water.

Project	Average Annual Yield (AFY)	Valley Water Lifecycle Cost ³	Unit Cost (AF)	Risk
Delta Conveyance Project	41,000	\$630 million	\$600	High/Extreme
Additional Conservation & Stormwater Projects	11,000	\$100 million	\$400	Medium
Potable Reuse	19,000	\$1.2 billion	\$2,000	Medium
Pacheco Reservoir Expansion ¹	6,000 ²	\$340 million ⁴	\$2,000	Medium
Transfer-Bethany Pipeline ²	3,500	\$78 million	\$700	Medium
South County Recharge	2,000	\$20 million	\$400	Medium

Ultimately the amount of project yield and benefit that is usable by Valley Water depends on the portfolio of water supply projects that Valley Water ultimately implements and the outcome of ongoing regulatory processes.

¹ Assumes Prop. 1 Water Storage Investment Program funding. Costs would roughly double without funding.

² Based on Prop. 1 Water Storage Investment Program (WISP) application.

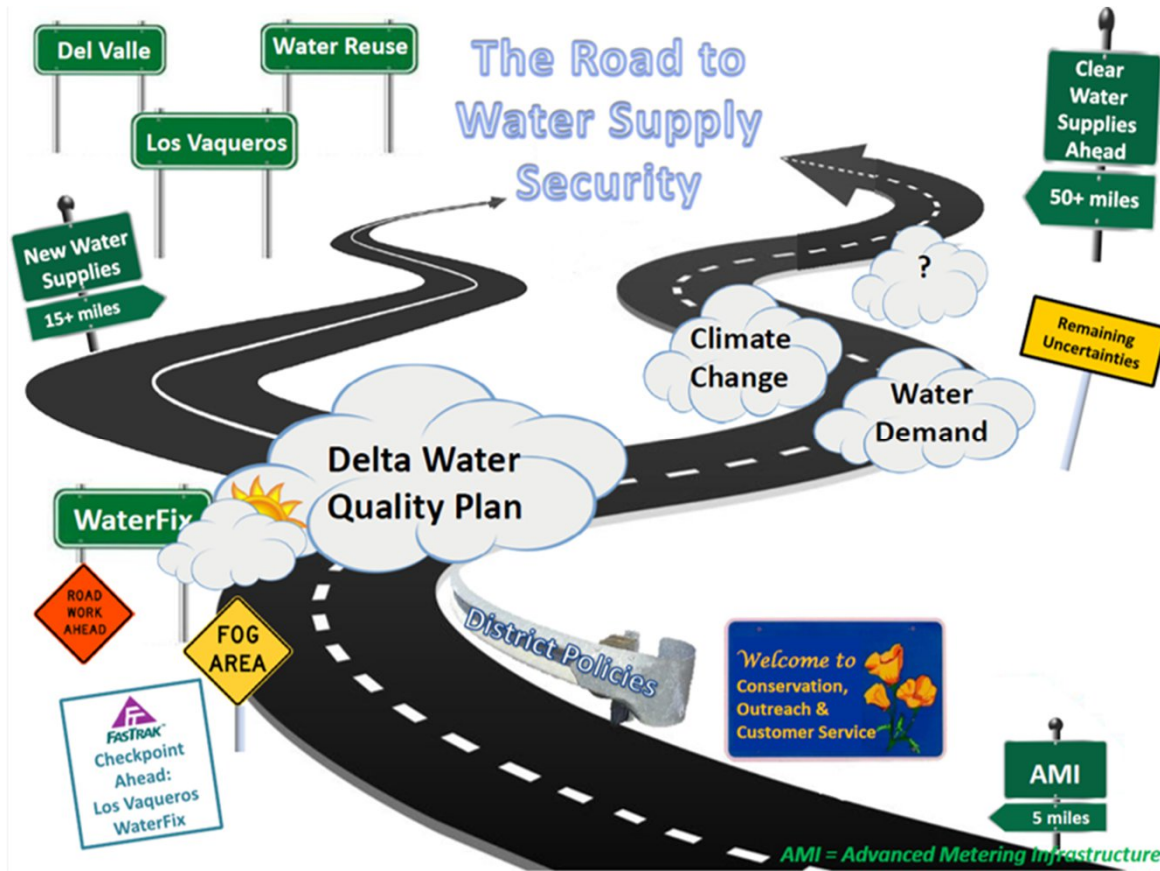
³ Valley Water lifecycle (100 year) costs are presented in 2018 present value dollars.

⁴ Assumes Prop. 1 and WIIN funding, WIFIA loan, and partner agencies pay 20% of the project.



Monitoring and Assessment Plan (MAP)

6

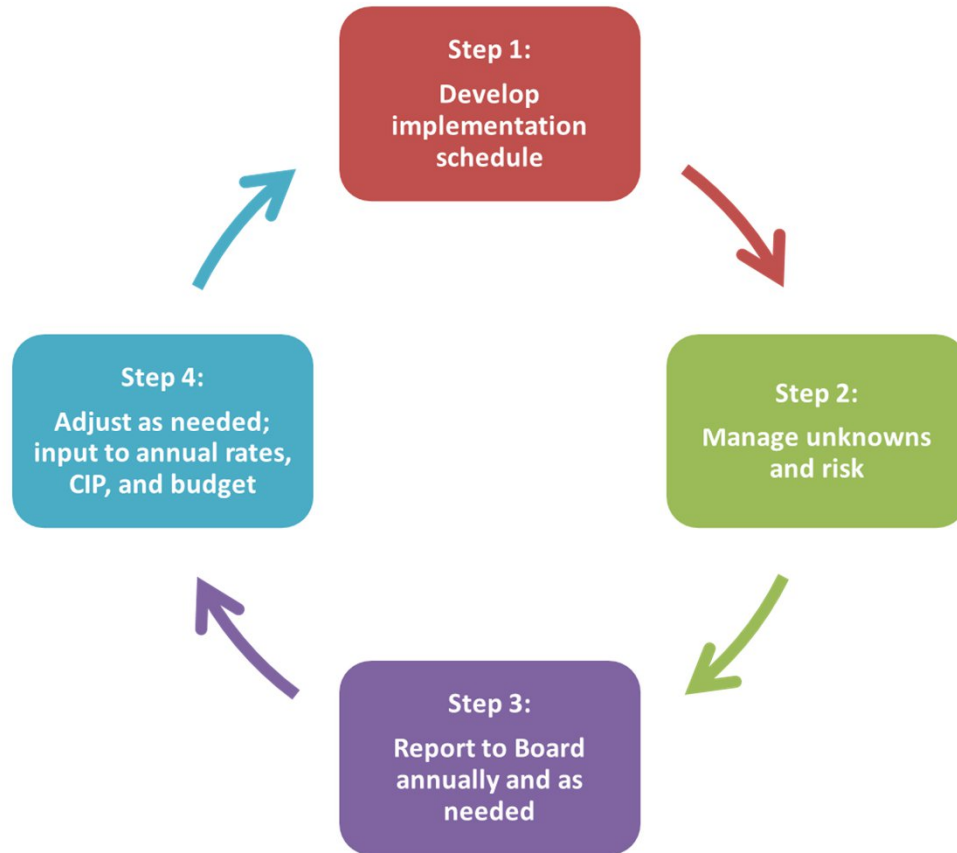


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Monitoring and Assessment Plan (MAP)

7



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Santa Clara Valley Water District

File No.: 19-1179

Agenda Date: 12/19/2019

Item No.: 4.3.

COMMITTEE AGENDA MEMORANDUM

Joint WRC with Cities of Gilroy/Morgan Hill/SCRWA

SUBJECT:

Open Space Credit Options Discussion.

RECOMMENDATION:

Discuss Open Space Credit options and/or ideas with the Cities of Gilroy and Morgan Hill.

SUMMARY:

At the Board's May 14, 2019, meeting it was requested to bring back a recommendation about how to proceed forward in finding ways to replace the discretionary portion of the Open Space Credit subsidy through a community drive effort. On June 25, 2019, the Revenue Working Group (RWG) now called the Financial Sustainability Group, recommended to the Board that they encourage a collaborative effort for the purpose of identifying and securing a permanent, and/or ongoing funding source to replace the discretionary portion of the Open Space Credit.

At the July 1, 2019, meeting, the Agricultural Water Advisory Committee (Committee) approved the formation of a team of stakeholders - farm bureau, ag businesses and other interested parties, to discuss the Agricultural Plan, potential open space credit funding, agricultural lands, subsidy concerns, environmental and financial impacts and research of potential source agencies.

This item provides an opportunity for the Committee and Stakeholder groups to provide updates on the collaborative efforts to date.

BACKGROUND

Collaborative Scope and Purpose: The scope and purpose of the Collaborative will be to identify, investigate and secure a permanent, and/or ongoing, funding source to replace the discretionary portion of the Santa Clara Valley Water District (Valley Water) Open Space Credit which is currently being utilized to subsidize commercial agricultural water rates. This funding source shall be a new source of funding which is not part of the current Valley Water portfolio.

Collaborative Lead: Director John Varela for Valley Water, and Jan Garrod, Agricultural Water Advisory Committee Vice Chair.

Progress Report: A public update on the progress of the Collaborative shall be provided to the Board of Directors approximately one year, (July 1, 2020), prior to the expiration of the Open Space subsidy.

File No.: 19-1179

Agenda Date: 12/19/2019
Item No.: 4.3.

ATTACHMENTS:

None.

UNCLASSIFIED MANAGER:

Michele King, 408-630-2711



Santa Clara Valley Water District

File No.: 19-1180

Agenda Date: 12/19/2019

Item No.: 4.4.

COMMITTEE AGENDA MEMORANDUM

Joint WRC with Cities of Gilroy/Morgan Hill/SCRWA

SUBJECT:

Review Joint WRC with Cities of Gilroy/Morgan Hill/SCRWA Committee Work Plan, the Outcomes of Board Action of Committee Requests; and the Committee's Next Meeting Agenda.

RECOMMENDATION:

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

SUMMARY:

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

BACKGROUND:

Governance Process Policy-8:

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

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

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

ATTACHMENTS:

Attachment 1: Jt WRC 2019 Work Plan

Attachment 2: Jt WRC Next Meeting's Draft Agenda

File No.: 19-1180

Agenda Date: 12/19/2019
Item No.: 4.4.

UNCLASSIFIED MANAGER:
Michele King, 408-630-2711

2019 Work Plan: Joint Water Resources Committee (City of Gilroy, City of Morgan Hill, SCVWD)

Update: December 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	ACTION/DISCUSSION OR INFORMATION ONLY	ACCOMPLISHMENT DATE AND OUTCOME
1	Review of 2018 Joint Water Resources Committee's Accomplishments Report	3-6-19	Information Item	Accomplished March 6, 2019: The Committee reviewed and approved the 2018 Accomplishments Report.
2	Update on District's Water Supply Master Plan	3-6-19 12-19-19	Discussion/Action Item	Accomplished March 6, 2019: The Committee received an update on District's Water Supply Master Plan and took no action.
3	Update on Countywide Water Reuse Master Plan	3-6-19 9-4-19	Discussion/Action Item	Accomplished March 6, 2019: The Committee received an update on Countywide Water Reuse Master Plan and took no action. Accomplished September 4, 2019: The Committee received an update on Countywide Water Reuse Master Plan and took no action.

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

Attachment 1
Page 1 of 2

**2019 Work Plan: Joint Water Resources Committee
(City of Gilroy, City of Morgan Hill, SCVWD)**

Update: December 2019

4	Open Space Credit Discussion	3-6-19 6-5-19 12-19-19	Discussion/Action Item	<p>Accomplished March 6, 2019: Due to time constraints, the Committee received a brief update on Open Space Credit and asked to bring this agenda item back for the next meeting.</p> <p>Accomplished June 5, 2019: The Committee received an update on Open Space Credit and took no action; however, the Committee would like to have this agenda item return for the next meeting, inviting Paul Mirassou, Andrea Mackenzie, Jess Brown and experts in agriculture to further discuss the sustainability aspect of open space credit.</p>
5	Review of 2019 Joint Water Resources Work Plan and the Outcomes of Board Action of Committee Requests	3-6-19 6-5-19	Discussion/Action Item	<p>Accomplished March 6, 2019: The Committee reviewed the 2019 work plan and took no action.</p> <p>Accomplished June 5, 2019: The Committee reviewed the 2019 work plan and took no action.</p>
6	Update on Dam Projects	6-5-19	Discussion/Action Item	<p>Accomplished June 5, 2019: The Committee received an update on Dam project and took no action.</p>
7	South County Drinking Water Treatment Plant Discussion	12-19-19	Discussion/Action Item	
8	Update History of District Collaboration with the Cities of Gilroy and Morgan Hill on Recycled Water (<i>this topic should be addressed once the Reuse Master Plan is complete</i>)	TBD	Discussion/Action Item	

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

Attachment 1
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SOUTH COUNTY REGIONAL
WASTEWATER AUTHORITY

JOINT WATER RESOURCES COMMITTEE

Hon. Marie Blankley, Mayor Pro Tempore, City of Gilroy

Hon. Dion Bracco, Council Member, City of Gilroy and SCRWA Board Vice Chairman

Hon. Larry Carr, Council Member-District A, City of Morgan Hill, SCRWA Chairman and Committee Vice Chair

Hon. Rich Constantine, Mayor, City of Morgan Hill

Hon. Richard P. Santos, Director-District 3, 2018 Board Chair, Santa Clara Valley Water District (SCVWD) and Committee Chair

Hon. John L. Varela, Director-District 1, Santa Clara Valley Water District (SCVWD)

SCRWA = South County Regional Wastewater Authority

AGENDA

WEDNESDAY, MARCH 4, 2020

8:35 AM

**JOINT WATER RESOURCES COMMITTEE
(CITY OF GILROY, CITY OF MORGAN HILL, AND SCVWD)
South County Regional Wastewater Authority Conference Room
1500 Southside Drive, Gilroy CA 95020**

Time Certain:

8:35 a.m.

1. **Call to Order/Roll Call.**
2. **Time Open for Public Comment on Any Item Not on the Agenda.**
Comments should be limited to two minutes. If the Committee wishes to discuss a subject raised by the speaker, it can request placement on a future agenda.
3. **Approval of Minutes**
 - 3.1 Approval of Minutes – December 19, 2019, meeting.
4. **Action Items:**
 - 4.1. Review of 2019 Joint Water Resources Committee Accomplishments
(Committee Chair)
Recommendation: Review the Committee’s accomplishments for 2019.
 - 4.2 Update History of District Collaboration with the Cities of Gilroy and Morgan Hill on Recycled Water
Recommendation: This is an information only item and no action is required. However, the Committee may provide comments for Board consideration.
 - 4.3 Update on Open Space Credit Options
Recommendation: This is an information only item and no action is required. However, the Committee may provide comments for Board consideration.
 - 4.4. Review of 2020 Joint Water Resources Work Plan and any Outcomes of Board Action or Committee Requests and the Committee’s next meeting agenda
(Committee Chair)
Recommendation: Review the Committee work plan to guide the Committee’s discussions regarding policy alternatives and implications for Board deliberation.
5. **Clerk Review and Clarification of Committee Actions**
This is a review of the Committee’s Actions (from Item 4).

6. **Adjourn:** Adjourn to next regularly scheduled meeting at 8:35 a.m. (immediately following SCRWA meeting), **June 3, 2020**, South County Regional Wastewater Authority Conference Room, 1500 Southside Drive, Gilroy CA 95020.

REASONABLE EFFORTS TO ACCOMMODATE PERSONS WITH DISABILITIES WISHING TO ATTEND COMMITTEE MEETINGS WILL BE MADE. PLEASE ADVISE THE CLERK OF THE BOARD'S 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 locations:

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

City of Gilroy
City Clerk
735 Rosanna Street
Gilroy, CA 95020

City of Morgan Hill
City Clerk
17575 Peak Avenue
Morgan Hill, CA 95037

Joint Water Resources Committee Purpose: Advance common South County water interests and receive input from stakeholders and interested parties when undertaking the following: 1. Reviewing current practices and future needs for groundwater management in the Llagas groundwater sub-basin, 2. Facilitating policy discussion and sharing of technical information on water supply planning for South County, 3. Identifying the current and future demand for recycled water as well as jointly identifying funding sources for implementation of the South County Recycled Water Master Plan, 4. Facilitating policy discussion and sharing of technical information on furthering development and use of recycled water in South County, 5. Facilitating policy discussion and sharing of socio-economic homelessness in South County