



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

MINUTES

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

(Paragraph numbers coincide with agenda item numbers)

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

1. CALL TO ORDER

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

1.1 ROLL CALL

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

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

Guest in attendance: Jim Watson, Sites Project Authority.

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

2. CLOSED SESSION:

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

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

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

DISTRICT COUNSEL'S REPORT:

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

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

There was no one present who wished to speak.

4. APPROVAL OF MINUTES

4.1 APPROVAL OF MINUTES

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

5. ACTION ITEMS

5.1 PACHECO RESERVOIR EXPANSION PROJECT UPDATE

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

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

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

The Committee took no action.

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

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

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

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

The Committee took no action.

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

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

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

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

Mr. Eric Leitnerman was available to answer questions.

The Committee took the following action:

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

5.4. SEMITROPIC AND OTHER POTENTIAL GROUNDWATER BANKING PROGRAMS

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

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

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

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

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

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

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

6. CLERK REVIEW AND CLARIFICATION OF COMMITTEE ACTIONS

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

Agenda Item 5.3

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

7. ADJOURNMENT

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

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

Approved: 5-20-19