



Santa Clara Valley Water District Santa Clara Valley Water Commission Meeting

Headquarters Bldg. Boardroom,
5700 Almaden Expressway, San Jose, CA
Join Zoom Meeting: <https://valleywater.zoom.us/j/91095453959>

Alternate Location:
Sheraton Grand Sacramento Hotel
Hotel Lobby
1230 J Street, Sacramento, CA 95814

REGULAR MEETING AGENDA

**Wednesday, January 22, 2025
12:00 PM**

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

Hon. Domingo Candelas, Vice Chairperson	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.	Rita Chan (Staff Liaison) Rachael Gibson (Staff Liaison)
Chairperson Tony Estremera, District 6		Stephanie Simunic (COB Liaison) Assistant Deputy Clerk II ssimunic@valleywater.org 1-408-630-2408
Vice Chairperson Richard Santos, District 3		

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

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**Santa Clara Valley Water District
Santa Clara Valley Water Commission**

**REGULAR MEETING
AGENDA**

Wednesday, January 22, 2025

12:00 PM

HQ. Bldg. Boardroom, 5700 Almaden
Expressway, San Jose, CA

Join Zoom Meeting:
<https://valleywater.zoom.us/j/91095453959>

*****IMPORTANT NOTICES AND PARTICIPATION INSTRUCTIONS*****

Santa Clara Valley Water District (Valley Water) Board of Directors/Board Committee meetings are held as a “hybrid” meetings, conducted in-person as well as by telecommunication, and is compliant with the provisions of the Ralph M. Brown Act.

To maximize public safety while still maintaining transparency and public access, members of the public have an option to participate by teleconference/video conference or attend in-person. To observe and participate in the meeting by teleconference/video conference, please see the meeting link located at the top of the agenda. If attending in-person, you are required to comply with **Ordinance 22-03 - AN ORDINANCE OF THE SANTA CLARA VALLEY WATER DISTRICT SPECIFYING RULES OF DECORUM FOR PARTICIPATION IN BOARD AND COMMITTEE MEETINGS** located at <https://s3.us-west-2.amazonaws.com/valleywater.org.if-us-west-2/f2-live/s3fs-public/Ord.pdf>

In accordance with the requirements of Gov. Code Section 54954.3(a), members of the public wishing to address the Board/Committee during public comment or on any item listed on the agenda, may do so by filling out a Speaker Card and submitting it to the Clerk or using the “Raise Hand” tool located in the Zoom meeting application to identify yourself in order to speak, at the time the item is called. Speakers will be acknowledged by the Board/Committee Chair in the order requests are received and granted speaking access to address the Board.

- Members of the Public may test their connection to Zoom Meetings at: <https://zoom.us/test>
- Members of the Public are encouraged to review our overview on joining Valley Water Board Meetings at: <https://www.youtube.com/watch?v=TojJpYCxXm0>

Valley Water, in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in Valley Water Board of Directors/Board Committee meetings to please contact the Clerk of the Board’s office at (408) 630-2711, at least 3 business days before the scheduled meeting to ensure that Valley Water may assist you.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Sections 54950 et. seq. and has

not been prepared with a view to informing an investment decision in any of Valley Water's bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of Valley Water's bonds, notes or other obligations and investors and potential investors should rely only on information filed by Valley Water on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures and Valley Water's Investor Relations website, maintained on the World Wide Web at <https://emma.msrb.org/> and <https://www.valleywater.org/how-we-operate/financebudget/investor-relations>, respectively.

Under the Brown Act, members of the public are not required to provide identifying information in order to attend public meetings. Through the link below, the Zoom webinar program requests entry of a name and email address, and Valley Water is unable to modify this requirement. Members of the public not wishing to provide such identifying information are encouraged to enter "Anonymous" or some other reference under name and to enter a fictional email address (e.g., attendee@valleywater.org) in lieu of their actual address. Inputting such values will not impact your ability to access the meeting through Zoom.

Join Zoom Meeting:

<https://valleywater.zoom.us/j/91095453959>

Meeting ID: 910 9545 3959

Join by Phone:

1 (669) 900-9128, 91095453959#

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: Members of the public who wish to address the Board/Committee on any item not listed on the agenda may do so by filling out a Speaker Card and submitting it to the Clerk or using the "Raise Hand" tool located in the Zoom meeting application to identify yourself to speak. Speakers will be acknowledged by the Board/Committee Chair in the order requests are received and granted speaking access to address the Board/Committee. Speakers' comments should be limited to three minutes or as set by the Chair. The law does not permit Board/Committee action on, or extended discussion of, any item not on the agenda except under special circumstances. If Board/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 Board/Committee may take action on any item of business appearing on the posted agenda.

3. APPROVAL OF MINUTES:

3.1. Approval of October 23, 2024 Santa Clara Valley Water Commission Minutes.

25-0040

Recommendation: Approve the minutes.
Manager: Candice Kwok-Smith, 408-630-3193
Attachments: [102324 WC Meeting Minutes - Pending Com. Approval 1-22-25](#)
Est. Staff Time: 5 Minutes

4. REGULAR AGENDA:

4.1. Election of Chair and Vice Chair. [25-0041](#)

Recommendation: Elect 2025 Chair and Vice Chair.
Manager: Candice Kwok-Smith, 408-630-3193
Est. Staff Time: 5 Minutes

4.2. Review and Approve 2024 Annual Accomplishments Report for Presentation to the Board (Commission Chair). [25-0042](#)

Recommendation:

- A. Approve the 2024 Accomplishments Report for presentation to the Board; and
- B. Provide comments to the Commission Chair to share with the Board as part of the Accomplishments Report presentation pertaining to the purpose, structure, and function of the Commission.

Manager: Candice Kwok-Smith, 408-630-3193
Attachments: [Attachment 1: Water Comm. 2024 Accomplishments Report](#)
Est. Staff Time: 10 Minutes

4.3. Receive Information and Provide Feedback on Valley Water's Development of its Water Supply Master Plan 2050. [25-0111](#)

Recommendation: Provide feedback to the Board and Staff on the development of the Water Supply Master Plan 2050.

Manager: Kirsten Struve, 408-630-3138
Attachments: [Attachment 1: PowerPoint](#)
Est. Staff Time: 45 Minutes

4.4. Review and Provide Comment to the Board on Staff's Preliminary Fiscal Year 2025 - 2026 Groundwater Production Charges. [24-0905](#)

Recommendation: Discuss staff's preliminary Fiscal Year 2025 - 2026 Groundwater Production Charge analysis; provide comment to the Board as desired.

Manager: Darin Taylor, 408-630-3068
Attachments: [Attachment 1: PowerPoint](#)
Est. Staff Time: 45 Minutes

4.5. Review and Approve the Proposed 2025 Santa Clara Valley Water Commission Work Plan, the Outcomes of Board Action of Commission [25-0043](#)

Requests; and the Commission's Next Meeting Agenda, and Recommend the Proposed 2025 Water Commission Work Plan to the Board.

Recommendation: Review and approve the Commission work plan to guide the commission's discussions regarding policy alternatives and implications for Board deliberation; and recommend the proposed 2025 Water Commission Work Plan to the Board.

Manager: Candice Kwok-Smith, 408-630-3193

Attachments: [Attachment 1: 012225 Water Commission Work Plan](#)

Est. Staff Time: 5 Minutes

5. INFORMATION ITEM(S):

5.1. Standing Items Report.

[25-0116](#)

Recommendation: Standing Items Report

This item allows the Santa Clara Valley Water Advisory Commission to receive verbal or written updates and discuss the Board's Fiscal Year 2024-2025 Work Plan Strategies.

These items are generally informational; however, the Commission may request additional information and/or provide collective input to the assigned Board Committee/Commission.

Manager: Candice Kwok-Smith, 408-630-3193

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

Est. Staff Time: 5 Minutes

6. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.

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

7. REPORTS:

7.1. Directors Report

7.2. Managers Report

7.3. Committee Member Report

7.4. Information Links:

<https://www.valleywater.org/how-we-operate/committees/board-committees>

- Board Policy and Monitoring Committee (BPMC) - formerly Board Policy and Planning Committee & Diversity and Inclusion Ad Hoc Committee*
- Environmental Creek Cleanup Committee (ECCC) - formerly Homeless Encampment Committee*
- Water Supply and Demand Management (WSDM) - formerly Water Storage Exploratory Committee & Water Conservation & Demand Management Committee*
- Water Tracker*

<https://www.valleywater.org/your-water/water-supply-planning/monthly-water-tracker>

8. ADJOURN:

8.1. Adjourn to Regular Meeting at 12:00 p.m., on Wednesday April 9, 2025.

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Santa Clara Valley Water District

File No.: 25-0040

Agenda Date: 1/22/2025

Item No.: 3.1.

COMMITTEE AGENDA MEMORANDUM Santa Clara Valley Water Commission

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Approval of October 23, 2024 Santa Clara Valley Water Commission Minutes.

RECOMMENDATION:

Approve the 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.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

The approval of minutes is not subject to environmental justice analysis.

ATTACHMENTS:

Attachment 1: 102324 WC Meeting Minutes - Pending Com. Approval 1-22-25

UNCLASSIFIED MANAGER:

Candice Kwok-Smith, 408-630-3193

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SANTA CLARA VALLEY WATER COMMISSION MEETING

DRAFT MINUTES

REGULAR MEETING
WEDNESDAY, OCTOBER 23, 2024
12:00 PM

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER:

A regular meeting of the Santa Clara Valley Water District (Valley Water) Santa Clara Valley Water Commission (Commission) was called to order in the Valley Water Headquarters Building Boardroom at 5700 Almaden Expressway, San Jose, California, and by Zoom teleconference, at 12:01 p.m.

A quorum of 12 was established of Commission members present in person.

1.1 Roll Call.

Members in attendance were:

Municipality	Representative	Alternate
City of Cupertino	Hon. J.R. Fruen (Late)	
Town of Los Gatos		Hon. Maria Ristow
Town of Los Altos Hills	Hon. Lisa Schmidt	
City of Milpitas	Hon. Carmen Montano	
City of Monte Sereno	Hon. Evert Wolsheimer	
City of Morgan Hill	Hon. Gino Borgioli	
City of Mountain View	Hon. Lucas Ramirez (Late)	
City of Palo Alto	Hon. Lydia Kou	
City of San José	Hon. Domingo Candelas	
City of Santa Clara	Hon. Karen Hardy	
City of Saratoga	Hon. Chuck Page	
City of Sunnyvale		Hon. Murali Srinivasan
Open Space Authority Santa Clara Valley	Hon. Kalvin Gill	
Midpeninsula Regional Open Space District	Hon. Jed Cyr	

For full meeting record, please review meeting videos at:
<https://www.valleywater.org/how-we-operate/committees/board-advisory-committees>

Members not in attendance were:

Municipality	Representative	Alternate
City of Campbell	Hon. Susan M. Landry	Hon. Elliot Scozzola
City of Cupertino		Hon. Kitty Moore
City of Gilroy	Hon. Dion Bracco	Hon. Fred Tovar
City of Los Altos	Hon. Pete Dailey	
Town of Los Altos Hills		
Town of Los Gatos	Hon. Rob Rennie	
City of Monte Sereno		Hon. Bryan Mekechuk
City of Morgan Hill		Hon. Yvonne Martinez-Beltran
City of Mountain View		Hon. Pat Showalter
City of Palo Alto		Hon. Vicki Veenker
City of San Jose		Kerrie Romanow
City of Santa Clara		Hon. Kathy Watanabe
City of Saratoga		Hon. Tina Walia
City of Sunnyvale	Hon. Alysa Cisneros	
County of Santa Clara	Hon. Sylvia Arenas	Hon. Cindy Chavez
Open Space Authority Santa Clara Valley		Hon. Helen Chapman
Midpeninsula Regional Open Space District		Hon. Yoriko Kishimoto

Valley Water Board representatives in attendance were Vice Chairperson Richard Santos (District 3) and Director John Varela (District 1).

Staff members in attendance were:

Gina Adriano, Aaron Baker, Bart Broome, Roselyn Bhudsabourg, Jessica Collins, Vincent Gin, Andrew Gschwind, Cindy Kao, Bassam Kassab, Michele King, Emelia Lamas, Nicole Merritt, Carmen Narayanan, Metra Richert, Desiree Sausele, Stephanie Simunic, Kirsten Struve, Greg Tanaka, Darin Taylor, Jing Wu, and Bhavani Yerrapotu.

Public in attendance were:

Hon. Director Rebecca Eisenberg (Valley Water Board Member- District 7), Hon. Member Sylvia Arenas and Victoria Lam (County of Santa Clara) Elizabeth Flegel, James Sylvain (City of Morgan Hill).

2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA:
Chairperson Kou declared time open for public comment on any item not on the agenda. There was no one present who wished to speak.

3. APPROVAL OF MINUTES:

3.1. Approval of April 10, 2024 Santa Clara Valley Water Commission Meeting Minutes.

Recommendation: Approve the minutes.

The Commission considered the attached minutes of the April 10, 2024 meeting.

Public Comments: None.

It was moved by Hon. Member Carmen Montano and seconded by Hon. Member Gino Borgioli, with abstentions from Hon. Member Maria Ristow, Hon. Kalvin Gill, Hon. Evert Wolsheimer, and Hon. Murali Srinivasan, that the minutes of April 10, 2024 Santa Clara Valley Water Commission were approved as presented.

4. REGULAR AGENDA:

4.1 Receive Information and Provide Feedback on Valley Water's Water Supply Master Plan 2050.

Kirsten Struve and Jing Wu reviewed the information on this item, per the attached Commission Agenda Memo; and per the information contained in the Attachments.

Hon. Members J. R. Fruen and Lucas Ramirez arrived at 12:15 p.m.

The Commission received the information, and noted the following:

- The Commission and staff discussed water projects including groundwater banking efforts in the Central Valley, Los Vaqueros Expansion project changes, and possible desalination projects.
- In response to an inquiry from Hon. Member Montano, staff stated that the residential sector uses about half of the water. Member Montano suggested incorporating that information in a future report.
- The Commission and staff discussed replacing non-functional turf options (including Valley Water's Lawn to Mulch Rebate Program); portfolio analysis based on water supply and demand projection, strategies for water supply reliability, rate impact of water supply strategies, adaptive management framework, decision points, annual reporting on project progress and triggers/metrics, and next steps.
- Hon. Member Hardy stated the abbreviations in the attachments are not user-friendly.
- Staff stated that on page 55 of the packet, the "No Partners" listed in the Pacheco box signifies there are no partners, meaning Valley Water uses all the storage, which may affect cost and supply.
- Hon. Vice Chairperson Candelas stated leaning into water conservation to the maximum extent possible given the slide relating to rate impact of water supply strategies, and this commission provides this recommendation to the Board. Discussion ensued relating to financials of water conservation.

- Hon. Member Hardy stated that she feels strongly about potable reuse, and it makes the most sense, and discussion ensued relating to potable and non-potable water reuse.
- Hon. Member Srinivasan emphasized tracking “Key Triggers” on packet page 62.
- In response to an inquiry from Hon. Member Schmidt, Staff Jing Wu stated the source used for the populations projections is from the Association of Bay Area Governments, and Staff Kirsten Struve added the demand projections for the low bookend does not include projections as it is simply held flat, it is the high demand bookend which includes household growth and climate change.
- Hon. Member Ristow thanked staff for the presentation, stated that she understands the need to plan for housing and that it will likely be infill housing and not have the same impact on infrastructure, so the same landscaping demands/concerns about changing behavior won’t likely occur. She further stated that she hears complaints from constituents relating to repeating messaging about conservation and increasing rates, that both those things can be true, that if there is an increased number of households, if the water use is minimal in a multi-family home, used primarily for hygiene and cleaning and not landscaping, she views that as more rate payers to cover the fixed cost and the usage won’t proportionately increase. She further stated her favor of potable reuse water vs. desalination and noted the importance of storage options including rainwater capture and dam building projects. She noted the longer large projects take the bigger the fiscal impact will be to build them, but the projects can affect ratepayers.
- Hon. Member Hardy noted cities with overall water use per capita and stated Palo Alto uses the most and suggested a cost analysis.
- Hon. Member Gill introduced himself to the Commission as replacing Hon. Member Chapman (alternate) of the Open Space Authority, and applauded reports staff provided.
- The Commission discussed rainwater capture and conservation. Hon. Chairperson Kou stated her concern about pumping stormwater water into the bay and losing that water. She further stated that she hears from constituents related to questioning rate increases regarding water conservation. In response to her inquiry relating to population numbers from the Association of Bay Area Governments (ABAG) vs those numbers from the Department of Finance, Jing Wu stated that the Department of Finance population numbers only go until 2030, but the Water Supply Master Plan 2050 needs the projection into 2050. Valley Water reviewed both sets of numbers and they are fairly close to each other.
- The Commission discussed whether recycled water can be used in fire hydrants. Kirsten Struve stated that water is potable water, which must be flushed out of the hydrant, typically goes down storm drains, that recycled water is considered wastewater and only used in accordance with regulations and cannot be used for firefighting except for special circumstances. Vice Chairperson Santos and Director Varela stated that Valley Water Directors and staff continually meet with the

firefighting community and forestry service to discuss issues, ensure firewater water availability is upgraded and emphasized the importance of dams. Director Varela further commended a flyover that he, Vice Chairperson Santos and CEO Rick Callender did of Santa Clara County with Cal Fire.

4.2. Review Santa Clara Valley Water Commission Work Plan, the Outcomes of Board Action of Commission Requests; and the Commission's Next Meeting Agenda. The Committee considered this Item without a staff presentation.

There was no presentation. Stephanie Simunic reminded the Commission that elections will occur at the next meeting. Stephanie Simunic and Board member representatives Vice Chairperson Santos and Director John Varela were available to answer questions.

Public Comment: None.

- Hon. Member Hardy requested the Commission attend the Purified Water Plant for a tour and will attend the Anderson Dam tour on November 7, 2024.
- In response to an inquiry from Hon. Member Cyr, Aaron Baker provided an update on Anderson Dam retrofit and tunnel project, stating the tunnel has been drilled, is going through the abutment phase and the next phase is the dam coming down in thirds and going up in thirds, the permitting process continues, and the current completion schedule is 2032 as the dam is being rebuilt in place.
- In response to an inquiry from Hon. Member Srinivasan relating to why Sunnyvale potable reuse is not included in strategic priorities, Kirsten Struve stated that Valley Water is working with all their wastewater partner agencies on recycled water, Valley Water staff recently had a meeting with Sunnyvale staff on expanding potable reuse areas, but it is not a defined project yet.
- In response to an inquiry from Hon. Chairperson Kou relating to why Palo Alto's recycled water facility is not in the CIP Plan, Kirsten Struve stated that it was put on the unfunded list due to affordability concerns, but that decision might be revisited in the future and the project is still listed in the Water Supply Master Plan. Chairperson Kou stated that land is scarce and the importance of it being preserved for future use, which Valley Water staff thanked her and agreed.
- Vice Chairperson Santos and Director Varela discussed the importance of jurisdictions working together relating to water conservation.

5. CLERK REVIEW AND CLARIFICATION OF COMMISSION REQUESTS:

Stephanie Simunic confirmed the Committee approved the April 10, 2024 meeting minutes and received the information of Item 4.1, relating to Valley Water's Water Supply Master Plan 2050.

For full meeting record, please review meeting videos at:
<https://www.valleywater.org/how-we-operate/committees/board-advisory-committees>

6. ADJOURN:

6.1. Adjourn to Regular Meeting at 12:00 p.m. on January 22, 2025.

Chairperson Lydia Kou adjourned the meeting at 1:22 p.m., to the next regular meeting at 12:00 p.m. on January 22, 2025.

Date approved:

Stephanie Simunic
Assistant Deputy Clerk II



Santa Clara Valley Water District

File No.: 25-0041

Agenda Date: 1/22/2025

Item No.: 4.1.

COMMITTEE AGENDA MEMORANDUM

Santa Clara Valley Water Commission

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Election of Chair and Vice Chair.

RECOMMENDATION:

Elect 2025 Chair and Vice Chair.

SUMMARY:

Per the Board Resolution, the duties of the Chair and Vice-Chair are as follows:

The officers of each Committee shall be a Chair and Vice-Chair, both of whom shall be members of that Committee. The Chair and Vice-Chair shall be elected by the Committee, each for a term of one year commencing on January 1 and ending on December 31 and for no more than two consecutive terms. The Committee shall elect its officers at the first meeting of the calendar year. All officers shall hold over in their respective offices after their term of office has expired until their successors have been elected and have assumed office.

The Chair shall preside at all meetings of the Committee, and he or she shall perform other such duties as the Committee may prescribe consistent with the purpose of the Committee.

The Vice-Chair shall perform the duties of the Chair in the absence or incapacity of the Chair. In case of the unexpected vacancy of the Chair, the Vice-Chair shall perform such duties as are imposed upon the Chair until such time as a new Chair is elected by the Committee.

Should the office of Chair or Vice-Chair become vacant during the term of such office, the Committee shall elect a successor from its membership at the earliest meeting at which such election would be practicable, and such election shall be for the unexpired term of such office.

Should the Chair and Vice-Chair know in advance that they will both be absent from a meeting, the Chair may appoint a Chair Pro-tempore to preside over that meeting. In the event of an unanticipated absence of both the Chair and Vice-Chair, the Committee may elect a Chair Pro-tempore to preside over the meeting in their absence.

BACKGROUND:

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.

The Board may also establish Ad-hoc Committees to serve in a capacity as defined by the Board and will be used sparingly.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

There are no environmental justice or equity impacts associated with this item.

ATTACHMENTS:

None.

UNCLASSIFIED MANAGER:

Candice Kwok-Smith, 408-630-3193



Santa Clara Valley Water District

File No.: 25-0042

Agenda Date: 1/22/2025

Item No.: 4.2.

COMMITTEE AGENDA MEMORANDUM Santa Clara Valley Water Commission

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Review and Approve 2024 Annual Accomplishments Report for Presentation to the Board (Commission Chair).

RECOMMENDATION:

- A. Approve the 2024 Accomplishments Report for presentation to the Board; and
- B. Provide comments to the Commission Chair to share with the Board as part of the Accomplishments Report presentation pertaining to the purpose, structure, and function of the Commission.

SUMMARY:

The Accomplishments Report summarizes the committee's discussions and actions to prepare Board policy alternatives and implications for Board deliberation throughout 2024. The Commission Chair, or designee, presents the Accomplishments Report to the Board at a future Board meeting.

The Commission may provide feedback to the Commission Chair, at this time, to share with Board as part of the Accomplishments Report presentation pertaining to the purpose, structure, and function of the Commission.

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.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

There are no environmental justice or equity impacts associated with this item.

ATTACHMENTS:

Attachment 1: 2024 Water Commission Accomplishments Rpt.

UNCLASSIFIED MANAGER:

Candice Kwok-Smith, 408-630-3193

2024 Accomplishments: Santa Clara Valley Water Commission

Update: December 2024

The accomplishments are based on the annual work plan, which 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.

**Blue = Action taken by the Board of Directors*

ITEM	WORK PLAN ITEM BOARD POLICY	MEETING DATE	INTENDED OUTCOME(S) (Action or Information Only)	ACCOMPLISHMENT DATE AND OUTCOME
1	Election of Chair and Vice Chair for 2024	January 24	•Commission Elects Chair and Vice Chair for 2024. (Action)	Accomplished January 24, 2024: It was moved by Hon. Carmen Montano and seconded by Hon. Chuck Page for Hon. Lydia Kou to become the 2024 Chairperson and Domingo Candelas remain as the 2024 Vice Chairperson and was carried by majority roll call vote.
2	Annual Accomplishments Report	January 24	•Review and approve 2023 Accomplishments Report for presentation to the Board. (Action) •Submit requests to the Board, as appropriate.	Accomplished January 24, 2024: It was moved by Hon. Lucas Ramirez and seconded by Hon. Chuck Page and unanimously approved for the Commission approve the 2023 Annual Accomplishments Report for Presentation to the Board on the Consent Calendar under one motion and by roll call vote. <i>The 2023 Commission Accomplishments Report was accepted at the March 26, 2024 Valley Water Board meeting.</i>

2024 Accomplishments: Santa Clara Valley Water Commission

Update: December 2024

3	<p>Review and Comment to the Board on the Fiscal Year 2024 – 2025 Preliminary Groundwater Production Charges</p>	<p>January 24 April 10</p>	<ul style="list-style-type: none"> • Review and comment to the Board on the Fiscal Year 2024-2025 Preliminary Groundwater Production Charges. (Action) • Submit requests to the Board, as appropriate. 	<p>Accomplished January 24, 2024: The Committee received information and provided feedback to staff on the Fiscal Year 2024-2025 Preliminary Groundwater Production Charges and took no action.</p> <p>Accomplished April 10, 2024: It was moved by Hon. Gino Borgioli and subsequently seconded by Hon. Domingo Candelas, (original second withdrawn) and the motion was carried by majority vote that the Committee approved to endorse the recommendation to the Board for the proposed Fiscal Year 2024-25 groundwater production charges with the amendment for Valley Water to continue to explore options to reduce water rates.</p>
4	<p>Receive Information and Provide Feedback on the Development of Valley Water's Water Supply Master Plan 2050</p>	<p>January 24 October 23</p>	<ul style="list-style-type: none"> • Receive Information and Provide Feedback on the Development of Valley Water's Water Supply Master Plan 2050. (Action) 	<p>Accomplished January 24, 2024: The Committee received information and provided feedback to staff on the Fiscal Year 2024-2025 Preliminary Groundwater Production Charges and took no action.</p>
5	<p>Review of Santa Clara Valley Water Commission Work Plan, the Outcomes of Board Action of Committee Requests and the Commission's Next Meeting Agenda</p>	<p>January 24 April 10 October 23</p>	<ul style="list-style-type: none"> • Receive and review the 2024 Board-approved Committee work plan. (Action) • Submit requests to the Board, as appropriate. 	<p>Accomplished January 24, 2024: It was moved by Hon. Lucas Ramirez and seconded by Hon. Chuck Page and unanimously approved for the review the Santa Clara Valley Water Commission Work Plan on the Consent Calendar under one motion and by roll call vote.</p> <p>Accomplished April 10, 2024: The Commission received the information, noted Rachael Gibson as the Board assigned staff support contact, and took no action.</p>

2024 Accomplishments: Santa Clara Valley Water Commission

Update: December 2024

6	Unhoused Discussion with AB1469 update	January 24	<ul style="list-style-type: none"> Have a discussion on the unhoused with an update on AB1469. Submit requests to the Board, as appropriate. 	Accomplished January 24, 2024: The Committee received information and provided feedback to staff on the AB 1469 Update and took no action.
7	Standing Items Report Fiscal Year 2024 Goals and Strategies:	January 24 October 23	<ul style="list-style-type: none"> Receive quarterly reports on standing items, FY2024. (Information) 	Accomplished January 24, 2024: The Committee received the quarterly report on standing items for FY 2024 and took no action.

BOARD WORK PLAN GOALS:

Integrated Water Resources Management - Goal: Efficiently manage water resources across business areas.

Water Supply – Goal: Provide a reliable, safe, and affordable water supply for current and future generations in all communities served.

Natural Flood Protection – Goal: Provide natural flood protection to reduce risk and improve health and safety.

Environmental Stewardship – Goal: Sustain ecosystem health while managing local water resources for flood protection and water supply.

Addressing Encampment of Unsheltered People – Goal: Humanely assist in the permanent relocation of unsheltered people on Valley Water lands along waterways and at water supply and flood risk reduction facilities in order to address the human health, public safety, operational, and environmental challenges posed by encampments.

Climate Change – Goal: Mitigate carbon emissions and adapt Valley Water operations to climate change impacts.

Business Management – Goal: Promote effective management of water supply, flood protection, and environmental stewardship through responsive and socially responsible business services.

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Santa Clara Valley Water District

File No.: 25-0111

Agenda Date: 1/22/2025

Item No.: 4.3.

COMMITTEE AGENDA MEMORANDUM Santa Clara Valley Water Commission

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Receive Information and Provide Feedback on Valley Water's Development of its Water Supply Master Plan 2050.

RECOMMENDATION:

Provide feedback to the Board and Staff on the development of the Water Supply Master Plan 2050.

SUMMARY:

The Water Supply Master Plan (WSMP) is Santa Clara Valley Water District's (Valley Water) guiding document for long-term water supply investments to ensure water supply reliability for Santa Clara County. Updated approximately every five years, this long-range plan assesses projected future county-wide demands and evaluates and recommends water supply and infrastructure projects to meet those demands to achieve Valley Water's level of service goal through the planning horizon. Valley Water's level of service goal, as established in Board Ends Policy 2, is to "Meet 100 percent of annual water demand during non-drought years and at least 80 percent of demand in drought years."

Valley Water is working on developing the WSMP 2050. At the October 23, 2024 Water Commission meeting, staff presented the second update on the development of the WSMP 2050, including project evaluation, cost analysis for projects and portfolios, representative portfolios that meet water supply needs under three themes, and an adaptive management approach to support decision-making in the face of uncertainty. It also included recommended water conservation and potable reuse goals. This memorandum summarizes the progress since then, including the adopted potable reuse goal and refined adaptive management roadmap with recommendations.

Potable Reuse Goal

Potable reuse is a locally controlled and drought-resilient supply that is effective in mitigating drought risks. On December 10, 2024, the Board adopted a goal of 24,000 acre-feet per year (AFY) of potable reuse by 2035, which can be achieved with a project in collaboration with the Cities of San José and Santa Clara, and a long-term vision to maximize water reuse in the county up to 32,000 AFY by 2050. This long-term vision includes additional potable and non-potable reuse, desalination, stormwater capture, and other alternative water sources. Including a 2035 goal with the long-term

vision promotes a phased approach that accounts for uncertainty with future demand and wastewater availability while balancing affordability and risk of overinvestment.

Water Supply Strategy

As presented at the October 2024 meeting, potential investment strategies were developed based on three themes - lower cost, local control, and diversified - to help outline investment options and present tradeoffs. The representative portfolio for each strategy was summarized in Table 1, along with the total lifecycle cost.

Table 1 Multiple Strategies for Water Supply Reliability

Strategies	Projects ¹	Portfolio Cost ² (Billion)
Lower Cost	San José Direct Potable Reuse, DCP, Sisk, Groundwater Banking (250,000 AF), South County Recharge	\$4.0
Local Control	San José Direct Potable Reuse, Palo Alto Potable Reuse, Pacheco without Partners, Groundwater Banking (150,000 AF), South County Recharge	\$5.9
Diversified	San José Direct Potable Reuse, DCP, Pacheco with Partners, Sisk, Groundwater Banking (350,000 AF), South County Recharge	\$5.3

¹Conservation is factored in the demand.

²Portfolio cost includes the sum of the present value of the total cost for each project.

These three potential strategies represent different approaches to water supply reliability, but each comes with tradeoffs. **Lower Cost strategy** focuses on affordability and minimizing costs, but it has high risks, as all four major projects require partnership and institutional agreements to be successful. **Local Control strategy** focuses on projects within Santa Clara County which Valley Water has more control over, however, it has the highest cost, as it includes the three most expensive projects being considered. **Diversified** strategy focuses on diversifying the existing system with a mix of local and imported supplies as well as storage projects to build more resilience, but it has a relatively high cost and more institutional complexity since it includes more projects. The strategies provide the foundation for adaptive management in decision-making in the face of uncertainty.

Adaptive Management Framework

An adaptive management approach was proposed to provide the Board with flexibility and the ability to make incremental investment decisions in the face of deep uncertainty associated with future conditions and project development and implementations. The adaptive framework is intended to define a consistent, stepwise process of making project and program investment decisions. The framework includes a roadmap and annual reporting. The roadmap outlines near- and mid-term actions and defines indicators and conditions to guide project decisions. The annual reporting tracks project progress and provides up-to-date information to help inform decision-making.

The proposed roadmap was refined to include more specific recommended actions at different timelines, especially immediate actions as the starting point of the adaptive management framework:

- **Now** - focus on the **Lower Cost** strategy, which includes San José Potable Reuse, B.F. Sisk Dam Raise, Delta Conveyance Project, Groundwater Banking, and South County Recharge; Continue planning for Pacheco and Sites; Continue the Desalination feasibility study; Continue implementing conservation programs.
- **Near-term (2-3 years)** - Assess success/progress on project planning and implementation; Make project funding, participation, or go/no-go decisions based on indicators, new information, and actual conditions; Continue planning for other projects.
- **Mid-term (5 years)** - Assess progress on project implementation; Update demand projections and water supply outlook; Update WSMP

Staff recommends the **lower cost strategy** while continuing to plan for other projects as a way to balance affordability and reliability. Given that large water supply projects and partnerships can have uncertain outcomes, continued planning for additional projects is recommended.

Annual reporting through the Monitoring and Assessment Program (MAP) will be a critical component of the adaptive management framework. A standard MAP report will be devised to include key elements of the WSMP, including progress on projects, conditions of indicators, and whether any adjustments are recommended. The timing of the MAP will be aligned with the annual CIP Five-Year Plan and Water Rate-Setting Cycle to support related decision-making.

In the next few years, major decisions will come up for several projects. Through this adaptive management framework, the Board will have multiple opportunities along each project's trajectory to make informed decisions on investments. It also allows the WSMP to be closely linked to the annual CIP and rate-setting processes, fulfilling its role as the guiding document for long-term investment strategy.

Next Steps

Staff will finalize the analysis and roadmap and start to draft the plan.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

The Water Supply Master Plan addresses water supply equity by ensuring a cost-effective, high-quality supply is available for all of Santa Clara County, including disadvantaged communities.

ATTACHMENTS:

Attachment 1: PowerPoint

UNCLASSIFIED MANAGER:

Kirsten Struve, 408-630-3138

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Water Supply Master Plan 2050

Water Commission Meeting, January 22, 2025
29

Attachment 1
Page 1 of 10

Recap of Last Update

2

- Water conservation goal
- Project evaluation
- Cost analysis
- Representative portfolios under three themes
- Adaptive management approach

Board Adopted Potable Reuse Goals

3

- 24,000 AFY by 2035
- Long-term vision to maximize water reuse up to 32,000 AFY by 2050
- Phased approach addresses uncertainty with future demand & wastewater availability
- Balances affordability and risk of overinvestment



Strategies for Water Supply Reliability

4

Lower Cost (\$4 Billion)



Local Control (\$5.9 Billion)



Diversified (\$5.3 Billion)



Adaptive Management Framework

- Planning under deep uncertainty
 - Projects still evolving
 - Uncertainty with forecasted future supply and demand
- Adaptive management framework to provide flexibility for making incremental investment decisions
- Roadmap and annual reporting

Adaptive Management with Recommendations

NOW

- Focus on Lower Cost Portfolio
- Continue planning for other projects (Pacheco, Sites)
- Start Desal feasibility study
- Continue implementing conservation programs

NEAR-TERM (2-3 YEARS)

- Assess progress on project planning and implementation
- Make project decisions based on triggers, new information, and actual conditions
- Continue planning for other projects

MID-TERM (5 YEARS)

- Assess progress on project implementation
- Update demand projections and water supply outlook
- Update WSMP

Annual MAP report

INDICATORS



- Sisk negotiation
- DPR project progress
- Project decisions

Annual Reporting

- Track project progress
- Report conditions of indicators
- Recommend actions as needed

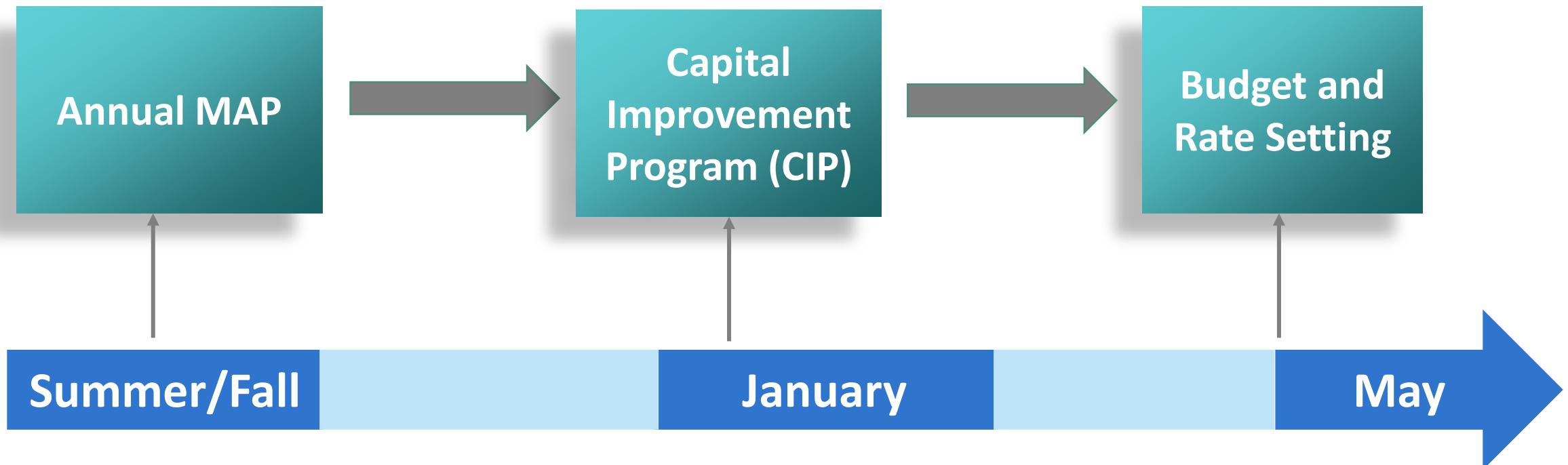
- **Indicators**

- Sisk negotiation
- DPR project progress
- Upcoming project decisions
- Groundwater Bank negotiation
- Regulatory and permitting issues
- Annual supply
- Annual water use
- Conservation progress
- Growth trend/demand
- Regional agreements and decisions by other agencies

Projects	Estimated Decision Points					Project Online Date
	2024	2025	2026	2027	2028	
B.F. Sisk Dam Raise		Planning Funding Decision	Planning Funding Decision	Final Funding Decision		2032
Sites Reservoir		Final Funding Decision				2032
Pacheco			Final EIR/EIS Certification	Final Partnership Negotiations		2035
San José Direct Potable Reuse						2035
Delta Conveyance Project		Funding Decision 36		Final Contract Decision		2045
Attachment 1 Page 8 of 10						

Annual MAP to Support Decision-Making

9



Next Steps

10

- Plan development
- Stakeholder outreach
- Plan adoption



Santa Clara Valley Water District

File No.: 24-0905

Agenda Date: 1/22/2025

Item No.: 4.4.

COMMITTEE AGENDA MEMORANDUM Santa Clara Valley Water Commission

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Review and Provide Comment to the Board on Staff's Preliminary Fiscal Year 2025 - 2026 Groundwater Production Charges.

RECOMMENDATION:

Discuss staff's preliminary Fiscal Year 2025 - 2026 Groundwater Production Charge analysis; provide comment to the Board as desired.

SUMMARY:

Summary of Groundwater Production Charge Analysis

Staff has prepared the preliminary FY 2025 - 2026 (FY 2025-26) groundwater production charge analysis, which includes several scenarios presented to the Board on January 14, 2025. Staff sought Board input on the preliminary analysis to incorporate into the development of the groundwater production charge recommendation.

The groundwater production charge reflects the benefit of Valley Water activities to protect and augment groundwater supplies and is applied to water extracted from the groundwater basin in Zones W-2, W-5, W-7, and W-8. Zone W-2 encompasses the Santa Clara groundwater subbasin north of Metcalf Road or the North County. Zone W-5 overlays the Llagas subbasin from northern Morgan Hill south to the Pajaro River. Zone W-7 overlays the Coyote Valley south of Metcalf Road to northern Morgan Hill, and W-8 encompasses the area below Uvas and Chesbro Reservoirs.

The groundwater production charge recommendation will be detailed in the 54th Annual Report on the Protection and Augmentation of Water Supplies that staff plans to provide to the Clerk of the Board on February 28, 2025. The Public Hearing on groundwater production charges is scheduled to open on April 8, 2025. It is anticipated that the Board will set the FY 2025-26 groundwater production charges by May 13, 2025, and become effective on July 1, 2025.

The FY 2025-26 groundwater production charge and surface water charge setting process will be

conducted consistent with the District Act requirements, and Board Resolutions 99-21 and 12-10.

Water Use Assumptions

Valley Water managed water use for FY 2023-24 is estimated to have been approximately 204,600 acre-feet (AF), roughly 2,400 AF lower than budgeted due to slower than anticipated rebound. Water use is budgeted higher for FY 2024-25 at 222,500 AF based on a continued rebound from the previous drought. The projected water use of 219,000 AF in FY 2025-26 is slightly lower compared to FY 2024-25 budget. The multi-year projection has been adjusted to reflect an ongoing moderate rebound from the previous drought, returning to around 230,000 AF by FY 2031-32.

Groundwater Production Charge Projection Scenarios

Staff has prepared an initial baseline groundwater production charge projection scenario for Board review, with several additional scenarios including a range of assumptions for capital projects. Of note, Valley Water's participation in the Los Vaqueros Reservoir Expansion Project has been eliminated from all scenarios.

For the baseline scenario, the increase in the North County Zone W-2 Municipal and Industrial (M&I) groundwater production charge is 9.9% for FY 2025-26. In South County, for the FY2025-26 baseline scenario, increases in the M&I groundwater production charge projections are 7.9% for Zone W-5; 11.2% for Zone W-7; and 8.0% for Zone W-8.

The overall impact of the preliminary analysis baseline scenario for FY 2025-26 on the average household would be an estimated increase of \$7.60 per month in North County, \$1.58 per month in South County Zone W-5, \$2.89 per month in South County in Zone W-7, and \$1.18 per month in South County in Zone W-8.

Staff assumes the continuation of the Contract Treated Water Surcharge at \$115/AF to maintain alignment with retailers' costs to pump water from their wells.

Staff prepared the following scenarios for Board consideration.

Scenario 1) Recommended Baseline with Moderate Water Use Rebound:

This scenario includes the following projects and assumptions:

1. Water Conservation: voluntary conservation continues, with moderate water use rebound from the previous drought; FY 2025-26 water use is projected at 219 thousand acre-feet (kAF)
2. Anderson Seismic Retrofit Project leveraging WIFIA loan (up to 49% of TPC)
3. Pacheco Reservoir Expansion Project (PREP) with \$504M Proposition 1 grants, WIFIA loan (up to 49% of TPC) and Partnership Participation at 35% of TPC
4. Purified Water Program with the City of San Jose (includes Phase 1 Demonstration Facility

and Phase 2 Full-Scale Facility as a placeholder)

5. Delta Conveyance State Water Project (SWP) portion at 3.23%
6. B.F. Sisk Dam Raise and Reservoir Expansion Project participation with up to 60 TAF storage
7. Capital Master Plan Implementation Projects Placeholder - Assumes \$377M in anticipated costs from FY 27 to FY 35 for new pipelines, pipeline rehabilitations, treatment plant upgrades, and SCADA implementation projects.
8. Agricultural rates set at or below 10% of the lowest groundwater benefit zone M&I rate (Zone W-8)

Scenario 2) Recommended Baseline excluding Pacheco Reservoir Expansion Project: This includes the same projects and assumptions as Scenario 1 but excludes the Pacheco Reservoir Expansion Project.

Scenario 3) Recommended Baseline with 15% Partnership Participation Funding for Pacheco Reservoir Expansion Project: This includes the same projects and assumptions as Scenario 1.

Scenario 4) Recommended Baseline with 0% Partnership Participation Funding for Pacheco Reservoir Expansion Project: This includes the same projects and assumptions as Scenario 1.

Other Assumptions

All scenarios assume that it is necessary for Valley Water to pay for 100% of its State Water Project (SWP) expenses through levy of a SWP tax. Pursuant to Water Code Section 11652, Valley Water, whenever necessary, is required to levy on all property in its jurisdiction not exempt from taxation, a tax sufficient to provide for all payments under its SWP contract with the California Department of Water Resources (DWR). All scenarios assume setting the SWP Tax for FY 2025-26 at \$28M. The SWP Tax for the average household in Santa Clara would be about \$42 per year.

A Drought Reserve was established in FY 2015-16 to help minimize future rate impacts and complement the Supplemental Water Supply Reserve. The reserve (\$10M) was used fully in FY 2022-23 due to the previous drought. The staff analysis assumes that future reserve levels gradually build to \$20M over several years beginning with \$1M in FY 2025-26.

All scenarios assume Water Utility operations cost \$268.6M in FY 2025-26 versus the FY 2024-25 adopted budget of \$268.4M.

The preliminary analysis does not include unfunded capital projects or additional unfunded operations cost needs identified by staff.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

There are no Environmental Justice and Equity impacts associated with this item.

ATTACHMENTS:

Attachment 1: PowerPoint

UNCLASSIFIED MANAGER:

Darin Taylor, 408-630-3068



Preliminary FY 2025-26 Groundwater Production Charges

Presented by: **Carmen Narayanan**, Financial Planning & Revenue Manager
Santa Clara Valley Water Commission, January 22, 2025

Epic Sunset at Chesbro Reservoir by Huguen Angeles

Topics

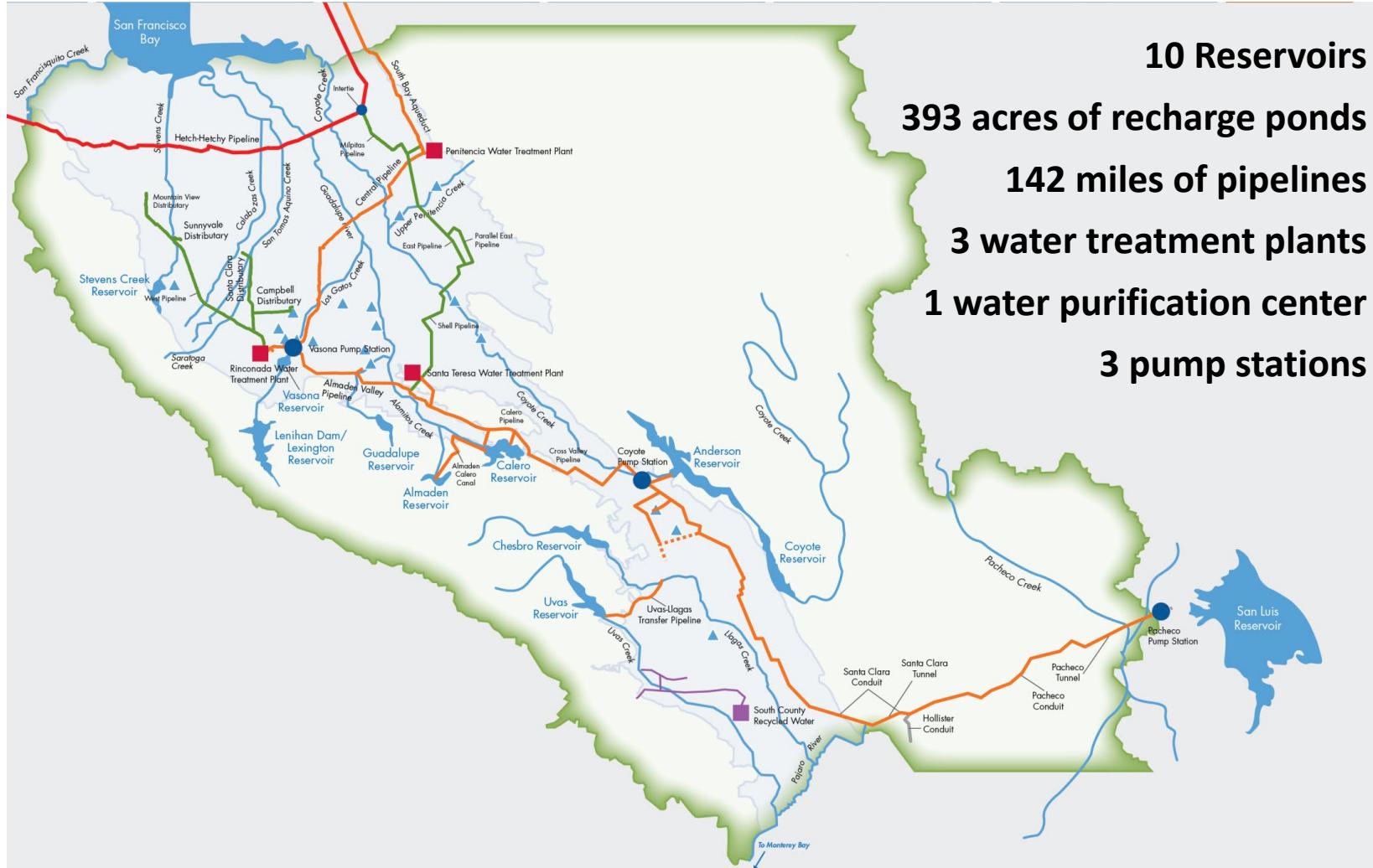
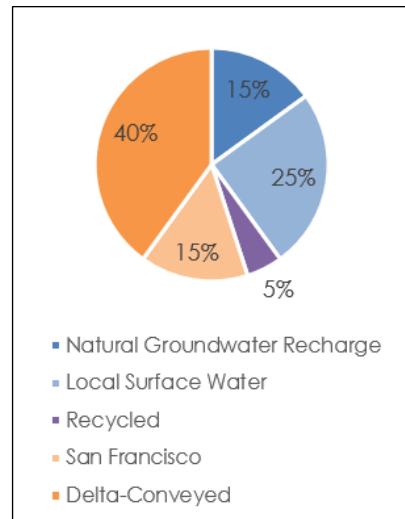
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- 1. Background Information, System Information & Water Utility Outlook**
- 2. Water Usage & Water Utility Cost Projections**
- 3. Preliminary Groundwater Production Charges (Baseline & Scenarios)**
- 4. Other Information**
- 5. Schedule & Summary**

A comprehensive, flexible water system

SERVING OVER 2.0 MILLION PEOPLE

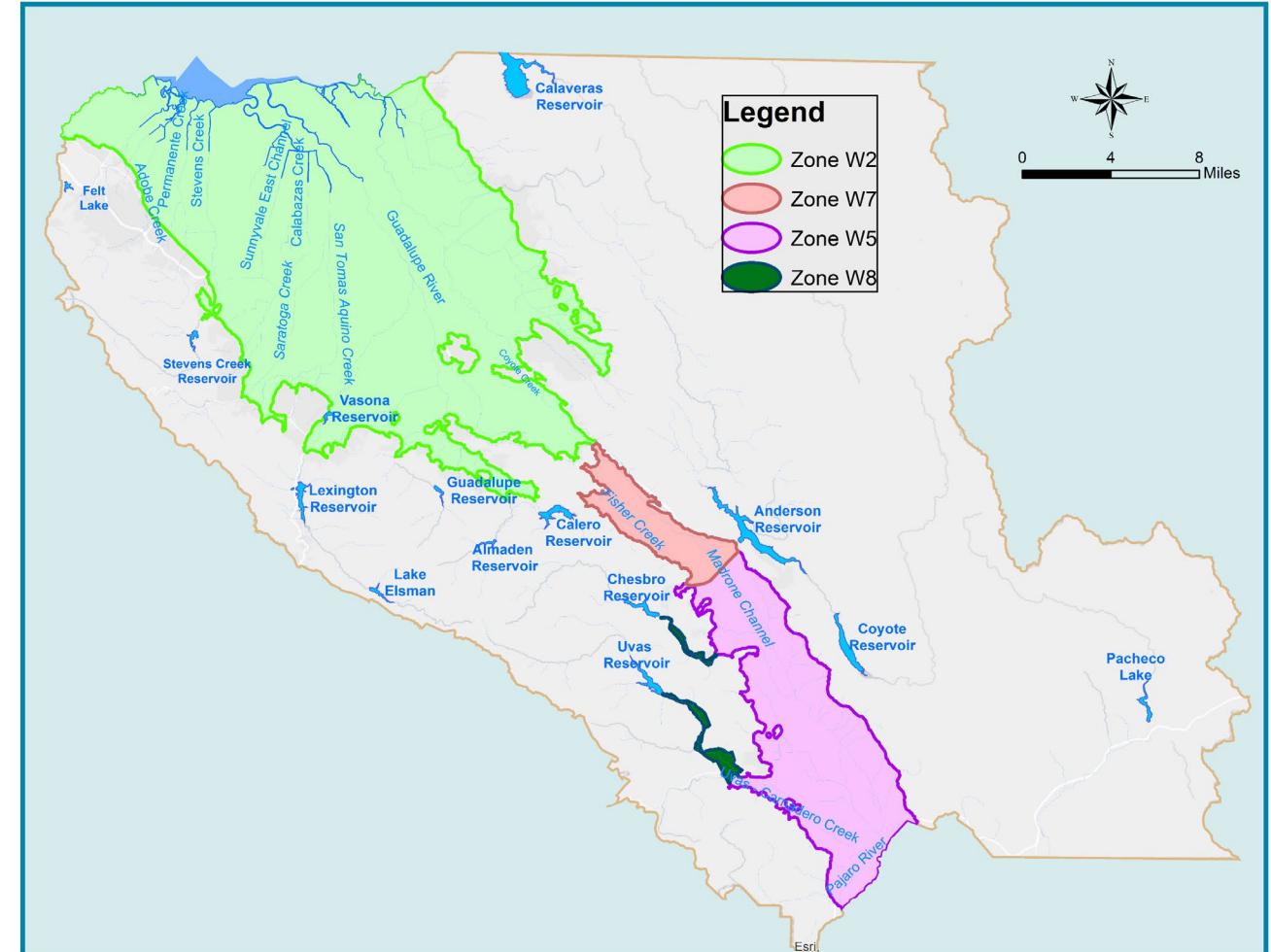
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Resolution 99-21 is the Board's Pricing Policy

4

- **Groundwater charges are levied within a zone for benefits received**
- **All water sources and water facilities contribute to common benefit within a zone regardless of cost, known as “pooling” concept**
 - Helps maximize effective use of available resources
- **Agricultural water charge shall not exceed 10% of M&I water charge**



Infrastructure

DRIVES DIFFERENT GROUNDWATER PRODUCTION CHARGES IN EACH ZONE

5

North County

- 3 water treatment plants
- Reservoirs –
 - Almaden
 - Calero
 - Guadalupe
 - Lexington
 - Stevens Creek
 - Vasona
- Silicon Valley Advanced Water Purification Center
- Imported Water – State Water Project

Shared

- Reservoirs –
 - Anderson
 - Coyote
 - Pacheco
- Imported Water –
 - Central Valley Project
- *Shared facilities do not benefit Zone W-8*

South County

- Reservoirs –
 - Chesbro
 - Uvas
- *Does not benefit Zone W-7*
- SCRWA Recycled Water System
 - *Benefits Zone W-5 only*

Strategic Outlook

6

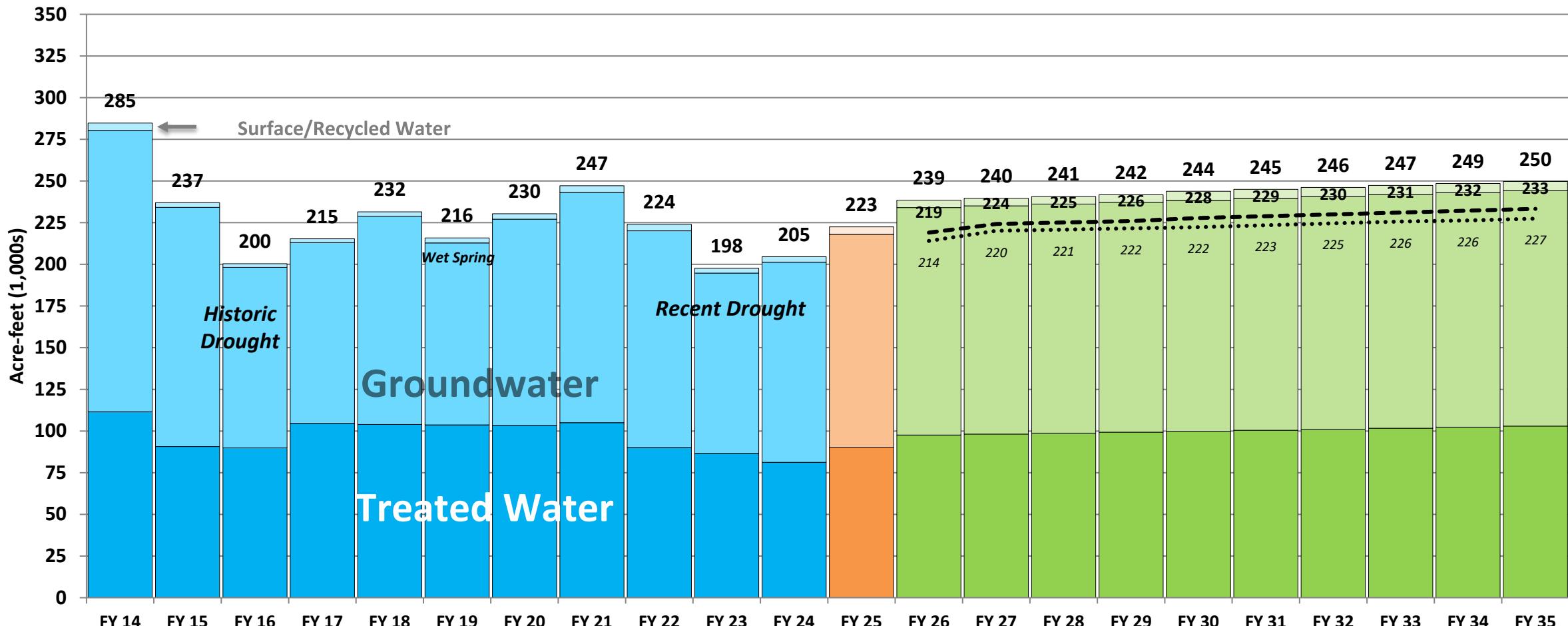
- Reduced water use projection versus prior year water rate setting cycle puts upward pressure on water rates
 - Impact offset primarily by elimination of Los Vaqueros Expansion Project
- Valley Water is in an era of investment
 - To upgrade, rehabilitate, replace existing water supply infrastructure built decades ago
 - To invest in new infrastructure in response to climate change
- Baseline water rate case investment assumptions in alignment with Draft Water Supply Master Plan 2050 “Diversified Portfolio”

District Managed Water Usage

REFLECTS ONGOING REBOUND FROM 2023 DROUGHT

7

District Managed Water Usage (TAF)

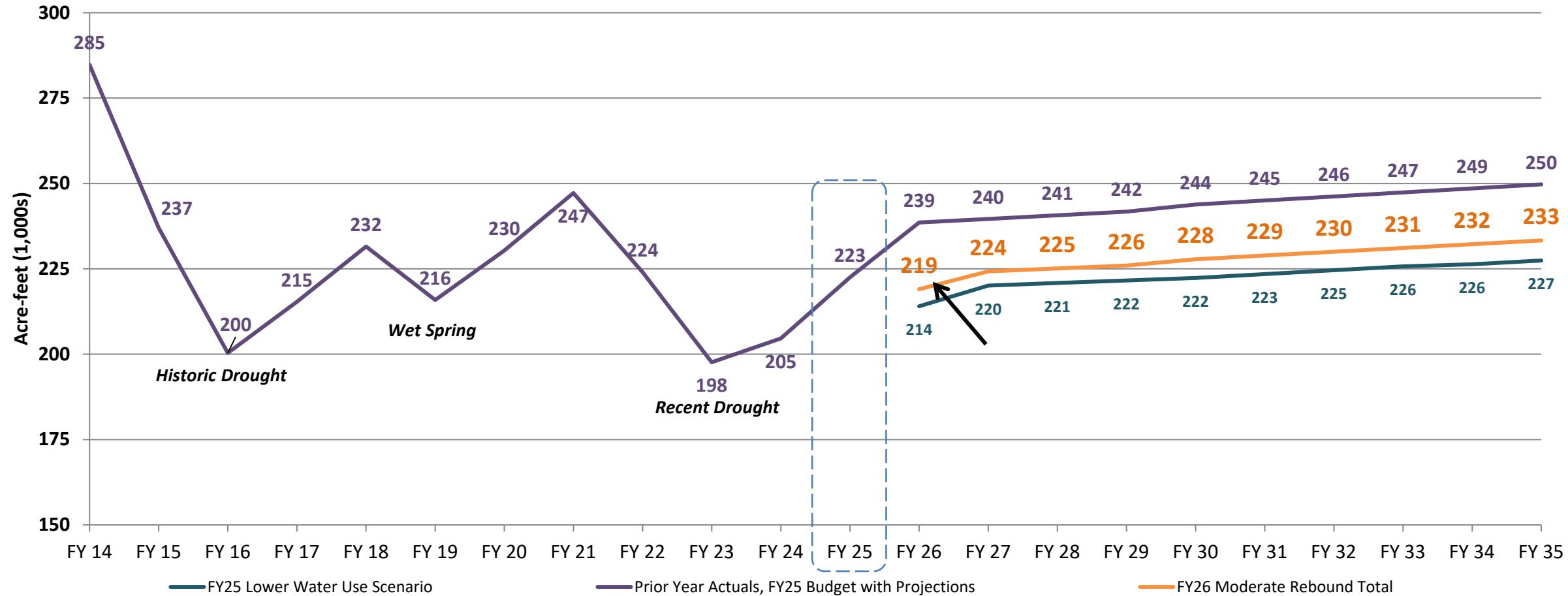


District Managed Water Usage

REFLECTS ONGOING REBOUND FROM 2023 DROUGHT

8

District Managed Water Usage (TAF)

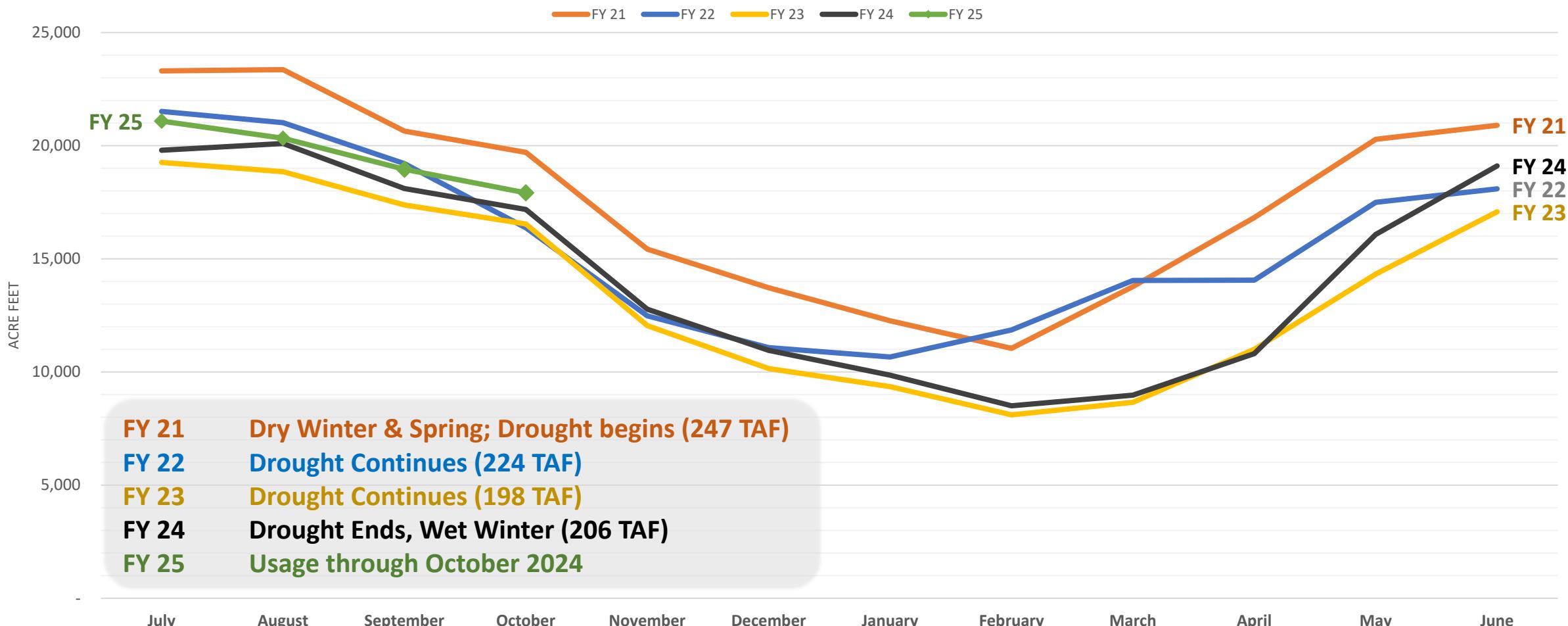


Recent Water Usage Trends

INITIAL FY 25 DATA: REFLECTS ONGOING REBOUND FROM 2023 DROUGHT

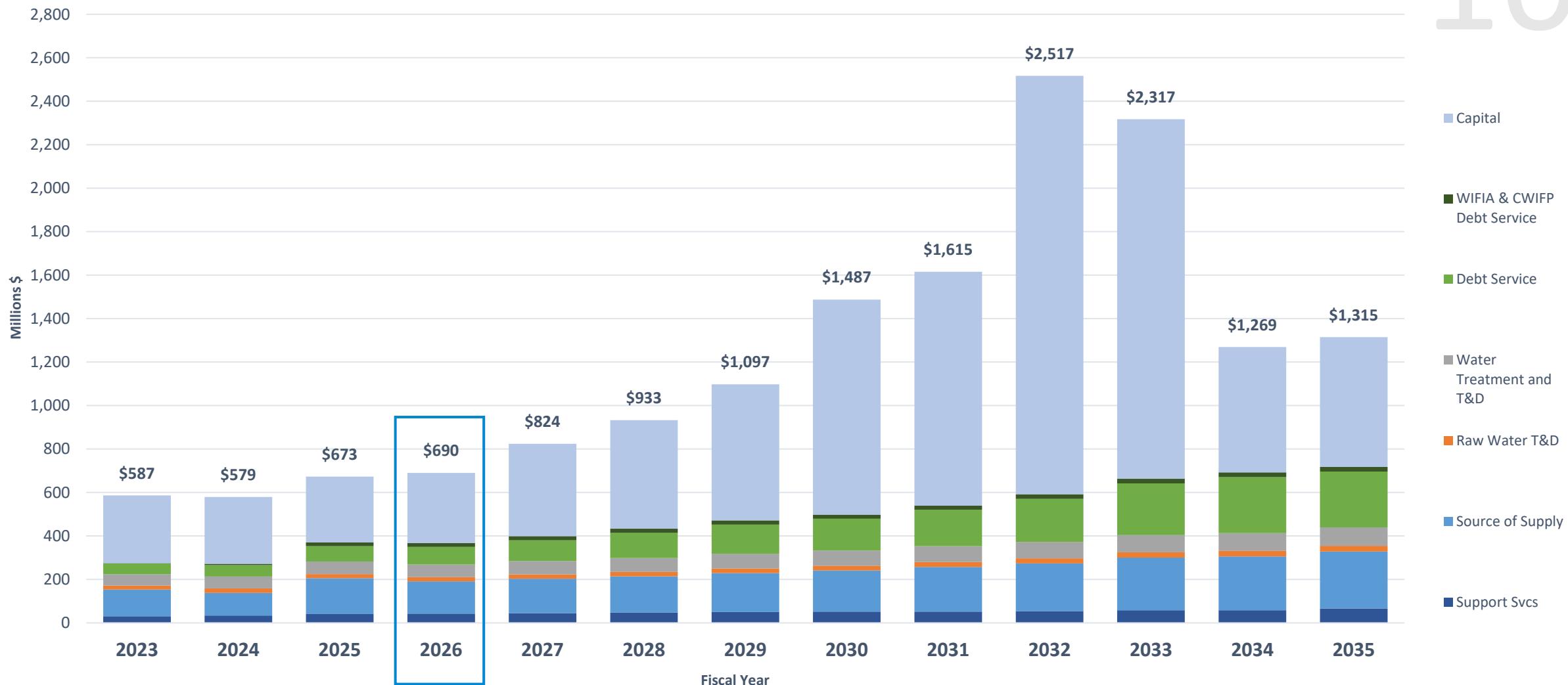
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District Managed Water Use, by Month* (Acre Feet)



Preliminary Cost Projection

10



Rate Setting Strategy for FY 2025-26

FY 26 BASELINE CASE ASSUMPTIONS

11

Reduced water use projection versus prior year rate cycle (FY 26 water use slightly lower than FY 25 budget)

Secure Existing Supplies and Infrastructure

- Baseline Projects ¹
- Anderson Dam Seismic Retrofit with WIFIA loan (up to 49% of TPC)
- Dam Safety Program for Almaden, Calero, Coyote, and Guadalupe Dams
- Master Plan Projects Placeholder ²: Assumes \$377M from FY27-FY35
- SWP Tax pays for 100% of SWP costs (excludes SWP portion of Delta Conveyance)
- Delta Conveyance SWP portion continues at 3.23% ³

Expand Conservation and Reuse

- Purified Water Program with City of San Jose: Phase 1 Demonstration Facility & Phase 2 Full Scale Facility (as a placeholder)

Increase System Reliability & Flexibility

- Pacheco Reservoir Expansion Project (PREP) with \$504M Proposition 1 grants, WIFIA loan (up to 49% of TPC) and Partnership Participation at 35% of TPC
- Sisk Dam Raise at San Luis Reservoir with up to 60,000 AF Storage ³

Maintain Agricultural Rate set at 9.25% of lowest M&I rate (Zone W-8)

¹ Includes but not limited to dam seismic retrofits, Rinconada WTP reliability improvement, 10-year pipeline rehabilitation program.

² Master Plan Project Placeholder includes anticipated costs for new pipelines, pipeline rehabilitations, treatment plant upgrades & SCADA implementation projects.

³ Project costs are reflected as Operations & Maintenance costs.

Note: Participation in the Los Vaqueros Reservoir Expansion project has been eliminated from baseline case assumptions.

TPC: Total Project Cost

SWP: State Water Project

FY 2025-26 Preliminary Groundwater Production Charge Projection

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Municipal & Industrial Rate by Zone	FY 2024-25 GW Production Charge	FY 2025-26 Preliminary GW Production Charge	Preliminary % Increase	Increase to Average Monthly Bill (1,500 CCF/month)
North County W-2	\$2,229.00	\$2,450.00	9.9%	\$7.60
South County W-5	\$578.50	\$624.50	7.9%	\$1.58
South County W-7	\$749.50	\$834.50	11.2%	\$2.89
South County W-8	\$430.00	\$464.00	8.0%	\$1.18
Agricultural	\$39.80	\$43.00	8.0%	\$0.53*

Preliminary Groundwater Charge Increase Projection

BASELINE SCENARIO

13

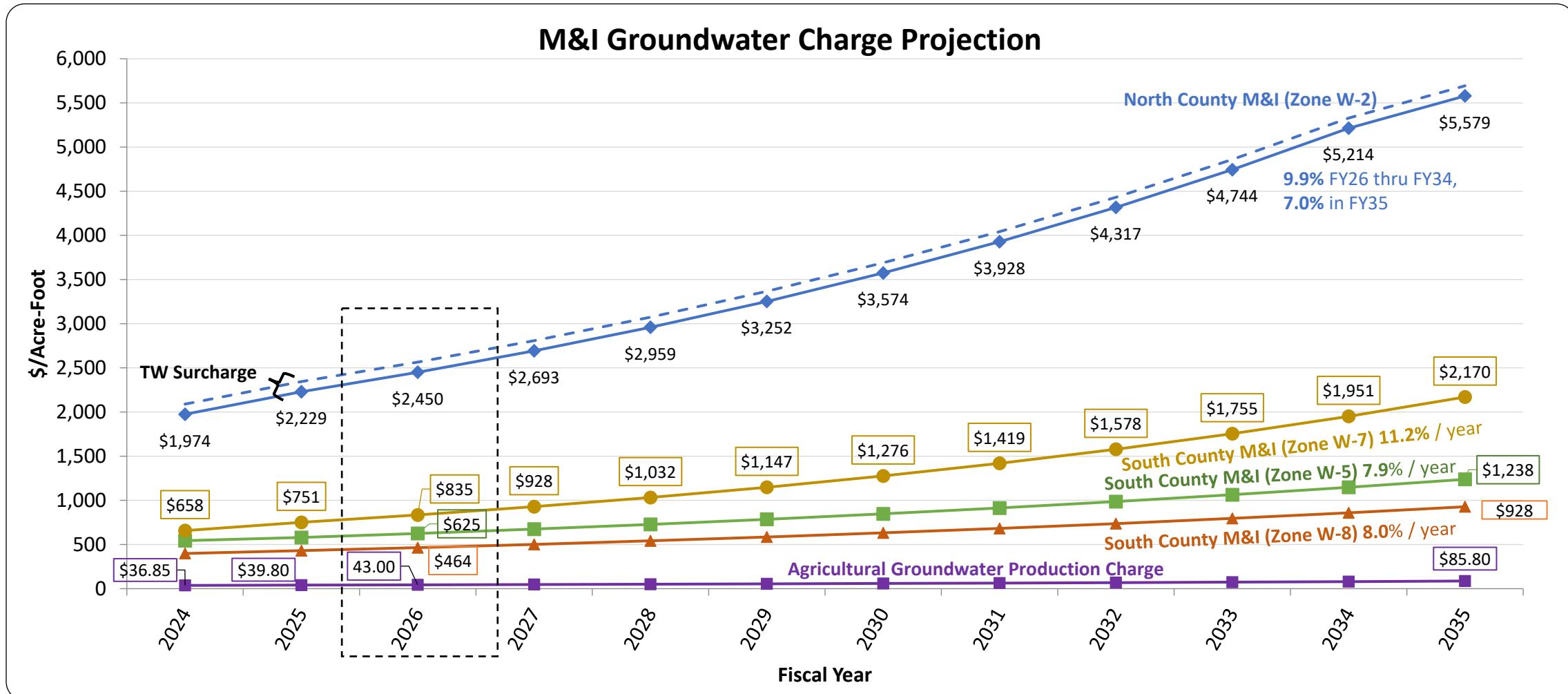
M&I Groundwater Charge Year to Year Growth %

Baseline Scenario 1	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
North County Zone W-2	9.9%	7.0%								
Prior Year	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	7.0%	
South County Zone W-5	7.9%									
Prior Year	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	
South County Zone W-7	11.2%									
Prior Year	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	
South County Zone W-8	8.0%									
Prior Year	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	

Preliminary Groundwater Production Charge Projection

BASELINE SCENARIO

14



Rate Setting Strategy for FY 2025-26

FY 26 RATE SCENARIOS

15

1. Baseline (reflecting Modified Water Use Rebound)

Includes Pacheco Reservoir Expansion Project with 35% partnership participation

2. Baseline excluding Pacheco Reservoir Expansion Project (PREP)
3. Baseline with 15% Partnership Participation for PREP
4. Baseline with zero Partnership Participation for PREP

Preliminary Groundwater Charge Increase Scenarios

16

M&I Groundwater Charge Year to Year Growth %

North County Zone W-2		FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Scenario #1	Baseline	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	7.0%
Scenario #2	Baseline excluding Pacheco	9.9%	9.9%	9.9%	9.9%	9.9%	7.3%	7.3%	7.3%	7.3%	7.3%
Scenario #3	Baseline including Pacheco with 15% Partnership Funding	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
Scenario #4	Baseline including Pacheco with 0% Partnership Funding	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	10.5%

Preliminary Monthly Impact to Average Household Scenarios

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M&I Groundwater Charge – Monthly impact to Average Household

North County Zone W-2		FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Scenario #1	Baseline	\$7.60	\$8.35	\$9.18	\$10.09	\$11.09	\$12.19	\$13.39	\$14.72	\$16.18	\$12.57
Scenario #2	Baseline excluding Pacheco	\$7.60	\$8.35	\$9.18	\$10.09	\$11.09	\$8.99	\$9.64	\$10.35	\$11.10	\$11.91
Scenario #3	Baseline including Pacheco with 15% Partnership Funding	\$7.60	\$8.35	\$9.18	\$10.09	\$11.09	\$12.19	\$13.39	\$14.72	\$16.18	\$17.78
Scenario #4	Baseline including Pacheco with 0% Partnership Funding	\$7.60	\$8.35	\$9.18	\$10.09	\$11.09	\$12.19	\$13.39	\$14.72	\$16.18	\$18.85

Preliminary Groundwater Charge Increase Scenarios

18

M&I Groundwater Charge Year to Year Growth %

South County Zone W-5		FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Scenario #1	Baseline	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%
Scenario #2	Baseline excluding Pacheco	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%
Scenario #3	Baseline including Pacheco with 15% Partnership Funding	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%
Scenario #4	Baseline including Pacheco with 0% Partnership Funding	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%

Preliminary Monthly Impact to Average Household Scenarios

19

M&I Groundwater Charge – Monthly impact to Average Household

South County Zone W-5		FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Scenario #1	Baseline	\$1.58	\$1.70	\$1.83	\$1.98	\$2.13	\$2.30	\$2.49	\$2.68	\$2.89	\$3.12
Scenario #2	Baseline excluding Pacheco	\$1.43	\$1.54	\$1.65	\$1.77	\$1.90	\$2.03	\$2.18	\$2.34	\$2.50	\$2.68
Scenario #3	Baseline including Pacheco with 15% Partnership Funding	\$1.62	\$1.77	\$1.91	\$2.07	\$2.24	\$2.42	\$2.62	\$2.84	\$3.07	\$3.32
Scenario #4	Baseline including Pacheco with 0% Partnership Funding	\$1.69	\$1.84	\$1.99	\$2.16	\$2.35	\$2.55	\$2.76	\$3.00	\$3.25	\$3.53

Preliminary Groundwater Charge Increase Scenarios

20

M&I Groundwater Charge Year to Year Growth %

South County Zone W-7		FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Scenario #1	Baseline	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%
Scenario #2	Baseline excluding Pacheco	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
Scenario #3	Baseline including Pacheco with 15% Partnership Funding	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
Scenario #4	Baseline including Pacheco with 0% Partnership Funding	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%

Preliminary Monthly Impact to Average Household Scenarios

21

M&I Groundwater Charge – Monthly impact to Average Household

South County Zone W-7		FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Scenario #1	Baseline	\$2.89	\$3.22	\$3.58	\$3.98	\$4.43	\$4.92	\$5.47	\$6.09	\$6.77	\$7.53
Scenario #2	Baseline excluding Pacheco	\$2.55	\$2.81	\$3.09	\$3.40	\$3.73	\$4.10	\$4.51	\$4.95	\$5.44	\$5.98
Scenario #3	Baseline including Pacheco with 15% Partnership Funding	\$2.96	\$3.31	\$3.69	\$4.12	\$4.59	\$5.12	\$5.71	\$6.37	\$7.10	\$7.91
Scenario #4	Baseline including Pacheco with 0% Partnership Funding	\$3.05	\$3.41	\$3.81	\$4.26	\$4.76	\$5.33	\$5.96	\$6.66	\$7.44	\$8.32

Preliminary Groundwater Charge Increase Scenarios

22

M&I Groundwater Charge Year To Year Growth %

South County Zone W-8	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Baseline and all Scenarios	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

M&I Groundwater Charge – Monthly Impact To Average Household

South County Zone W-8	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Baseline and all Scenarios	\$1.18	\$1.28	\$1.38	\$1.49	\$1.61	\$1.74	\$1.88	\$2.03	\$2.19	\$2.37

Agricultural Groundwater Charges

23

Agricultural Groundwater Charge Year To Year Growth %

Agricultural Rate	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Baseline and all Scenarios	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

M&I Groundwater Charge – Monthly Impact To Average User*

Agricultural Rate	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Baseline and all Scenarios	\$0.53	\$0.57	\$0.62	\$0.67	\$0.72	\$0.78	\$0.84	\$0.91	\$0.98	\$1.06

* Assumes 2 acre-feet of water usage per acre per year

District Act limits Agricultural Water Charges to 25% of M&I Water charges

- Board Pricing Policy (Resolution 99-21) further limits Agricultural Water Charges to 10% of M&I Water Charges

Board Direction in FY 22

- Maintain full Open Space Credit, keeping Ag rates set at [or under] 10% of lowest M&I charge

Other Charges, Taxes, Reserves Information

24

	FY 2025	FY 2026	FY 2027
<u>Other Charges</u>	<u>Budget</u>	<u>Projection</u>	<u>Projection</u>
Contract TW Surcharge (\$/AF)	\$115.00	\$115.00	\$115.00
Non-contract TW Surcharge (\$/AF)	\$200.00	\$200.00	\$200.00
Surface Water Master Charge (\$/AF)	\$61.00	\$67.10	\$73.80
Agricultural Groundwater Charge (\$/AF)	\$39.80	\$43.00	\$46.50
<u>SWP Tax</u>			
Revenue	\$28M	\$28M	\$28M
Cost per average household	\$42/Yr.	\$42/Yr.	\$42/Yr.
<u>Reserves</u>			
Supplemental Water Reserve	\$5.3M	\$8.7M	\$12.1M
Drought Reserve	\$0.0M	\$1.0M	\$4.0M
Rate Stabilization Reserve	\$20.5M	\$39.9M	\$44.7M
Operating and Capital Reserve	\$71.4M	\$56.5M	\$62.3M

Consultant Study

ON WATER USE PROJECTIONS, DEMAND ELASTICITY & RATE AFFORDABILITY

25

Study commenced May 2024

- Study will continue through 2025

Study Goals:

- Identify how Valley Water's rates impact water demand (elasticity) and affordability of water service in Santa Clara County
- Validate and/or refine water demand forecasting for purposes of annual rate setting and long-term capital planning

Three key tasks:

1. Analyze Water Use Projections (to inform FY 2025-26 rate setting process)
2. Demand Elasticity Analysis
3. Water Rate Affordability Analysis

Target completion date: July 2025

Rate Setting Schedule FY 2025-26

26

- Jan 6 Agricultural Water Advisory Committee
- Jan 14 Board Meeting: Preliminary Groundwater Charge Analysis
- Jan 15 Water Retailers Meeting: Preliminary Groundwater Charge Analysis
- **Jan 22 Water Commission Meeting: Prelim Groundwater Charge Analysis**
- **Feb 11 Board Meeting: Set time & place of Public Hearing**
- **Feb 28 Mail notice of public hearing and file PAWS report**
- Mar 11 Board Meeting: Budget development update
- Mar 19 Water Retailers Meeting: FY 24 Groundwater Charge Recommendation
- **Mar 25 Long Range Financial Forecast Review**
- Apr 7 Agricultural Water Advisory Committee
- Apr 8 Open Public Hearing
- Apr 9 Water Commission Meeting
- Apr 10 Continue Public Hearing in South County
- Apr 22 Conclude Public Hearing
- **Apr 23-24 Board Meeting: Budget work study session**
- **May 13 Adopt budget & groundwater production and other water charges**



COMMISSION ACTIONS TODAY

- 1. Discuss Fiscal Year 2025-26 Preliminary Groundwater Production Charges**
- 2. Provide Comment to the Board as Desired**

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Santa Clara Valley Water District

File No.: 25-0043

Agenda Date: 1/22/2025

Item No.: 4.5.

COMMITTEE AGENDA MEMORANDUM Santa Clara Valley Water Commission

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Review and Approve the Proposed 2025 Santa Clara Valley Water Commission Work Plan, the Outcomes of Board Action of Commission Requests; and the Commission's Next Meeting Agenda, and Recommend the Proposed 2025 Water Commission Work Plan to the Board.

RECOMMENDATION:

Review and approve the Commission work plan to guide the commission's discussions regarding policy alternatives and implications for Board deliberation; and recommend the proposed 2025 Water Commission Work Plan to the Board.

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 agendized 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 or Commissions, 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 or Commissions may help the Board produce the link between the District and the public through information sharing to the communities they represent.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

The review of the Commission's Work Plan is not subject to an environmental justice and equity impact analysis.

ATTACHMENTS:

Attachment 1: 012225 Water Commission Work Plan

UNCLASSIFIED MANAGER:

Candice Kwok-Smith, 408-630-3193

2025 Work Plan: Santa Clara Valley Water Commission

Update: January 2025

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 BOARD POLICY	MEETING DATE	INTENDED OUTCOME(S) (Action or Information Only)	ACCOMPLISHMENT DATE AND OUTCOME
1	Election of Chair and Vice Chair for 2025	January 22	<ul style="list-style-type: none">Commission Elects Chair and Vice Chair for 2025. (Action)	
2	2024 Annual Accomplishments Report	January 22	<ul style="list-style-type: none">Review and approve 2024 Accomplishments Report for presentation to the Board. (Action)Submit requests to the Board, as appropriate. (Action)	
3	2025 Work Plan: Review of Santa Clara Valley Water Commission Work Plan, the Outcomes of Board Action of Commission Requests and the Commission's Next Meeting Agenda, and Recommend the Proposed 2025 Water Commission Work Plan to the Board	January 22 April 9 July 23 October 22	<ul style="list-style-type: none">Receive and review the FY2024-2025 Board-approved Committee work plan. (Information)Submit requests to the Board, as appropriate. (Action)	

2025 Work Plan: Santa Clara Valley Water Commission

Update: January 2025

4	Review and Comment to the Board on the Fiscal Year 2024-2025 Preliminary Groundwater Production Charges	January 22 April 9	<ul style="list-style-type: none"> Review and comment to the Board on the Fiscal Year 2024-2025 Preliminary Groundwater Production Charges. (Action) Submit requests to the Board, as appropriate. (Action) 	
5	Receive Information and Provide Feedback on the Development of Valley Water's Water Supply Master Plan 2050	January 22	<ul style="list-style-type: none"> Receive Information and Provide Feedback on the Development of Valley Water's Water Supply Master Plan 2050. (Action) 	
6	Update of AB 1469 relating to Unhoused	TBD	<ul style="list-style-type: none"> Receive update on AB1469 relating to unhoused (Information) 	
7	Standing Items Report Fiscal Year 2025	January 22 October 22	<ul style="list-style-type: none"> Receive reports on FY24-25 Valley Water Board Work Plan standing items (Information) 	
8	Tour a VW Water Supply Facility	TBD	<ul style="list-style-type: none"> Conduct tour (Action) 	
9	Approve 2025 Meeting Schedule	January 22	<ul style="list-style-type: none"> Discuss and approve 2025 meeting schedule. (Action) <p>January 22 April 9 July 23 Oct. 22</p>	
BOARD WORK PLAN GOALS:				
Integrated Water Resources Management - Goal: Efficiently manage water resources across business areas.				
Water Supply – Goal: Provide a reliable, safe, and affordable water supply for current and future generations in all communities served.				

Natural Flood Protection – Goal: Provide natural flood protection to reduce risk and improve health and safety.

Environmental Stewardship – Goal: Sustain ecosystem health while managing local water resources for flood protection and water supply.

Addressing Encampment of Unsheltered People – Goal: Humanely assist in the permanent relocation of unsheltered people on Valley Water lands along waterways and at water supply and flood risk reduction facilities in order to address the human health, public safety, operational, and environmental challenges posed by encampments.

Climate Change – Goal: Mitigate carbon emissions and adapt Valley Water operations to climate change impacts.

Business Management – Goal: Promote effective management of water supply, flood protection, and environmental stewardship through responsive and socially responsible business services.

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Santa Clara Valley Water District

File No.: 25-0116

Agenda Date: 1/22/2025

Item No.: 5.1.

COMMITTEE AGENDA MEMORANDUM Santa Clara Valley Water Commission

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:
Standing Items Report.

RECOMMENDATION:

Standing Items Report

This item allows the Santa Clara Valley Water Advisory Commission to receive verbal or written updates and discuss the Board's Fiscal Year 2024-2025 Work Plan Strategies. These items are generally informational; however, the Commission may request additional information and/or provide collective input to the assigned Board Committee/Commission.

SUMMARY:

The Santa Clara Valley Water Advisory Commission was established to assist the Board with policy review and development, provide comment on activities in the implementation of Valley Water's mission, and to identify Board-related issues.

On January 2022, the Board of Directors approved aligning the Board Advisory Committees' agendas and work plans with the Board's yearly work plan.

The new agenda format will allow regular reports on the Board's priorities from the Board's committees and/or Board committee representative and identify subjects where the committees could provide advice to the Board on pre-identified subjects in a timely manner to meet the Board's schedule and distribute information/reports that may be of interest to committee members.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

The Standing Items Report is not subject to environmental justice or equity analysis.

ATTACHMENTS:

Attachment 1: Board Work Plan Standing Items Report

UNCLASSIFIED MANAGER:
Candice Kwok-Smith, 408-630-3193

FY2024-2025 BOARD WORK PLAN – STANDING ITEMS REPORT

July-December 2024

INTEGRATED WATER RESOURCES MANAGEMENT GOAL: Efficiently manage water resources across business areas.	
Objective 1:	Protect and maintain existing assets and infrastructure and advance new projects.
Updates:	<ul style="list-style-type: none">On October 8, 2024, the Board received an overview of the Annual Capital Improvement Program Development Process, the Capital Improvement Program Fiscal Years 2025-29 Five-Year Plan Capital Projects by Fund and Funding Categories, and the Integrated Financial Planning Schedule.
Objective 2:	Improve internal capacity to negotiate and acquire regulatory permits.
Updates:	
Objective 3:	Educate the community, elected officials and external stakeholders on our management of water resources in Santa Clara County.
Updates:	<ul style="list-style-type: none">On October 24th, Valley Water's Office of Emergency Services hosted its annual Winter Preparedness Workshop for external agencies that included the County of Santa Clara, City of San Jose, City of Palo Alto, City of Milpitas, City of Morgan Hill, and many others. The purpose of the workshop is to inform stakeholder partners of Valley Water preparedness efforts for the Winter season. The workshop had 63 registered participants, and included presentations for emergency services, external communications, reservoir operations, watershed field operations, hydrology/hydraulics support, sandbag operations, and the National Weather Service Winter forecast.On December 4, 2024, Valley Water hosted the annual San Francisquito Creek Multi-Agency Coordination (SFCMAC) Tabletop Exercise in Palo Alto. This event provided a no-fault environment for the SFC MAC members to discuss a challenging inclement weather scenario where the storm forecast was uncertain. Valley Water uses these exercises to validate planning and training efforts for preparedness, and to find ways to improve the agency's capability to respond and support impacted jurisdictions during emergencies.On December 10, 2024, the Board approved Legislative Policy Proposals and Guiding Principles for 2025. Legislative policy proposals and legislative guiding principles are approved on an annual basis to form the framework for advocacy efforts at the local, regional, state, and federal levels.

WATER SUPPLY

GOAL: Provide a reliable, safe, and affordable water supply for current and future generations in all communities served.

Objective 1:	Pursue new and diversified water supply and storage opportunities.
Updates:	<ul style="list-style-type: none">On October 8, 2024, the Board received an update on the unique requirements for the Pacheco Reservoir Expansion Project including a multi-year fill and drain pattern and the possibility to accept and store additional water supply, as well as potential resulting unique environmental benefits.On October 17, 2024, Valley Water hosted a virtual public scoping meeting for the community to learn more about the scope and content of the draft Environmental Impact Report for the Design Level Geotechnical Investigations for the Pacheco Reservoir Expansion Project.
Objective 2:	Secure existing water supplies and water supply infrastructure
Updates:	<ul style="list-style-type: none">On June 12 and 13, 2024, Valley Water held two public meetings to present and seek feedback on its comprehensive plan to update and upgrade its water treatment plants (Santa Teresa and Penitencia in San Jose, and Rinconada in Los Gatos). Valley Water is committed to keeping safe, clean water flowing as we recognize the need to repair or replace much of our aging infrastructure.Valley Water released a Draft Environmental Impact Report (EIR) on the Pipeline Maintenance Program (PMP) for public review between September 12, 2024 and October 28, 2024. The PMP covers inspection, maintenance, rehabilitation and/or repair of all existing conveyance systems (including pipelines, and tunnels) for raw, treated, and recycled water that are owned and/or operated by Valley Water.On December 10, 2024 the Board received an update on the development of Santa Clara Valley Water District's Water Supply Master Plan 2050; and approved a Potable Reuse Goal of 24,000 Acre-Feet per Year by 2035 and a Long-Term Vision to Maximize Water Reuse in the County up to 32,000 Acre-Feet per Year.On October 10, 2024, Valley Water hosted the Rinconada Water Treatment Plant Reliability Improvement Project Phases 3-6 construction community meeting to update neighbors about the project's current status and to share our response to neighborhood concerns.
Objective 3:	Lead purified water efforts with committed partners.
Updates:	<ul style="list-style-type: none">After more than 14 years of development, on August 6, 2024, the Office of Administrative Law (OAL) approved the Direct Potable Reuse (DPR) Regulations. The DPR regulations had previously been adopted by the State Water Resources Control Board on December 19, 2023. The effective date of the regulation is October 1, 2024. Valley Water has been involved in the development of DPR regulations since the beginning as part of the WaterReuse California Direct Potable Reuse Working Group, which has been guiding the development of these regulations for the past two years. The finalization of DPR regulations opens up new possibilities for implementing large-scale water recycling projects throughout the State. Valley Water is working to implement the San Jose Purified Water Project - Phase 1 (DPR Demonstration Facility) in collaboration with the Cities of San Jose and Santa Clara.On December 10, 2024 the Board received an update on the development of Santa Clara Valley Water District's Water Supply Master Plan 2050; and approved a Potable Reuse Goal of 24,000 Acre-Feet per Year by 2035 and a Long-Term Vision to Maximize Water Reuse in the County up to 32,000 Acre-Feet per Year.

Objective 4:	Complete the Anderson Dam Seismic Retrofit Project.
Updates:	<ul style="list-style-type: none"> The Anderson Dam Seismic Retrofit Project (ADSRP) reached a major milestone with the submittal of the environmental regulatory permit applications on June 28, 2024. Permit applications were submitted to the U.S. Army Corps of Engineers (Clean Water Act Section 404 permit), the Water Boards (Clean Water Act Section 401 water quality certification), California Department of Fish and Wildlife (Lake and Streambed Alteration Agreement per Section 1600 of California Fish and Game Code), and the Bay Conservation and Development Commission (Consistency Certification). Valley Water has released a Partially Recirculated Draft Environmental Impact Report (EIR) for the Anderson Dam Seismic Retrofit Project (ADSRP) for a 45-day public review period between August 5, 2024 and September 20, 2024. Written comments received in response to the Partially Recirculated Draft EIR, along with prior comments received on the Draft EIR, will be addressed in the Final EIR.
Objective 5:	Make water conservation a California way of life in Santa Clara County.

<h3 style="text-align: center;">NATURAL FLOOD PROTECTION</h3> <p>GOAL: Provide Natural Flood Protection to reduce risk and improve health and safety.</p>	
Objective 1:	Protect people and property from flooding equitably in all regions of the County, prioritizing disadvantaged communities, by applying a comprehensive, integrated watershed management approach that balances environmental quality, environmental justice impacts, sustainability, and cost.
Updates:	<ul style="list-style-type: none"> Valley Water released a Draft Environmental Impact Report (EIR) on the Coyote Creek Flood Protection Project for public review between July 12, 2024, and August 26, 2024. The Project objectives are to plan, design, and construct improvements along approximately nine (9) miles of Coyote Creek, between Montague Expressway and Tully Road in the City of San Jose. On September 3, 2024, Valley Water hosted the Upper Llagas Creek Flood Protection Project pre-construction community meeting to update neighbors about the project, flood protection, environmental and recreation benefits, and construction impacts. The Letter of Map Revision (LOMR) application to revise the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps to reflect the flood protection projects on Permanente Creek became effective on September 5, 2024. The LOMR application was jointly filed by Valley Water, Santa Clara County, and the cities of Mountain View, Los Altos and Cupertino on April 18, 2022.

	<ul style="list-style-type: none"> On September 25, 2024, U.S. Army Corps of Engineers staff conducted a tour of the South San Francisco Bay Shoreline Phase I Project and the Upper Guadalupe River Project for Lt. Col. Timothy W. Shebesta. USACE staff, joined by Valley Water and State Coastal Conservancy staff, presented background on the project, described challenges during construction, and challenges remaining for the project, including Reaches 4-5 (from Artesian Slough to Coyote Creek). The General Re-evaluation Study is scheduled for completion in 2025. On November 20, 2024, Valley Water held a public meeting to present and gather feedback on the Palo Alto Flood Basin Tide Gate Seismic Retrofit and Rehabilitation Project.
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ENVIRONMENTAL STEWARDSHIP GOAL: Sustain ecosystem health while managing local water resources for flood protection and water supply.	
Objective 1:	Plan and design projects with multiple benefits, including protecting ecosystem functions, enhancing habitat, and improving connectivity, equitably in all regions of the County.
Updates:	<ul style="list-style-type: none"> A small defunct dam and steep pass fish ladder on Little Arthur Creek (known as Pickell's Dam) was removed for mitigation credit for the Stream Maintenance Program (SMP). The removal of the dam that is over 100 years old provides access to ~3.5miles of high quality spawning and rearing habitat for South Central California Coast Steelhead. The removal also allows for a more natural state of stream processes by allowing habitat feature formation that was previously impacted by the full spanning concrete structure. The project construction was completed on private property under a non-consultant agreement with Trout Unlimited; where Valley Water O&M staff provided training, funding, permitting, and oversight for project implementation. The project's success will be monitored by Valley Water's SMP Team over the next 5 years following construction as part of mitigation monitoring for the SMP. Environmental staff believe this is a good model to follow for future projects, identifying strategies to implement mitigation/restoration projects that are cost effective, beneficial to the ecosystem, and meaningful to the community/stakeholders.
Objective 2:	Protect creeks, bay, and other aquatic ecosystems from threats of pollution and degradation.
Updates:	<ul style="list-style-type: none"> In support of the 40th Annual California Coastal Cleanup Day (CCD), Valley Water, in partnership with the Creek Connections Action Group (CCAG), coordinated another successful cleanup event in Santa Clara County on Saturday, September 21, 2024. This year, 953 volunteers participated at 49 cleanup sites throughout the county and removed an estimated 32,874 pounds of litter along 56 miles of creeks, shorelines, and natural areas.
Objective 3:	Complete and implement the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) agreement.
Updates:	

ADDRESSING ENCAMPMENTS OF UNSHELTERED PEOPLE

GOAL: Humanely assist in the permanent relocation of unsheltered people on Valley Water lands along waterways and at water supply and flood risk reduction facilities in order to address the human health, public safety, operational, and environmental challenges posed by encampments.

Objective 1:	<p>Collaborate with agencies and other service providers to address the challenges posed by encampments and their impacts to waterways and water supply and flood risk reduction facilities, including supporting the provision of outreach, counseling, transitional or affordable housing, or other services by these agencies and service providers.</p>
Updates:	<ul style="list-style-type: none">On July 25, 2024, Valley Water held a Listening Session to seek input and feedback on Valley Water's proposed Water Resources Protection Zones Ordinance. Valley Water invited advocates and nonprofits who support unhoused people to share their concerns, ideas, and solutions related to the Ordinance and the impacts of encampments of unsheltered people located on Valley Water lands.On October 11, 2024 Valley Water hosted the Unhoused People and Environment Summit to bring together local agency officials, nonprofit organizations and housing advocates to discuss challenges related to the humanitarian and environmental concerns with addressing the unhoused people living along Santa Clara County waterways.On November 26, 2024 the Board adopted the Water Resources Protection Ordinance establish water resources protection zones (WRPZ) along creeks, waterways, water supply facilities, and other lands where Valley Water holds land rights. The Ordinance is intended to improve water quality, to protect water supply facilities and riparian habitats, and to support staff safety by prohibiting camping and encampment-related activities, reducing encampments, and preventing re-encampments within the WRPZ.
Objective 2:	<p>Collaborate with the County and municipal partners to secure the safety of unsheltered people living on Valley Water lands along waterways and at water supply and flood risk reduction facilities, as well as secure the safety of residential neighbors and Valley Water staff.</p>
Updates:	<ul style="list-style-type: none">On July 25, 2024, Valley Water held a Listening Session to seek input and feedback on Valley Water's proposed Water Resources Protection Zones Ordinance. Valley Water invited advocates and nonprofits who support unhoused people to share their concerns, ideas, and solutions related to the Ordinance and the impacts of encampments of unsheltered people located on Valley Water lands.On October 11, 2024 Valley Water hosted the Unhoused People and Environment Summit to bring together local agency officials, nonprofit organizations and housing advocates to discuss challenges related to the humanitarian and environmental concerns with addressing the unhoused people living along Santa Clara County waterways.On November 26, 2024 the Board adopted the Water Resources Protection Ordinance establish water resources protection zones (WRPZ) along creeks, waterways, water supply facilities, and other lands where Valley Water holds land rights. The Ordinance is intended to improve water quality, to protect water supply facilities and riparian habitats, and to support staff safety by prohibiting camping and encampment-related activities, reducing encampments, and preventing re-encampments within the WRPZ.

CLIMATE CHANGE

GOAL: Mitigate carbon emissions and adapt Valley Water operations to climate change impacts.

Objective:	Address future impacts of climate change to Valley Water's mission and operations.
Updates:	

BUSINESS MANAGEMENT

GOAL: Promote effective management of water supply, flood protection, and environmental stewardship through responsive and socially responsible business services.

Objective 1:	Incorporate racial equity, diversity, and inclusion throughout Valley Water as a core value.
Updates:	<ul style="list-style-type: none">On December 12, 2024 the Board adopted a Resolution declaring Santa Clara Valley Water District's 2025 Monthly Cultural Observances. Cultural celebrations, such as monthly observances, are important as they help honor and elevate each culture's history, experiences, and contributions to the United States.
Objective 2:	Maintain budgeted staffing levels and expertise, prioritize the safety of our staff, and build and sustain an inclusive and equitable working environment for all staff and partners while ensuring fair employment.
Updates:	<ul style="list-style-type: none">Valley Water has launched a first-of-its-kind apprenticeship program for Instrumentation and Controls Technicians (I&C Techs) in the water industry. Thanks to a partnership with Baywork, a network of water and wastewater agencies in the San Francisco Bay Area, this apprenticeship is registered with the U.S. Department of Labor, making it one of the only registered I&C Tech apprenticeships in the Bay Area. This July 2024, Valley Water's Raw Water Division welcomed two apprentices to the Treatment Plant Maintenance Unit. The apprentices will receive on-the-job training as full-time Valley Water employees while simultaneously completing related education courses through Mission College. Upon completion of the four- to five-year apprenticeship, the apprentices will receive their journey level card and become full-time I&C Techs servicing Valley Water's water treatment plants and pipelines.
Objective 3:	Provide affordable and cost-effective level of services.
Updates:	<ul style="list-style-type: none">On August 6, 2024, Valley Water was awarded the District Transparency Certificate of Excellence by the Special District Leadership Foundation (SDLF). To earn this award Valley Water demonstrated its adherence to key governance transparency standards, including conducting ethics training for all board members, ensuring that meetings are open and public, and timely filing of financial transactions and compensation reports with the State Controller. This recognition highlights Valley Water's commitment to transparency, accountability, and good governance in its operations.On September 24, 2024, Valley Water closed on \$314 million of debt issuances, comprised of \$198.5 million of tax-exempt debt and \$115.5 million of taxable debt, for the Water Utility capital program. The debt proceeds were primarily used to refund outstanding short-term debt issued for Water Utility capital projects. Valley Water achieved very favorable pricing with an aggregate true interest cost of 4.14% vs. 4.93% estimated in the August 13, 2024 Board Agenda Memo and achieved debt service savings of approximately \$1.5 million per year or \$43 million over the 30 years repayment term. Valley Water received AA+ and Aa1 credit ratings from Fitch and Moody's, respectively.