Santa Clara Valley Water District
Water Supply and Demand Management Committee

HQ. Bldg. Boardroom, 5700 Almaden Expressway, San Jose, California
Join Zoom Meeting: https://valleywater.zoom.us/j/92597340524#

REGULAR MEETING
AGENDA

Monday, March 24, 2025
10:00 AM

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

COMMITTEE OFFICERS:

Nai Hsueh, Chairperson
Director, District 5

Shiloh Ballard, Vice Chairperson
Director, District 2

Richard Santos
Director, District 3

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.

STAFF LIAISONS:
Vincent Gin
Kirsten Struve
Ryan McCarter
Stephanie Simunic
(COB Liaison)
Deputy Clerk II
ssimunic@valleywater.org
1-408-630-2408

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
Water Supply and Demand Management Committee

REGULAR MEETING
AGENDA

Monday, March 24, 2025 **10:00 AM** **HQ. Bldg. Boardroom, 5700 Almaden Expressway, San Jose, California**
Join Zoom Meeting: https://valleywater.zoom.us/j/92597340524#

IMPORTANT NOTICES AND PARTICIPATION INSTRUCTIONS

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1 (669) 900-9128, 92597340524#

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 January 27, 2025 Water Supply and Demand Management Committee (WSDMC) Minutes. 25-0191

Recommendation: Approve the minutes.

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

Attachments: Attachment 1: 01272025 WSDMC Minutes

Est. Staff Time: 5 Minutes

4. REGULAR AGENDA:

4.1. Receive Update and Discuss the Water Conservation Program's Water Use Savings for Fiscal Year (FY) 2024. 25-0155

Recommendation: Receive update and discuss the Water Conservation Program's estimated water use savings for FY 2024 (July 1, 2023 - June 30, 2024).

Manager: Kirsten Struve, 408-630-3138

Attachments: Attachment 1: PowerPoint
Attachment 2: 03172023 Wtr. Cons. Svgs. Mdl. & Prog. CAM
Attachment 3: Water Conservation Program Flyer
Attachment 4: 09232024 MCACWOL & Suppt. VW Prog. CAM

Est. Staff Time: 45 Minutes

4.2. Receive Update on Valley Water's New Water Conservation Programs and Pilots and Provide Feedback. 25-0177

Recommendation: Receive an update on Valley Water's new water conservation programs and pilots and provide feedback.

Manager: Kirsten Struve, 408-630-3138

Attachments: Attachment 1: PowerPoint

Est. Staff Time: 30 Minutes

4.3. Receive Update on Safe Clean Water Conservation Program - Project A2: Water Conservation Rebates and Programs Update. 25-0178

Recommendation: Receive an update on the Safe Clean Water funded conservation programs.

Manager: Kirsten Struve, 408-630-3138

Attachments: Attachment 1: PowerPoint

Est. Staff Time: 25 Minutes

4.4. Receive Update on Sustainable Groundwater Management Act (SGMA) Compliance related to the Kern County Subbasin. 25-0255

Recommendation: Receive an update on SGMA compliance related to the Kern County Subbasin.

Manager: Vincent Gin, 408-630-2633

Attachments: Attachment 1: Joint Comment to the State Water Board

Est. Staff Time: 10 Minutes

4.5. Receive Update and Discuss the B.F. Sisk Dam Raise and Reservoir Expansion Project; Recommend to the Board to Increase Valley Water's Storage Capacity to a Minimum of 63,560 Acre Feet (AF) and Up To 70,000 AF if Space Becomes Available; Recommend to the Board to Authorize Up To $2,187,646 to Cover Valley Water's Share of Project Planning Costs. 25-0271

Recommendation:
A. Receive an update and discuss the B.F. Sisk Dam Raise and Reservoir Expansion Project.
B. Recommend to the Board to increase Valley Water's storage capacity to a minimum of 63,560 Acre Feet (AF) and up to 70,000 AF if space becomes available.
C. Recommend to the Board to authorize up to $2,187,646 to cover Valley Water's share of Project planning costs.

Manager: Vincent Gin, 408-630-2633

Attachments: Attachment 1: PowerPoint

Est. Staff Time: 30 Minutes

4.6. Review and Discuss the Water Supply and Demand Management Committee (WSDMC) Work Plan and Upcoming Discussion Items. 25-0192

Recommendation: Review and discuss the WSDMC Work Plan and upcoming discussion items.

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

Attachments: Attachment 1: 2025 WSDMC Work Plan

Est. Staff Time: 5 Minutes

5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.

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

6. ADJOURN:

6.1. Adjourn to Regular Meeting at 10:00 a.m., on Monday, April 28, 2025.

Santa Clara Valley Water District

File No.: 25-0191

Agenda Date: 3/24/2025
Item No.: 3.1.

COMMITTEE AGENDA MEMORANDUM
Water Supply and Demand Management Committee

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

SUBJECT:
Approval of January 27, 2025 Water Supply and Demand Management Committee (WSDMC) 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 and equity impact analysis.

ATTACHMENTS:
Attachment 1: 01272025 WSDMC Minutes

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

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WATER SUPPLY AND DEMAND
MANAGEMENT COMMITTEE MEETING

DRAFT MINUTES

REGULAR MEETING
MONDAY, JANUARY 27, 2025
10:00 AM

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER:

A regular meeting of the Santa Clara Valley Water District (Valley Water) Water Supply and Demand Management Committee (Committee) was called to order in the Valley Water Headquarters Building Boardroom at 5700 Almaden Expressway, San Jose, California, and by Zoom teleconference, at 10:00 a.m.

1.1. Roll Call.

Committee members in attendance were: District 3 Director Richard Santos, Chairperson presiding, District 5 Director Nai Hsueh, Vice Chairperson, and District 2 Director Shiloh Ballard, constituting a quorum of the Committee.

Staff members in attendance were: Gina Adriano, Antonio Alfaro, Emmanuel Aryee, Aaron Baker, Roseryn Bhudsabourg, Rick Callender, Theresa Chinte, Vanessa De La Piedra, Gavin Downs, Andrew Garcia, Rachael Gibson, Vincent Gin, Josh Golka, Andy Gschwind, Victor Gutierrez, Chris Hakes, Diahann Hudson Soleno, Cindy Kao, Matt Keller, Kaho Kong, Candice Kwok-Smith, Emelia Lamas, Kathleen Low, Jess Lovering, Katherine Maher, Ryan McCarter, Julianne O'Brien, Carlos Orellana, Steve Peters, Sarah Piramoon, Metra Richert, Don Rocha, Ashley Shannon, Nicholas Simard, Stephanie Simunic, Ranithri Slayton, Kirsten Struve, Charlene Sun, Darin Taylor, Gregory Williams, Jing Wu, Tina Yoke, and Beckie Zisser.

Public in attendance were: District 7 Director Rebecca Eisenberg, Molly Culton and Katja Irvin (Sierra Club), John Tang (San Jose Water Company) Maddy Benner, Bryan Boyer, Kurt Elvert, Chuck Gardner, Karen, Arthur Keller, Kateline Lin, Gunni Nixon, XXX-XXX-8214.

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

Chairperson Santos declared time open for public comment on any item not on the agenda. Katja Irvin commented on several workplan additions including water demand and supply for local data centers and groundwater dewatering for large construction projects such as BART.

3. APPROVAL OF MINUTES:

3.1 Approval of November 4, 2024 Water Supply and Demand Management Committee (WSDMC) Minutes.

Recommendation: Approve the minutes.

The Committee considered the minutes of the November 4, 2024 Water Supply and Demand Management Committee (WSDMC) meeting.

Public Comments: None.

It was moved by Director Hsueh, seconded by Vice Chairperson Ballard, and unanimously carried, to approve the November 4, 2024 WSDMC minutes.

4. REGULAR AGENDA:

4.1 Elect 2025 Chair and Vice Chair.

On a motion by Chairperson Santos, seconded by Director Hsueh, Director Hsueh was elected as the Chairperson and Director Ballard was elected as Vice Chairperson.

4.2 Receive an update and discuss the B.F. Sisk Dam Raise and Reservoir Expansion Project; Recommend to the Board to Execute the First Amended and Restated Activity Agreement and Approve the San Luis Delta Mendota Water Authority's Execution of the Management and Cost Share Agreement with the U.S. Bureau of Reclamation; Recommend to the Board to increase Valley Water's storage capacity up to 60,600 AF; Recommend to the Board to authorize up to $2,057,636 to cover Valley Water's share of Project planning costs through February 2026.

Cindy Kao reviewed the information on this item, per the attached Committee Agenda Memo and in the attachment and was available to answer questions Chuck Garner and Vincent Gin were also available to answer questions.

The Committee discussed the following with staff input: Central Valley Project (CVP) storage water loss will generally not exceed 10 percent annually, there are no time limits on water storage and it can be moved to another storage location, the U.S. Bureau of Reclamation (Reclamation) can take CVP water in situations such as extreme drought without paying Valley Water, raising State Route 152 is half the project cost and upgrades are needed for seismic standards, Reclamation does not have overall responsibility for raising State Route 152, a possible traffic study with Caltrans, research of cost reduction ideas, conversations at Valley Water relating to mitigating water evaporation and protecting wildlife.

Director Santos thanked Valley Water staff for building relationships and keeping Directors updated on the project.

Public Comment: Arthur Keller inquired about effects of an earthquake on the project and risks of drawing water the semitropic bank as well as risk of water pollution from recreation and mitigating evaporation. Cindy Kao and

Kirsten Struve noted the project will improve safety relating to seismic risk and the semitropic bank will continue to be viable and other risks will be monitored.

The Committee received the information and on a motion by Director Santos, seconded by Vice Chairperson Ballard, the Committee approved to recommend to the Board to Execute the First Amended and Restated Activity Agreement and Approve the San Luis Delta Mendota Water Authority's Execution of the Management and Cost Share Agreement with the U.S. Bureau of Reclamation; Recommend to the Board to increase Valley Water's storage capacity up to 60,600 AF; Recommend to the Board to authorize up to $2,057,636 to cover Valley Water's share of Project planning costs through February 2026.

4.3 Receive an update on Valley Water's Collaboration with Water Retailers on Water Supply and Demand Management and Renter/Landlord Engagement.

Ashely Shannon reviewed the information on this item, per the attached Committee Agenda Memo and in the attachment and was available to answer questions.

The Committee discussed the following with staff input: the February 27, 2025 Annual Landscape Summit, the Audit Committee reviewing quantifiable outcomes and also the Valley Water Water Conservation Strategic Plan.

The Committee received the information, provided positive feedback and took no formal action.

4.4 Receive and update on Los Vaqueros Reservoir Expansion Project; recommend to the Board to Ratify the Resolution of the Los Vaqueros Reservoir Joint Powers Authority to Terminate the Joint Exercise of Powers Agreement and Dissolve the Authority.

Katherine Maher reviewed the information on this item, per the attached Committee Agenda Memo and in the attachments and was available to answer questions.

The Committee received the information, noted support for the recommendation, and emphasized the importance of business relationships for the future.

On a motion by Director Santos, seconded by Vice Chairperson Ballard, the Committee approved to recommend to the Board to ratify the Resolution of the Los Vaqueros Reservoir Joint Powers Authority to terminate the Joint Exercise of Powers Agreement and dissolve the Authority.

4.5 Receive an information update on the Pacheco Reservoir Expansion Project.

Julianne O' Brien reviewed the information on this item, per the attached Committee Agenda Memo and in the attachment and was available to answer questions.

Public Comment: Doug Peterson cited concern relating to the Board setting a project end date and noted project deliberations should run their course per Proposition 1 to give the project a fair evaluation. Katja Irvin submitted written comments.

The Committee discussed the following with staff input: permits are needed including lake and streambed alteration agreements, 401 vs. 404 and 1602 permits, the Valley Habitat Plan, property access for the geotechnical boring, a possible extension for one of the properties, categorical exemptions for

California Environmental Quality Act (CEQA) and additional CEQA analysis, the importance of project financial transparency.

The Committee received the information and suggested that the WSDMC discusses the roles Pacheco play in each of the WSMP portfolios first, before discussing the topic of potential partnership for the Pacheco Project.

4.6 Review and Discuss the Water Supply and Demand Management Committee (WSDMC) Work Plan and approve 2025 meeting schedule.

Staff confirmed there are no items for February 2025 listed on the work plan, and the Committee approved canceling the February 24, 2025 meeting.

The Committee received the information and discussed the following with staff input: groundwater construction information may be part of Item 4.1, Sustainable Groundwater Management Act annual update in October 2025 and possibly before then. Additionally, new construction ordinances and retrofits can fit in the workplan under Item 3.3 relating to Model Water Efficient New Development Ordinance, i.e., MWENDO.

The Committee suggested providing financial data relating to costs of not having Valley Water projects and providing it to the public.

On a motion by Chairperson Hsueh, seconded by Vice Chairperson Ballard, the Committee approved the WSDMC Work Plan and 2025 meeting schedule.

5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS:

Stephanie Simunic stated that the November 4, 2024 WSDMC minutes were approved, Item 4.2 relating to B.F. Sisk and Item 4.4 relating to Los Vaqueros Reservoir Expansion Project, staff recommendations were approved, Item 4.6 relating to the Work Plan was approved with additions, and the next meeting will occur March 24, 2025.

6. ADJOURN:

6.1. Adjourn to Regular Meeting at 10:00 a.m. on Monday March 24, 2025.

Chairperson Hsueh adjourned the meeting at 11:43 a.m.

Date Approved:

Stephanie Simunic
Assistant Deputy Clerk II

Santa Clara Valley Water District

File No.: 25-0155

Agenda Date: 3/24/2025
Item No.: 4.1.

COMMITTEE AGENDA MEMORANDUM
Water Supply and Demand Management Committee

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

SUBJECT:
Receive Update and Discuss the Water Conservation Program's Water Use Savings for Fiscal Year (FY) 2024.

RECOMMENDATION:
Receive update and discuss the Water Conservation Program's estimated water use savings for FY 2024 (July 1, 2023 - June 30, 2024).

SUMMARY:
Valley Water has provided our community with a robust Water Conservation Program (Program) since 1992. The Program supports the following goals established by Valley Water's Board of Directors through the Water Supply Master Plan (WSMP):

- Water use savings of 99,000 acre-feet per year (AFY) by 2030 (compared to 1992);
- Savings of 110,000 AFY by 2040; and
- Savings of 126,000 AFY by 2050.

In addition, the Program supports Valley Water's Board Resolution 23-52 to Make Water Conservation a Way of Life in Santa Clara County. Valley Water staff tracks progress towards the long-term conservation goals using a custom, Excel-based Water Conservation Savings Model (Savings Model). Every year, staff inputs annual Program participation totals from the prior fiscal year into the Savings Model to track progress toward our long-term conservation goals. To leverage the latest data available, staff periodically updates model assumptions such as program water savings, savings accrual rates, and population and housing data. Attachment 2 provides an overview of the Savings Model's background, assumptions, inputs, and outputs, as well as how staff uses it to update savings numbers and evaluate program offerings.

This memorandum provides an update on the total annual savings from the Program for FY 2024, a review of Program trends, challenges, and opportunities. Additional information about current conservation programs is detailed in the attached flyer (Attachment 3) and can be found at

www.watersavings.org.

Savings Update

To meet the Board adopted long-term conservation goals by 2030 and 2040, the 2021 Water Conservation Strategic Plan (Strategic Plan) determined that: 1) Valley Water must sustain drought-year level participation in non-drought years to generate at least 2,400 AFY in additional savings annually; and 2) Valley Water must increase outdoor conservation and Program participation by commercial, industrial, and institutional (CII) entities and multifamily residential (MF) complexes.

In FY 2024, long-term water conservation increased by 3,022 acre-feet to 85,204 AFY from a 1992 baseline. This continues a 5-year upward trend beginning in FY 2020. On average between FY 2020 and FY 2024, savings have increased by 2,620 AFY annually. If this trend continues, Valley Water is on track to meet its 2030 goal.

The FY 2024 savings number was bolstered by the following:

1) a modest rebound in countywide population that began in 2023 benefitted passive savings;

2) expansion of messaging platforms and tools funded by the Program including site-specific water budgets for CII properties through the Large Landscape Program, Water Use Reports, and Advanced Metering Infrastructure (AMI); and

3) sustained participation in the Landscape Rebate Program (LRP) particularly in the CII sector due to maintaining the temporary increase in the rebate amount from $1/sq. ft. to $2/sq. ft.

The strongest performing water conservation programs are the Large Landscape Program, Water Use Reports and AMI Program, Mobile Irrigation Lab Program, and the Landscape Rebate Program (Table 1). Most of these programs provide new avenues to promote water-saving behaviors and communicate the Program's benefits, particularly to the CII sector.

Programs generate water savings between 1 and 20 years after participation or until their natural replacement with water-efficient appliances as required by local, state, or federal regulations. This is also known as the “useful life” of the water savings relative to the level of program activity. The result is that water savings for most programs tend to accrue over several years before tapering out or turning into passive savings, unless participation is sustained; then, savings continue to grow. For example, the Water Efficient Technology Rebate Program represents 1% of active savings despite several years of very low participation due to several large projects that continue to generate water savings. Within the Landscape Rebate Program, turf conversion projects produce significant savings over years and have sustained high levels of participation. Therefore, they produce a large proportion of active savings for the Program.

Table 1: Summary of Existing Programs that Drive Active Savings Trends

Program Name	FY 2024†
Legacy Programs (Plumbing Rebates)	30.5%
Large Landscape Program	27.8%
Water Use Reports and Advanced Metering Infrastructure	13.0%
Mobile Irrigation Lab	8.8%
Landscape Rebate Program – Turf Conversion	8.7%
Landscape Rebate Program – Irrigation Equipment	5.3%
Online Shopping Cart Program	2.4%
Submeter Rebate Program	1.6%
Water Efficient Technology (WET) Rebate Program	1.0%
Fixture Replacement Program‡	0.9%
Water Wise Outdoor Surveys	<0.1%
Graywater and LRP – Rainwater Rebates	<0.1%
Legacy Programs (Other)	<0.1%

† The percent of total active savings yielded by each program in FY 2024. "Legacy programs" are no longer offered yet continue to accrue active savings. Examples include rebates for high-efficiency toilets, clothes washers, urinals, and water softener upgrades.
‡ Includes savings from a pilot program with PG&E to provide services comparable to the Fixture Replacement Program.

Program Trends

Landscape Rebate Program (LRP)

Program savings from outdoor conservation programs (Large Landscape Program, Mobile Irrigation Lab, Turf Conversion Rebate, and Irrigation Equipment Rebate) reached 51% for the first time in FY 2024, indicating continued success in implementing the Strategic Plan's recommendations including emphasizing outdoor water conservation programs. LRP is the most significant driver of that trend.

Overall, LRP participation in turf conversion projects increased year-to-year between FY 2020 - 2023, yet over 1.4 million square feet (sq. ft.) were successfully converted to low-water landscapes in FY 2024 alone.

CII Participation

The proportion of LRP CII participation has increased since FY 2022 (Table 2). Before FY 2023, CII and MF sites accounted for an average of 25% of all turf converted and 5% of rebate applications (Table 2). Between FY 2023 - 2025 (through December 2024), CII and MF jumped to an average of 44% of all turf converted and about 11% of rebated applications.

Table 2: Summary of total and percentage of square footage converted as well as percentage of all LRP rebated applications by property type.

Fiscal Year	Square Footage				CII and MF Percent of Rebated Applications (%)
	Single Family	CII and MF	Total	CII and MF Percent of Area (%)	
FY 2019	259,508	107,209	**366,717**	**29%**	**5%**
FY 2020	229,207	73,482	**302,689**	**24%**	**5%**
FY 2021	258,644	82,415	**341,059**	**24%**	**5%**
FY 2022	804,226	231,316	**1,035,542**	**22%**	**5%**
FY 2023	1,153,764	832,605	**1,986,369**	**42%**	**9%**
FY 2024	759,722	658,706	**1,418,428**	**46%**	**11%**
FY 2025 (Jul-Dec 2024)	265,519	204,220	**469,739**	**43%**	**12%**

This shift toward CII and MF participation from single-family residential participation was likely influenced by the higher rebate amounts for all sites, increased outreach to these properties, and a combination of local and statewide actions targeting inefficient irrigation and prohibiting irrigation of nonfunctional turf for CII properties discussed further below. CII and MF rebates require comparable amounts of time for staff to process yet typically result in significantly larger water savings per property than projects at single-family residential sites. As recommended by the Strategic Plan and evidenced by recent program participation, highlighting the role in outdoor conservation projects in the CII sector will be of increasing importance to meet long-term policy goals.

Opportunities and Challenges

The 2021 Strategic Plan highlights the importance of focusing on outdoor water savings. For the first time, 51% of the annual, active water savings were achieved through outdoor programs. The Strategic Plan also identified the need for additional staffing and funding in the long-term for the Program to achieve the Board's 2030 and 2040 goals. The LRP’s turf conversion rebate rate was temporarily increased from $1 sq. ft. to $2 sq. ft. utilizing Safe, Clean Water Funding, which is ending, necessitating the need to secure an alternative funding source to follow the Strategic Plan’s recommendation for increased long-term funding, and to sustain participation levels. Though staff intends to maintain LRP’s rebate rate using existing budget, this constrains staff’s ability to increase rebate rates for other cost-effective programs such as the WET Rebate Program and Submeter Rebate Program. The WET and Submeter rebate programs increase water savings in the CII and MF sectors, have had the same incentive rates for over a decade , and have experienced continued downward participation trends. The need to increase rebate rates with additional funding sources has become especially urgent due to inflation and rising costs over the last few years.

Historically, Program participation remains elevated for about a year after a drought ends. The modest participation declines since the last drought in FY 2024 are a promising reflection of the collaborative work staff have undertaken to develop new approaches, tools, programs, and

collaborations that have produced increased water savings.

Expanding partnerships with water retailers, Bay Area Water Supply Planning and Conservation Agency, and California Water Efficiency Partnership can help further increase CII participation, whether that includes developing new messaging for specific CII sectors, coordinating with large chains that span service areas, leveraging AMI to message directly to CII customers, or other approaches to be determined.

Alignment between Valley Water policies, like Resolution No. 23-52 and Ordinance No. 23-02, and the State's "Making Conservation a California Way of Life" regulatory framework provides new opportunities and approaches to continue our Program's upward savings trends whether we are in a drought response or not. More details on these regulations are available in Attachment 4.

A water conservation program benchmarking study is underway to look for ways to enhance and improve Valley Water's Program offerings. Additionally, it will feed into future strategic planning and program optimization. Staff will provide more information about this study in the fall.

Conclusion

Valley Water's strategic conservation efforts are yielding strong results. Long-term water savings increased by 3,022 acre-feet to 85,204 AFY (from a 1992 baseline) in FY 2024. Despite the recent drought ending, a sustained upward trend-driven by enhanced outreach tools, robust rebate programs, and increased participation from CII and MF properties in LRP's turf conversion rebates-has led to annual savings that have kept Valley Water on track to meet its 2030 goals.

Although some program participation has declined post-drought, targeted strategies, new tools, and alignment with statewide conservation regulations should offset these challenges in the short term. The 2021 Strategic Plan identifies the need for additional resources to ensure the program can meet the board goals and is essential to maintain long-term water efficiency and ensure sustainable water management across Santa Clara County. Staff are continually exploring and testing new programs and resources.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:
Environmental justice and equity impacts on local communities are expected/likely to result from implementing the water conservation program toward meeting the long-term water conservation 2030, 2040, and 2050 goals.

Water conservation offers a range of environmental justice benefits by promoting equitable access to clean water, reducing pollution, protecting ecosystems, mitigating climate change, saving costs for vulnerable communities, enhancing drought resilience, and empowering residents with knowledge and skills for sustainable water use. Valley Water provides such water conservation information in multiple languages and via various outreach techniques to reach all members of our community. Valley Water acknowledges that during drought, disadvantaged communities may be disproportionately impacted. To address these impacts, Valley Water promotes access to equitable and affordable water supplies (Water Supply Goal 2.6).

ATTACHMENTS:
Attachment 1: PowerPoint
Attachment 2: 03172023 Wtr. Cons. Svgs. Mdl. & Prog. CAM
Attachment 3: Water Conservation Program Flyer
Attachment 4: 09232024 MCACWOL & Suppt. VW Prog. CAM

UNCLASSIFIED MANAGER:
Kirsten Struve, 408-630-3138

Water Conservation Program Savings Update (FY24)

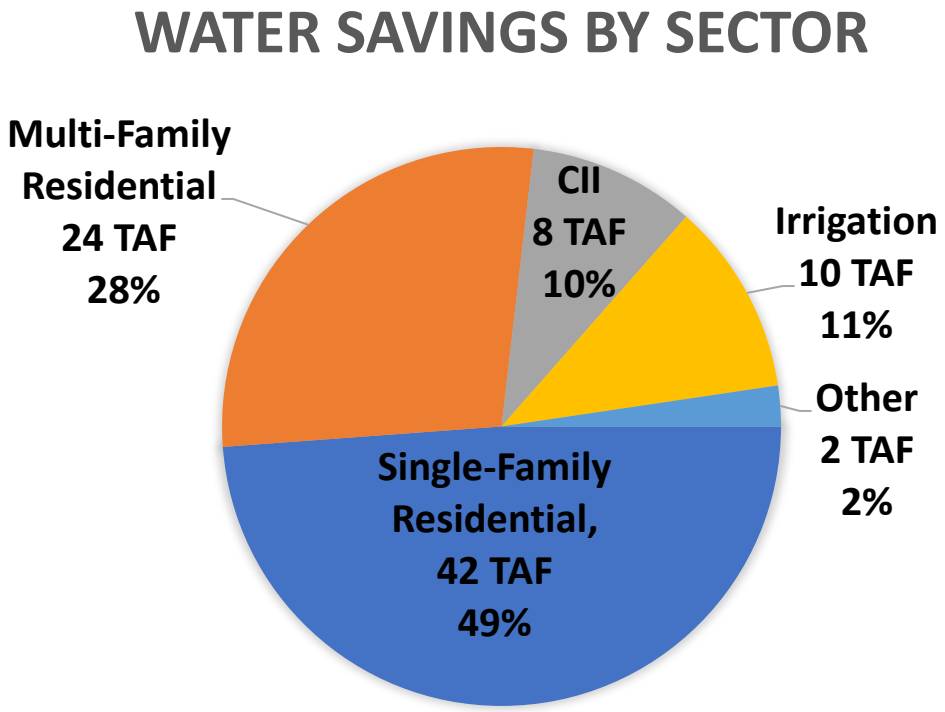
Water Supply and Demand Management Committee, March 24, 2025

Justin Burks, Sr. Water Conservation Specialist

Water Conservation as a Way of Life

- Long-term conservation reduces risks for current and future droughts

- Conservation Savings Targets
  - 99,000 AF/year by 2030
  - 110,000 AF/year by 2040
  - 126,000 AF/year by 2050



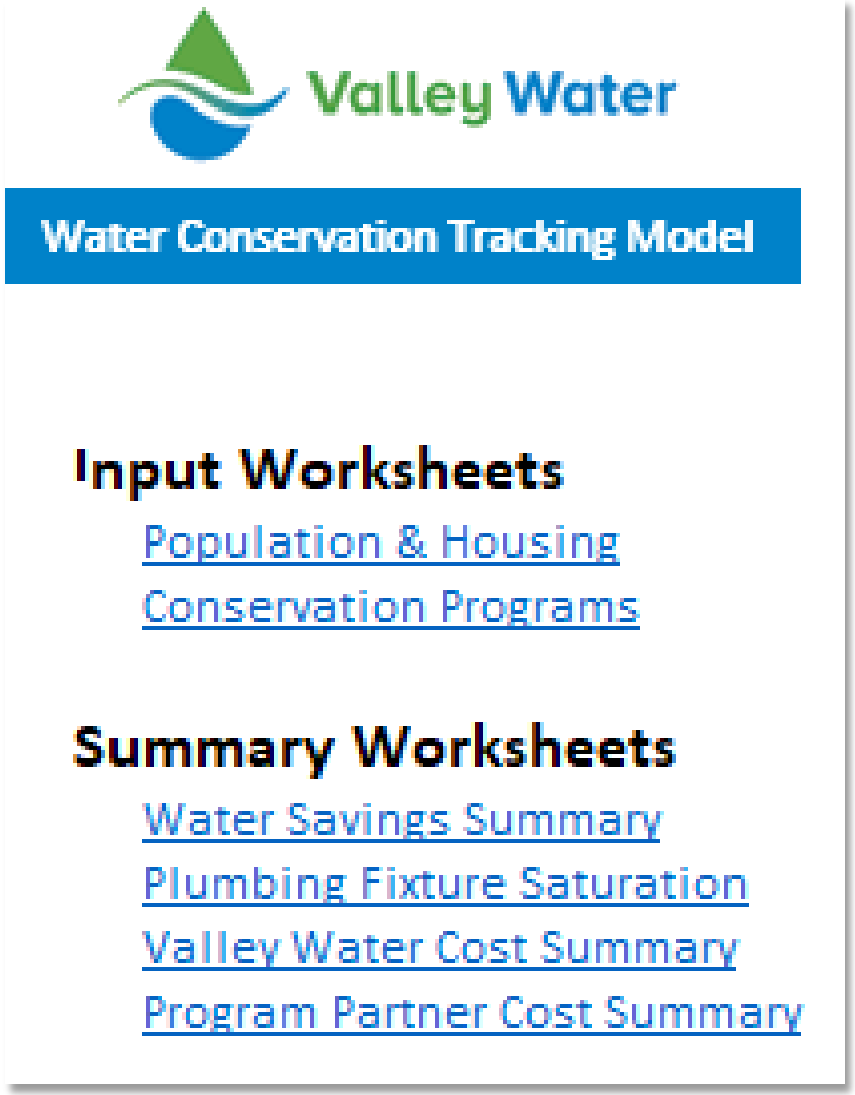
TAF = 1,000 acre-feet

Water Conservation Savings Model

- Built from a national, Excel-based model
- Tracks progress towards targets
- Evaluates individual & program
  - Savings
  - Cost effectiveness
- Strategic Plan (2021)
  - Blueprint for success
  - Support tool for program marketing and design

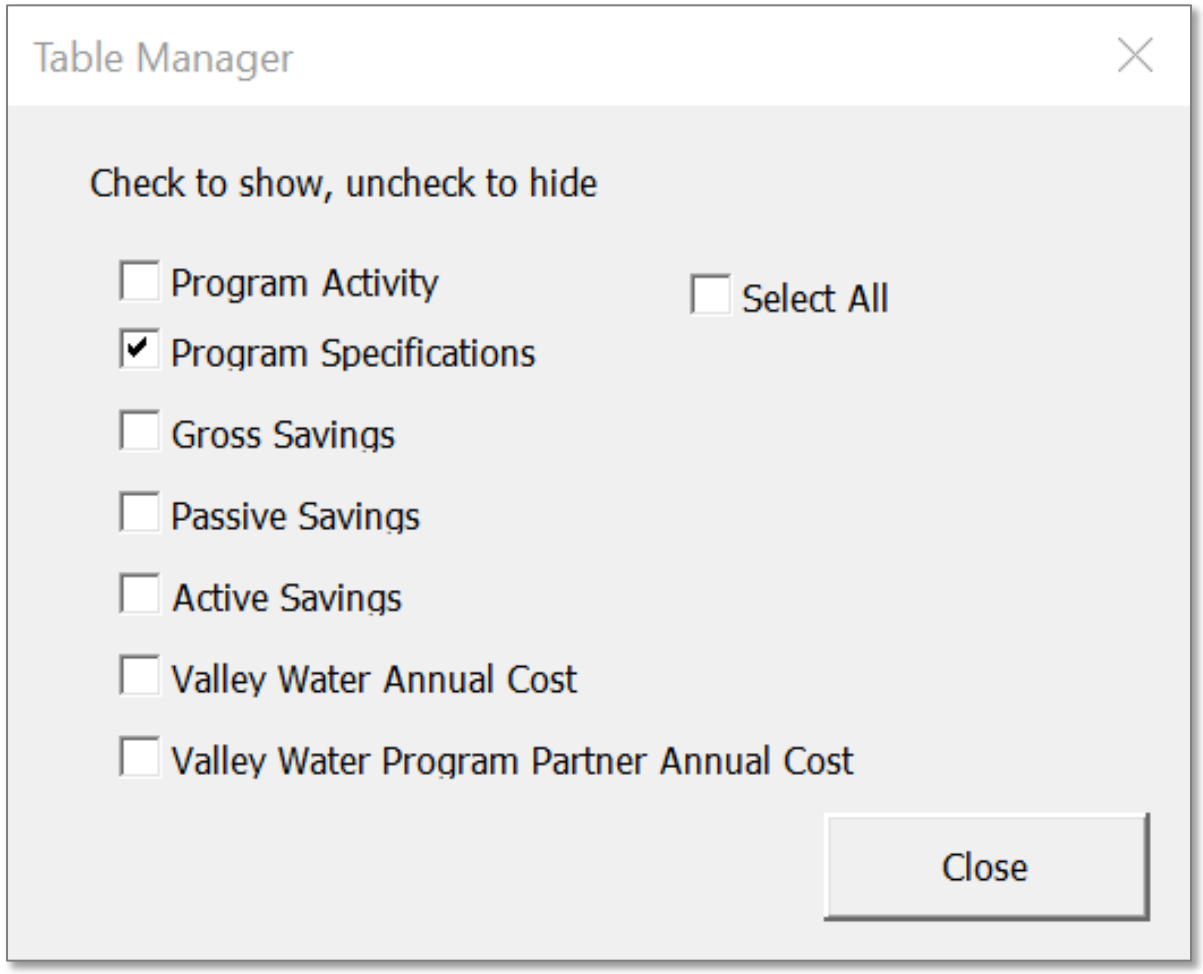
Model inputs

- 1992 baseline
- Inflation and real discount rate
- Population, employment, and building types
- Behavior
- % of efficient fixtures in county
- Costs
- Objective savings data



Model Outputs

- Changes in % of efficient fixtures
- Water savings
  - programmatic
  - Specific customer classes
  - Overall
- Cost per acre-foot

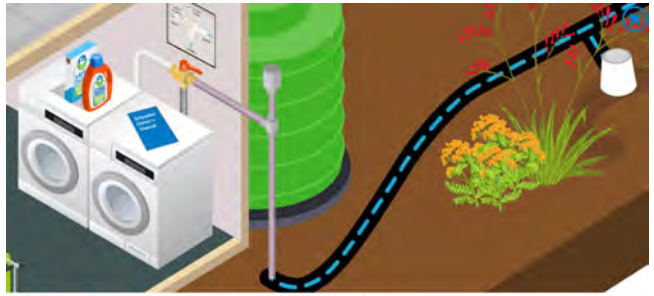


Water Conservation Infographic

2. Rain Garden

Add a rain garden to your landscape and receive a rebate! Rain gardens allow water from downspouts to soak into the ground instead of flowing into storm drains.

- Frequently Asked Questions: https://valleywater.droplet portal.com/faq/rainwater
- Program Overview: https://www.valleywater.org/saving-water/rebates-surveys/landscape-rebates
- Qualified Rain Garden Plants: valleywater.droplet portal.com/documents/pdf/SCVWD_Qualified_Rain_Garden_Plants.pdf



5. "Laundry-to-Landscape" Graywater System

Install a Graywater Laundry-to-Landscape system that diverts water from your washing machine to your landscape and receive a rebate! This project can be Do-It-Yourself or installed by a trained professional and can save about 6,600 gallons or more per year.

- Laundry to Landscape Graywater System Application: cloud.valleywater.org/ords/r/appweb/graywater-laundry-to-landscape-rebate-program/login
- Get started and learn about other graywater systems: valleywater.org/saving-water/outdoor-conservation/about-graywater

www.watersavings.org

Programs that Drive Long-Term Savings

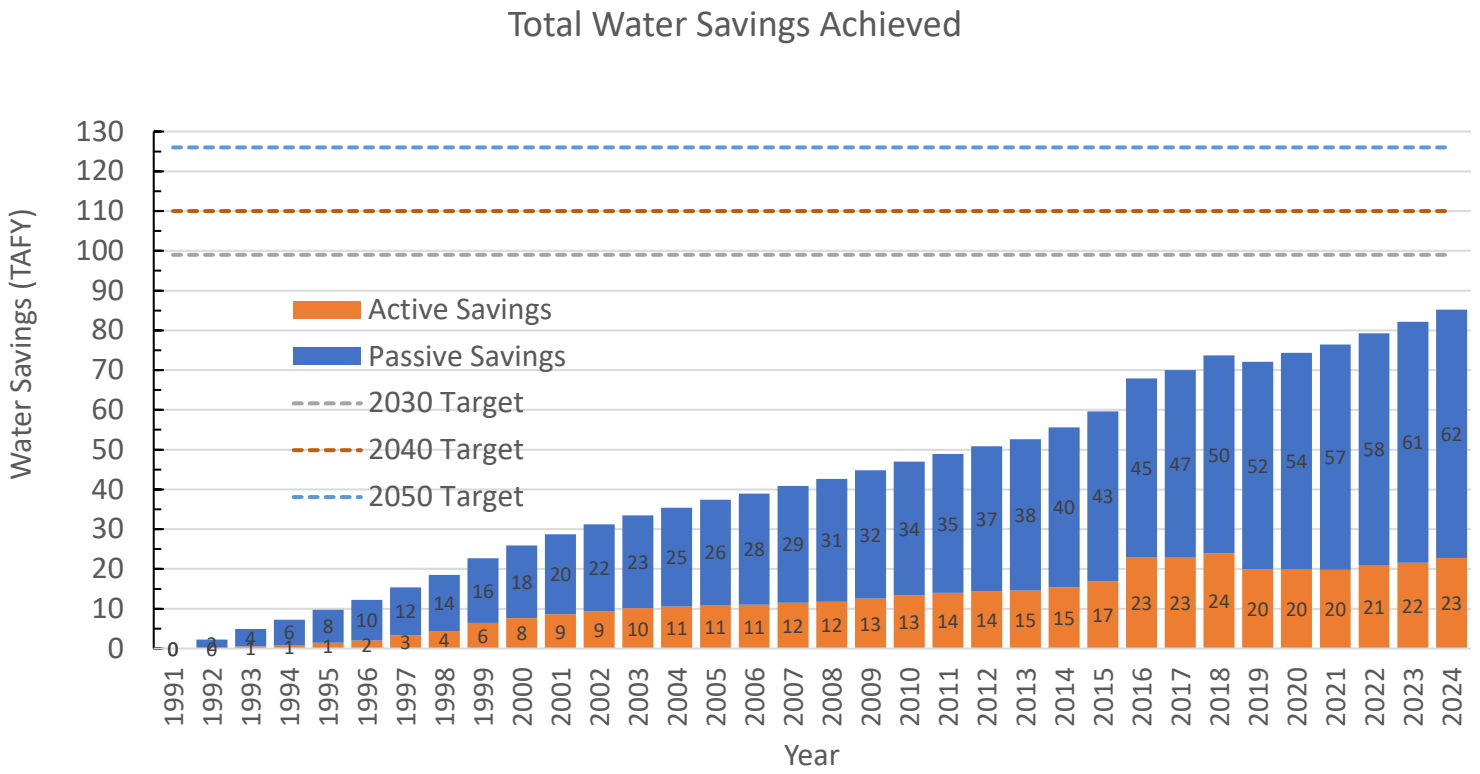
Achieved 3,022 acre-feet a year of water conservation savings in FY 2024.

Program	FY 2024
Legacy Programs (Plumbing Rebates)	30.5%
Large Landscape Program	27.8%
Water Use Reports and Advanced Metering Infrastructure	13.0%
Mobile Irrigation Lab	8.8%
Landscape Rebate Program – Turf Conversion	8.7%
Landscape Rebate Program – Irrigation Equipment	5.3%
Online Shopping Cart Program	2.4%
Submeter Rebate Program	1.6%
WET Rebate Program	1.0%
Fixture Replacement Program[2]	0.9%
Water Wise Outdoor Surveys	<0.1%
Graywater and LRP – Rainwater Rebates	<0.1%
Legacy Programs (Other)	<0.1%

Progress Towards Conservation Targets

Model tracks

- Passive Savings vs.
- Active Savings



Promising Progress

- CII participation in LRP turf conversion projects continues its upward trend.
- Trend not observed with WET Rebate Program.
- Opportunity to leverage messaging potential between programs and streamline data flows for staff and customers.

Fiscal Year	SQUARE FOOTAGE				CII AND MF PERCENT OF REBATED APPLICATIONS (%)
	Single Family	CII and MF	Total	CII and MF Percent of Area (%)	
FY 2019	259,508	107,209	366,717	29%	5%
FY 2020	229,207	73,482	302,689	24%	5%
FY 2021	258,644	82,415	341,059	24%	5%
FY 2022	804,226	231,316	1,035,542	22%	5%
FY 2023	1,153,764	832,605	1,986,369	42%	9%
FY 2024	759,722	658,706	1,418,428	46%	11%
FY 2025 (Jul-Dec 2024)	265,519	204,220	469,739	43%	12%

Next Steps

- Maintain drought participation in non-drought years
- Continue to improve existing programs and develop new program offerings
- Complete benchmark study to evaluate program offerings and incentive levels compared to peer agencies
- Leverage local and statewide policies to increase engagement with CII sector for indoor and outdoor conservation programs
- Long-Term Conservation Goal Monitoring

File No.: 23-0248

Agenda Date: 3/17/2023
Item No.: 5.2.

COMMITTEE AGENDA MEMORANDUM
Water Conservation and Demand Management Committee

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

SUBJECT:
Water Conservation Savings Model and Program Overview.

RECOMMENDATION:
Receive, review, and discuss information on the water conservation savings model and an overview of current water conservation programs**.**

SUMMARY:
Santa Clara Valley Water District (Valley Water) has provided a robust water conservation program since 1992. In November 2019, the Board approved the 2040 Water Supply Master Plan that updated the long-term conservation targets to 99,000 acre-feet per year (AFY) and 109,000 AFY by 2030 and 2040 (compared to the 1992 baseline), respectively. In October 2021, the Water Conservation and Demand Management Committee (Committee) received Valley Water's updated Water Conservation Strategic Plan <https://s3.us-west-2.amazonaws.com/assets.valleywater.org/Valley%20Water%20WC%20Strategic%20Plan.pdf> (Strategic Plan) to guide staff on how best to achieve the long-term savings targets.

Valley Water staff tracks progress towards the long-term conservation targets using a custom, Excel-based Water Conservation Savings Model (Savings Model). In July 2022, the Committee received information on how staff use the Savings Model to evaluate water conservation program offerings, analyze program water-saving potential and cost effectiveness, and update annual savings across all programs relative to the long-term savings targets.

The purpose of this memorandum is to review how the Savings Model is used to evaluate water conservation programs in preparation for the annual long-term water conservation savings report to be brought to the committee at a future meeting, and to present an overview of current water conservation programs. Information about current, water conservation programs can be found at www.watersavings.org <http://www.watersavings.org> and in the Water Conservation Program Flyer (Attachment 2).

Background
Valley Water uses the Savings Model to evaluate the cost effectiveness ($/acre foot) of water conservation programs, whether to offer certain water conservation programs over others, and progress towards Valley Water's long-term conservation targets. Over time programs have transitioned from focusing on indoor conservation programs like high-efficiency toilet and clothes washer rebates to outdoor conservation programs like the popular Landscape Rebate Program (Attachment 2).

Every year, Staff inputs annual participation totals from the prior fiscal year into the Savings Model to track progress towards the long-term conservation targets. The current drought has increased interest in the conservation programs which will contribute to both short-term and long-term savings. Based on the Savings Model, over 75% of the community's water conservation savings since the program began in 1992 was from the residential sector, and over 85% of the savings to-date has come from indoor sources. After staff began transitioning from plumbing efficiency toward irrigation efficiency beginning in the early 2010s, outdoor savings have represented an increasing share of our savings portfolio and are the most impactful and effective way to yield significant water savings both for short-term drought responses and achieving long-term targets.

Savings Model Inputs and Outputs
The Alliance for Water Efficiency (AWE) is a national 501(c)(3) non-profit organization dedicated to the efficient and sustainable use of water. The AWE advances research, promotes national and state policy to advocate for water-efficient products and programs, and develops tools for water agencies across the United States. Based on the AWE's Water Conservation Tracking Tool, the Savings Model incorporates demographic and policy data with conservation participation savings assumptions and participation rates to produce acre-foot savings per year. Specifically, the Savings Model incorporates local demographic data from the Department of Finance including population, housing, building types, and persons per household. Inflation and real discount rates help convert between one-time and annualized costs-for example, installing a high-efficiency toilet continues to generate water savings for decades after it was paid for.

The Savings Model incorporates quantifiable savings data from pilot program results, regional and statewide best management practices, and research from the EPA WaterSense Program. Then every year, Staff inputs annual participation totals from the prior fiscal year into the Savings Model to track progress towards the long-term conservation targets. The Savings Model outputs gross savings as the sum of passive and active water savings.

Passive savings include savings from plumbing codes, appliance standards, ordinances, and program free riders. For example, the Federal Energy Policy Act of 1992 established the first national standards for toilet and showerhead efficiency; AB 715 (2007), SB 407 (2009), and CALGreen increased plumbing standards further in California relative to federal actions. These policy examples are why in California, the least efficient plumbing fixtures that can be purchased are 1.28 gallons per flush for toilets and 1.8 gallons per minute for showerheads, respectively (the difference between current policy compared to the absence of these policies generates passive savings). As local municipalities pass elements of the Model Water Efficient New Development Ordinance, the Savings Model would count the savings generated as "passive savings".

Active savings are a direct result of water conservation program activity. Every gallon of water saved through converting turf to water-wise plants is counted as active savings; that is, there is no policy to-date that forces constituents to convert turf to water-wise plants. When Valley Water offered toilet rebates, Staff required even greater toilet efficiencies than the plumbing code requires. Toilet rebates produced both active and passive savings. Over time as the plumbing code became more stringent, toilet rebates became less cost-effective since only high-efficiency toilets were available to purchase regardless of Valley Water's toilet rebates. This contributed to Valley Water's ongoing strategy to focus on producing savings from outdoor conservation programs, which was a strategy affirmed by the 2021 Strategic Plan. The current drought has increased interest in the water conservation programs which will contribute to both short-term and long-term savings.

Evaluating Potential Conservation Programs
As new or improved water conservation devices are made available, staff uses the Savings Model to evaluate the cost-effectiveness of offering a new conservation program by analyzing the estimated water savings compared to the cost of offering a rebate or other type of incentive. The output of the Savings Model is a $/acre-foot (AF) value; this value, when compared to the values of other conservation programs, helps answer whether a program makes sense financially or programmatically to increase water supply reliability. Staff will also review and analyze comparable programs offered by other water agencies throughout the region, state, and Western United States.

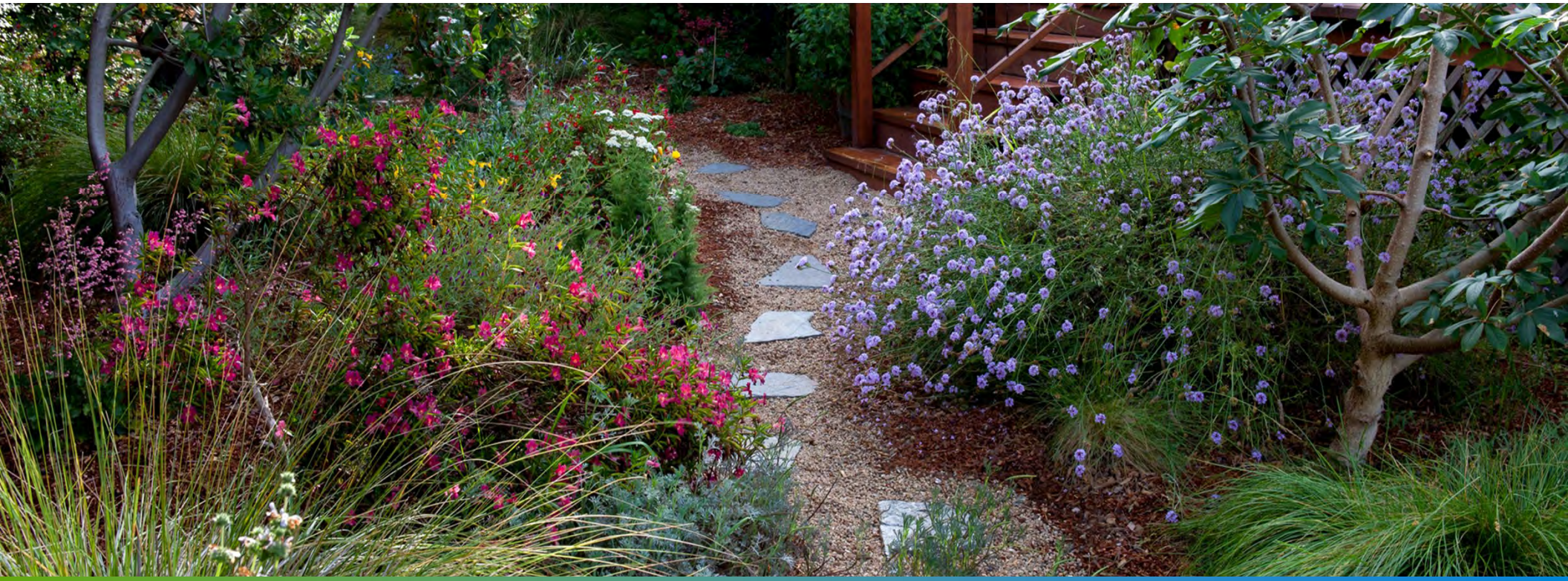
The Strategic Plan identified several key strategies to augment Valley Water's water conservation programs. Targeted marketing to expand participation to new customer groups as well as building on current successes of existing marketing strategies will be one of the most cost-effective means of generating additional water savings. For example, further expansion of the Large Landscape Program to more, smaller commercial properties, as well as leveraging outreach channels offered through this program will generate significant savings at only $85/AF. On average Valley Water's water conservation program cost is about $600 per acre-foot.

Lastly, educational programs are important to meeting staff and Board priorities but may not generate water savings. The Landscape Maintenance Consultation Program and the Water Waste Program, initiated from this committee's feedback, are important for raising awareness about how to maintain water-efficient landscapes and options to be in compliance with water-waste restrictions, respectively. Even though these examples do not have quantifiable savings data in the model, they do provide multiple benefits that together increase our water supply reliability.

Next Steps
Valley Water's water conservation programs are periodically evaluated for cost-effectiveness by using the Savings Model that provides a cost effectiveness defined as $/AF value. While there are many creative water saving devices on the market, not all systems translate well into a cost-effective program and the Savings Model has allowed Staff to prioritize those that are most effective. Staff will return in April with an update on the long-term savings total as of FY 2022 and a review of customer satisfaction survey results.

ATTACHMENTS:
Attachment 1: PowerPoint Presentation
Attachment 2: Water Conservation Program Flyer (PDF)

UNCLASSIFIED MANAGER:
Kirsten Struve, 408-630-3138



Valley Water's Water Conservation Savings Model

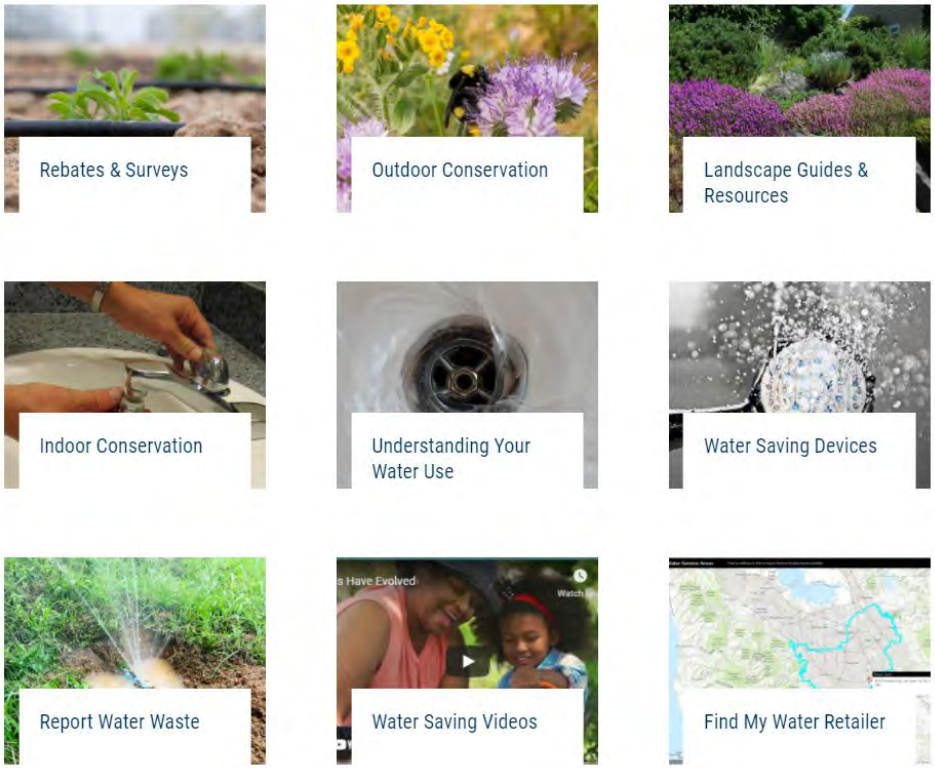
Water Conservation and Demand Management Committee Meeting , March 17, 2023

Justin Burks, Sr. Water Conservation Specialist

Valley Water

Watersavings.org

All Water Conservation Programs



Valley Water

Water Conservation Savings Model

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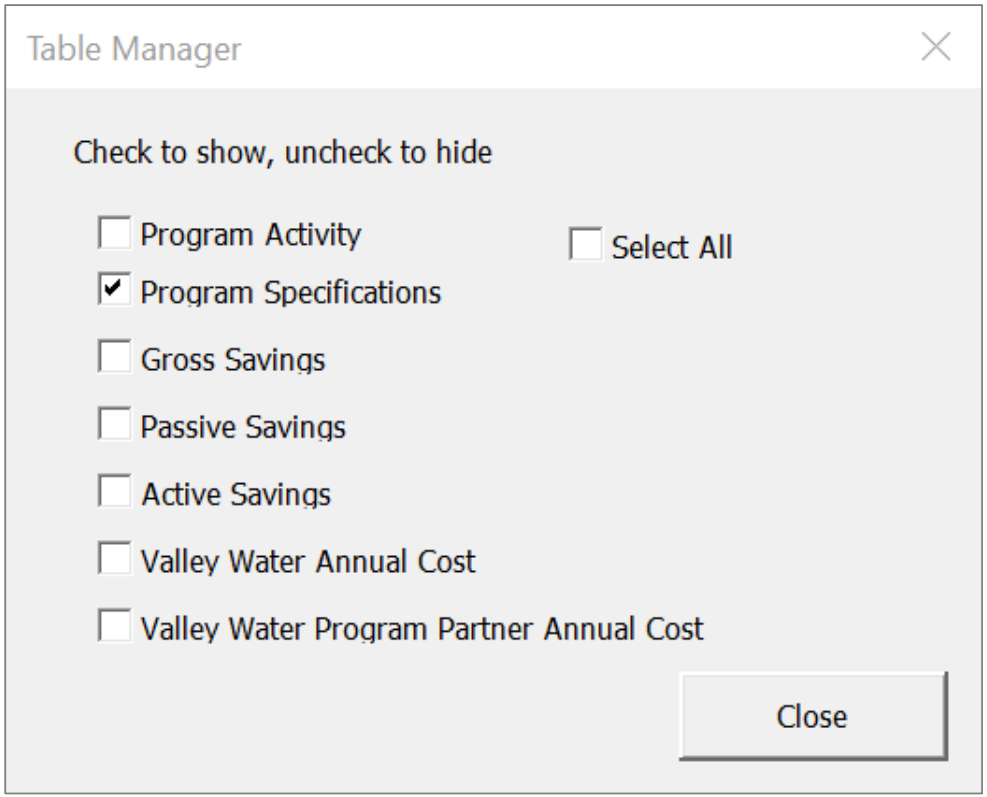


Savings per unit snapshot

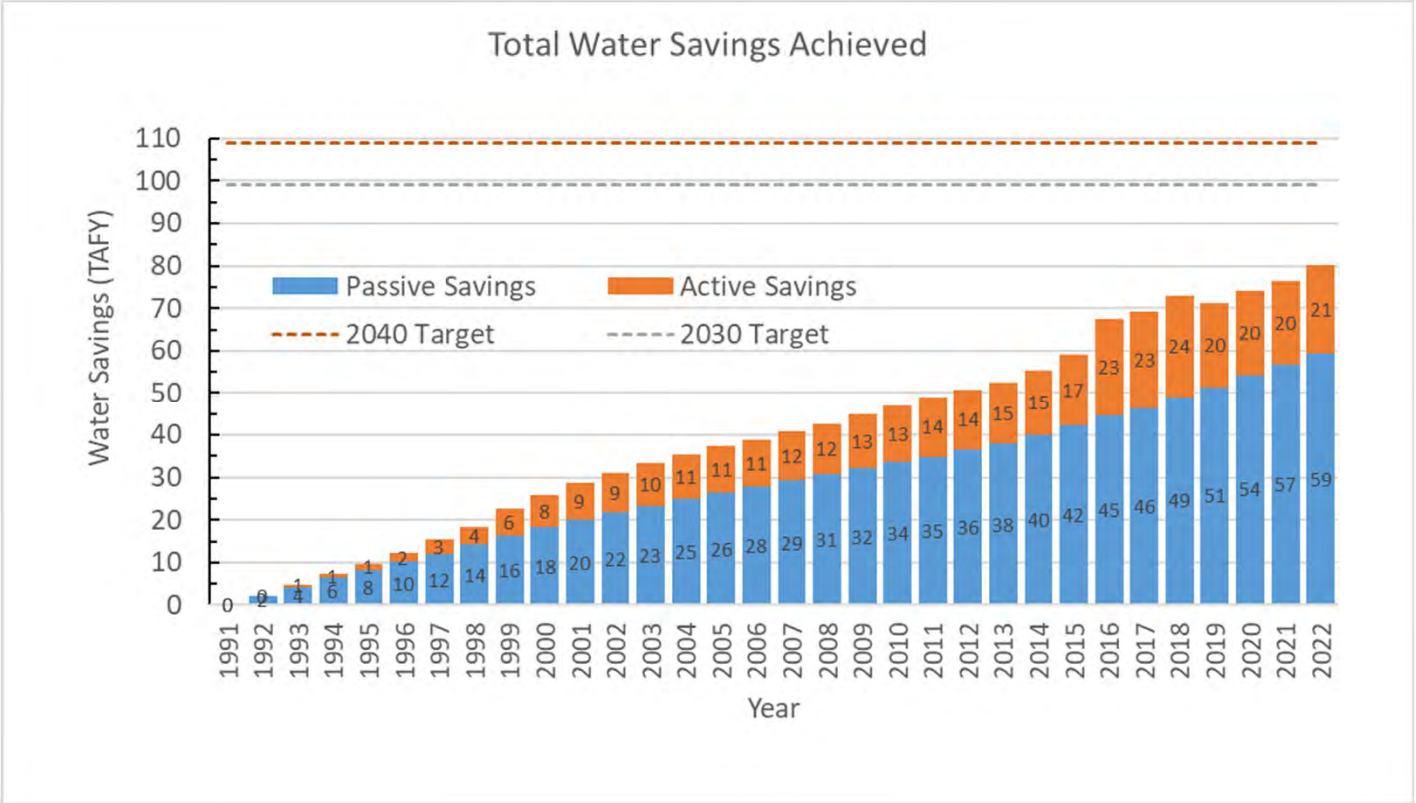
Name	Unit	Gallons per Year per Unit
Large Landscape Surveys	Survey	423,400
Large Landscape Water Budgets	Site	423,400
Large Land. Irrigation Controller	Controller	265,355
Small commercial landscape surveys	Survey	211,700
Flow Sensor/Dedicated Irrigation Meter	Meter	132,860
Residential Irrigation Controller, SFR	Controller	18,615
Rain Sensors	Sensor	13,286
Fixture Replacement Program	Toilet	9,121
Graywater - L2L	Rebate	4,585
Rain Barrel Rebate (40-199 gal)	Rain Barrel	1,825
Pressure Regulation and/or Check Valves Sprinklers	Nozzle	584
High efficiency nozzles for pop ups	Nozzle	438
Turf Replacement	Square Foot	36
Rain Cistern Rebate (200+ gal)	Gallons Rebated	8

Progress Towards Conservation Targets

Model tracks

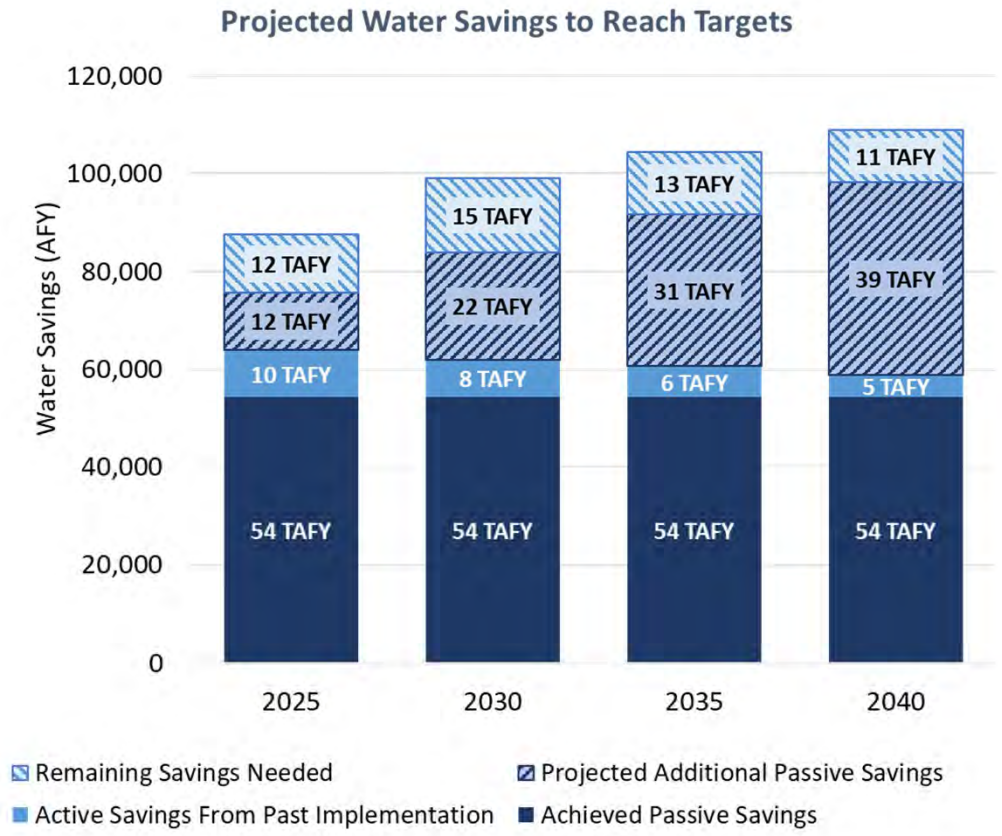
- Passive Savings vs.
- Active Savings

Excludes freeriders



Strategic Plan

- Program offerings are well rounded
- Focus on outdoor conservation
- Additional resources needed to meet Board's 2030 targets
- <$600 AF= avg cost of program



Program Monitoring and Evaluation

Long-Term Conservation Goal Monitoring

Update participation and prioritize program development

Drought and Other Water Shortage Conditions

Water Conservation Rebates and Programs

Valley Water

Say YES to Saving Water!

Valley Water's water conservation rebates and programs are designed to make water conservation easier, helping you say YES to saving water. Learn more about all of our conservation programs and resources by visiting ***watersavings.org***.

Online Shopping Cart

Valley Water offers free water conservation devices that can help you save water. You can request free water efficient devices and free resources to evaluate your water use efficiency. Visit ***cloud.valleywater.org/shopping-cart*** to order your FREE gear and literature today!

Landscape Rebate Program

The Landscape Rebate Program can help you create beautiful drought resilient landscapes. Get started by finding more information at ***valleywater.dropletportal.com***. Make sure you submit an online application for approval and schedule a pre-inspection **before beginning any work** on your project.

Rebate Caps

The following landscape rebate site caps apply to the combined program components, including Landscape Conversion, Large Landscape Lawn to Mulch, Irrigation Equipment Upgrade and Rainwater Catchment.

- $3,000 for single-family or multi-family residential properties (4 or fewer units)
- $100,000 for all commercial, industrial, institutional properties or multi-family residential properties (5 or more units)

Rebate rates and caps may be higher in some areas. Other programs are capped separately.

Landscape Conversion

Any property with qualifying high-water using landscapes (i.e., lawn or functional swimming pools) can receive a rebate of at least $2 per square foot (sq. ft.) for converting to a drought resilient landscape.

Large Landscape Lawn to Mulch

Any commercial, industrial, institutional properties or multi-family residential properties can receive a rebate of at least $1 per sq. ft. for converting a qualifying lawn to a minimum of 3 inches of mulch (minimum 15,000 sq. ft. lawn area). The irrigation system watering any trees in the converted lawn area needs to be converted to a low-flow irrigation system. Golf course options are offered.

A converted low-water use garden featuring California poppies in bloom.

Irrigation Equipment Upgrade

Rebates are offered for replacing old, inefficient irrigation equipment with new, qualifying high-efficiency equipment, including:

- High-efficiency nozzles (up to $5 each)
- Rotor sprinklers or spray bodies with pressure regulation and or check valves (up to $20 each)
- Rain Sensors (up to $50)
- Flow sensors, hydrometers, and dedicated landscape meters (up to $1,000)
- Smart irrigation controllers (up to $300–$2,000 each)
- Sprinkler to In-Line Drip Conversion ($0.25 per sq. ft.)

Rainwater Capture

Rainwater capture or diversion projects collecting rainwater from existing downspouts can receive rebates for the following:

- Rain barrels up to 199 gallons (up to $35 per barrel)
- Cisterns 200 gallons or more ($0.50 per gallon)
- Rain gardens ($1 per sq. ft. of roof area diverted, up to $300)

Graywater Rebate Program

Receive at least $200 per home for transforming your clothes washer into a graywater system. Plants don't need drinking water to thrive: reuse graywater in your yard! Apply online and find how-to videos at ***watersavings.org***. No pre-inspection is required but **wait for approval before beginning any work**.

Landscape Surveys

Request to have your landscape and irrigation system surveyed by a trained irrigation professional for FREE. Following the survey, the specialist will provide you with a customized report, outlining any apparent leaks or inefficiencies, suggestions for irrigation scheduling, and recommendations for money-saving landscape rebates. Whether your landscape is small or large, we have a program to fit your needs.

- ### Water Wise Outdoor Survey Program

  A Water Wise Outdoor Survey is for landscapes at single-family, small commercial, industrial, institutional properties or multi-family residential sites up to half an acre. To get started, have a recent copy of your water bill on hand and submit a request at ***valleywater.org/outdoor-survey***.

  Call **408-630-2000** or email ***waterwise@valleywater.org*** with questions. If you are a customer of San Jose Water Company, please contact them directly to schedule a CATCH survey at **408-279-7900** or ***customer.service@sjwater.com***.

- ### Large Landscape Program

  A Large Landscape Survey is for landscapes at commercial, industrial, institutional properties or multi-family residential common areas with over half an acre. Also, free landscape water budgets are available for some properties, which compare your actual irrigation use to a property specific budget. Visit ***waterfluence.com*** to see if your property already receives this free benefit. Request a survey at ***watersavings.org***.

Commercial and Facility Rebates

Receive up to $100,000 for replacing or updating equipment with water-efficient technology that results in measurable water savings. This custom rebate based on the measured amount of water saved is available to qualifying facilities including facilities like businesses, schools, hospitals and government buildings. The rebate is $4 per 100 cubic ft. of water saved per year, or 100% of the project cost (excluding labor and taxes), whichever is less.

Fixture Replacement Program

Replace old qualifying fixtures for FREE! Inefficient fixtures can be replaced for free by licensed plumbers at qualifying commercial, industrial, institutional properties or multi-family residential properties. Inefficient fixtures that qualify include toilets, urinals, showerheads, faucet aerators, and pre-rinse spray valves. Sign up at ***blusinc.com***, call **800-597-2835**, or ***customerservice@blusinc.com***.

Submeter Rebate Program

Submeters can save 10-30% of water used! Received at least $150 per installed water submeter by upgrading from a single meter. Accessory dwelling units (ADUs or granny units), mobile home parks, apartments, and condominium complexes can qualify. There is no rebate cap when all eligibility requirements are met.

Report Water Waste

Help local residents and businesses preserve our shared water supply by confidentially reporting water waste and violations of outdoor water-use restrictions. Any specific notes like location, date and time, or frequency will help our inspectors follow up. To report water waste, you may do one of the following:

- Use our Access Valley Water app (by downloading or using the QR code)
- Email ***waterwise@valleywater.org***
- Call **408-630-2000**

CONTACT US

To find out the latest information on Valley Water projects or to submit questions or comments, use our **Access Valley Water** customer request system at ***access.valleywater.org***.

FOLLOW US

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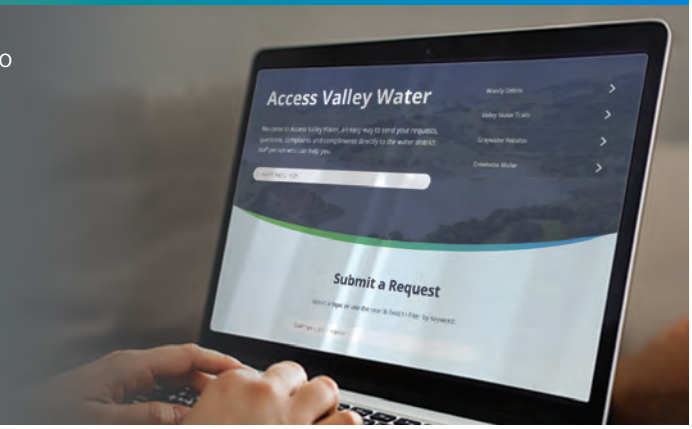


File No.: 24-0826

Agenda Date: 9/23/2024
Item No.: 4.1.

COMMITTEE AGENDA MEMORANDUM
Water Supply and Demand Management Committee

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

SUBJECT:
Update on State Regulation Making Conservation a California Way of Life and Supporting Valley Water Programs.

RECOMMENDATION:
Receive an update on the State of California's Making Conservation a California Way of Life regulatory framework and Valley Water programs and policies that support implementation and compliance. (Discussion item only; no action requested.)

SUMMARY:
Valley Water has provided a robust water conservation program, or set of programs, to our community since 1992. Valley Water's Water Supply Master Plan contains long-term conservation goals which the program is intended to meet. On June 13, 2023, the Board approved Resolution 23-52 Calling for Water Conservation as a Way of Life in Santa Clara County. This Resolution directly supports the State's "Making Conservation a California Way of Life Regulation," which was first proposed in 2018 in Senate Bill 606/Assembly Bill 1668 and was unanimously adopted by the State Water Resources Control Board (State Board) on July 3, 2024 (Conservation Framework).

Past Legislation and Development of the Conservation Framework
The Conservation Framework reflects nearly a decade of development and is designed to replace the Water Conservation Act of 2009 (Senate Bill X7-7 or SB X7-7), which required the State to reduce urban water consumption by 20% by the year 2020. SB X7-7 encouraged urban water suppliers to implement conservation strategies, monitor water usage, and report data to the Department of Water Resources (DWR). From work conducted as part of Valley Water's 2021 Water Conservation Strategic Plan, the 11 retail agencies required to report to DWR in Santa Clara County, all achieved their 2020 targets and increased per capita water-use efficiency between 21% and 37% of their baseline use.

Following SB X7-7, the 2014 California Water Plan update identified two actions that fed into future

statewide policies: “Make Conservation a California Way of Life” (Action 1) and “Manage and Prepare for Dry Periods” (Action 2). In response to the then historic 2014-16 drought, Governor Brown issued Executive Order B-37-16 that empowered the Water Board to adjust emergency water conservation regulations to recognize differing water supply conditions across the State (as opposed to a statewide percent-reduction goal). Among other direction, DWR was directed to work with the Water Board to develop new water use targets as part of a permanent framework of efficient water use for urban water agencies.

FRAMEWORK GOALS AND ELEMENTS:
The recently adopted Conservation Framework implements quantitative water-use efficiency standards and qualitative performance measures with which urban water suppliers to comply including specific water budgets referred to as Urban Water Use Objectives (UWUOs), performance measures for CII accounts and annual reporting. Additional details are provided in Attachment 2, a resource developed by the California Water Efficiency Partnership (CalWEP).

Valley Water’s Role
Though Valley Water is not directly impacted by the Conservation Framework, Valley Water will play a support role to the county’s water retailers by providing resources and feasible programs to aid in their compliance. Valley Water’s robust suite of water conservation program offerings provide the water retailers with the tools needed to achieve compliance.

According to the Legislative Analyst’s Office report, “Assessing Early Implementation of Urban Water Use Efficiency Requirements”, the San Francisco Bay region is expected to experience a 3% reduction in water use by 2035 compared to over 30% reductions elsewhere in the State. Despite our region being relatively well positioned for compliance, standards will continue to be tightened every few years through 2045. Additionally, the CII performance measures and new reporting are required regardless of how successful an urban water supplier is in meeting its UWUOs.

By leveraging and marketing Valley Water’s water conservation rebates, resources, and technical services, Valley Water can both help water retailers with State regulatory compliance while increasing our progress towards meeting our own long-term water conservation goals. Staff are actively pursuing local, regional, and statewide partnerships to assist with initial implementation of the Conservation Framework.

PARTNERSHIPS:
Bay Area Water Supply and Conservation Agency (BAWSCA)
In 2022, Valley Water entered into a Memorandum of Agreement with BAWSCA to develop guidance resources to support regional water retailers’ compliance with the Conservation Framework’s CII performance measures. The goal of these guidance documents is to present regulatory information in a clear and concise format with graphics, timelines, flowcharts, and case studies that can assist water retailers with planning their path to compliance. In May 2024, the first completed guidance document was presented and distributed at the 2024 CalWEP annual Peer to Peer gathering held in San José. Valley Water and BAWSCA intend to share these guidance documents for wide distribution through CalWEP.

California Water Efficiency Partnership
Valley Water is engaged with CalWEP's efforts to develop compliance tools and resources. Staff have provided input on CalWEP's planned "Implementation Center" which will serve as a clearinghouse of resources, guides, and information to provide details on how to strategically implement the Conservation Framework. The planned topics include understanding data and reporting requirements, requesting variances from the State, complying with CII performance measures, helping to launch new programs or hiring consultants, and potentially developing template Requests for Proposals (RFPs) to help urban retail suppliers release competitive and clear RFPs to support compliance.

CalWEP resources developed to support the Conservation Framework will also include tools to help classify CII accounts developed by Los Angeles Department of Water and Power and Moulton Niguel Water District, as well as a guidebook to help water retailers convert CII mixed-use meters to dedicated irrigation meters or equivalent technology. Staff intends to continue engaging with CalWEP and encouraging our water retailers to leverage these free tools.

Water Conservation Subcommittee
To better understand what type of programs and resources may help with local compliance, Valley Water staff have actively engaged the retailer Water Conservation Subcommittee with the Conservation Framework at key points in its development over the last couple years. Valley Water staff learned more about opportunities and strategies that can be addressed in the short-term to facilitate long-term compliance. Valley Water joined an ad-hoc group comprised of subcommittee members collaborating on steps agencies are taking to complete the first reporting requirements that were due on January 1, 2024.

Land-Use Agency Coordination

Additional land-use coordination may be required to support implementing the Conservation Framework. For example, the Model Water Efficient Landscape Ordinance (MWELO) is implemented throughout California to manage irrigation water use for rehabilitated and new landscapes. Effective implementation and enforcement of MWELO locally will directly benefit how our water retailers comply with the UWUOs affecting residential and CII outdoor water use budgets.

Valley Water coordinates with land use agencies regularly, including coordination on housing elements to ensure information on water demand forecasts is available. Since cities have largely completed their housing element updates in their general plans, the coordination with land use agencies has focused on following the housing development within the county. Valley Water staff review and comment on Water Supply Assessments and CEQA documents for larger developments. A database of such developments was started in 2019 to track proposed development and potential new water use. In addition, Valley Water has been tracking Association of Bay Area Governments (ABAG) efforts on Plan Bay Area, to understand the future trajectory of population and economic growth for the region and Santa Clara County which will impact future water demand projections, and accordingly affect different strategies and actions that will be needed to ensure regional compliance

with the Conservation Framework.

Lastly, there may be greater local interest in adopting Valley Water's Model Water Efficient New Development Ordinance (MWENDO) as it will support compliance with the Conservation Framework's UWUOs. Valley Water has actively advocated with local jurisdictions to adopt all or parts of MWENDO and continues to provide support to municipalities to advance the County's and cities' interests in expanding water efficiency measures. The ordinance has been revised in preparation for the upcoming 2025 building code adoption cycle and includes refinements to the language to reflect the most up-to-date water efficiency standards. Information about MWENDO was shared with the Cities Association of Santa Clara County and presented to its Board of Directors in June to advocate for adoption of these measures.

VALLEY WATER PROGRAMS AND POLICIES:
Programs that support Framework Compliance
Valley Water's suite of water conservation program offerings and Board-adopted water conservation policies provide compliance support to our water retailers for the Conservation Framework.

Water retailers leveraging Valley Water's programs will benefit Valley Water through increased program participation that will contribute to our Board's long-term savings goals. Valley Water's programs of relevance include Landscape Rebate Program, Water Efficient Technology Program, Fixture Replacement Program, Advanced Metering Infrastructure (AMI), and Large Landscape Program will have a significant impact on compliance if participation across these programs is sustained at drought-levels during non-drought years. Additional programs that support compliance are listed in the attached program matrix (Attachment 3). Furthermore, Valley Water's GP5 Program provides funding to eligible water retailers for recycled water and water conservation related projects. In 2024, Valley Water executed two GP5 Program cost-share agreements: one with Purissima Hills Water District for a project to reduce system water loss (a component of the UWUO formula); and one with the City of Mountain View for AMI implementation.

Policies that support Framework Compliance
Staff's efforts to support Conservation Framework compliance contribute to Valley Water's commitment to making water conservation a way of life in Santa Clara County (Resolution No. 23-52). Valley Water's Water Waste Enforcement Ordinance (No. 23-02) also supports the Conservation Framework by establishing procedures for addressing and reducing water waste throughout the county. This ordinance will continue to help identify and reduce instances of water waste, such as leaks, inefficient irrigation practices, and other water-use prohibitions, including the prohibition of irrigating non-functional turf. By addressing these issues, water retailers can improve overall water-use efficiency, reduce waste, and contribute to meeting their UWUOs under the Conservation Framework. This proactive approach also encourages public participation in conservation efforts, thereby supporting compliance with state regulations aimed at ensuring sustainable water management.

NEXT STEPS:
The Conservation Framework will improve statewide water use efficiency over the coming decades to

help our communities become more resilient to future droughts and climate change through decreasing water waste and increasing water-use efficiency. Valley Water is well suited to leverage existing programs, develop support resources, and explore new opportunities to capitalize on how the Conservation Framework's requirements may directly increase participation in Valley Water's water conservation programs. Staff will continue offering pilot programs to test new approaches to help with Conservation Framework compliance, particularly those that help us serve the hard-to-reach CII sector. Increased demand for resources is anticipated for both Valley Water programs and for our water retailers' programs in order to succeed in this new regulatory landscape.

This alignment between statewide regulations, Valley Water policies, and Valley Water's water conservation programs is anticipated to directly benefit our progress to meeting or exceeding our long-term water conservation goals for 2030, 2040, and 2050. Through Valley Water's sustained engagement and investment in Conservation Framework compliance, we will continue to demonstrate Valley Water's commitment to being a water conservation leader locally, statewide, and beyond.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:
Environmental justice and equity impacts on vulnerable populations are expected as a result of the implementation of Valley Water's programs and policies intended to support compliance with the Conservation Framework. The framework establishes efficiency standards for suppliers to comply with which will contribute to Valley Water's policy on achieving 126,000 AFY of water savings by 2050. The benefits and the impact/mitigation strategies on disadvantaged communities are discussed in greater detail below.

Water conservation achieved through the implementation of the Conservation Framework offers a range of environmental justice benefits by promoting equitable access to clean water, reducing pollution, protecting ecosystems, mitigating climate change, saving costs for vulnerable communities, enhancing drought resilience, and empowering residents with knowledge and skills for sustainable water use. Furthermore, on average, local households are projected to experience lower combined water and wastewater bills from 2025 through 2050 as a result of the Conservation Framework, even if on a state level, short-term utility bills may likely increase. Valley Water acknowledges that during drought, disadvantaged communities may be disproportionately impacted, but the Conservation Framework is anticipated to help with future drought responses; as well as assist with meeting long-term water conservation savings goals.

ATTACHMENTS:
Attachment 1: PowerPoint
Attachment 2: CalWEP Cut Sheet
Attachment 3: Program Matrix

Attachment 4: Water Conservation Flyer

UNCLASSIFIED MANAGER:
Kirsten Struve, 408-630-3138

Water Conservation as a Way of Life Update on State Regulation and Valley Water Programs

Water Supply and Demand Management Committee, September 2024

Metra Richert, Unit Manager

Framework Elements

3 Key Components of *Making Conservation a Way of Life* Regulation:

1) Water Use Objective

2) Commercial, Industrial, Institutional (CII) Performance Measure

3) Annual Reporting

Image from Association of California Water Agencies

How Did We Get Here?

2009

- Senate Bill X7-7 (20% by 2020)

2014

- California Water Plan Update
  - Action 1: "Make Conservation a California Way of Life"
  - Action 5: "Manage and Prepare for Dry Periods"

2016

- Governor Brown Issued Executive Order B-37-16 entitled "Making Conservation A California Way of Life"

2018

- Implementation Legislation: Senate Bill 606/Assembly Bill 1668
- Making Conservation A California Way of Life Primer Released

2022

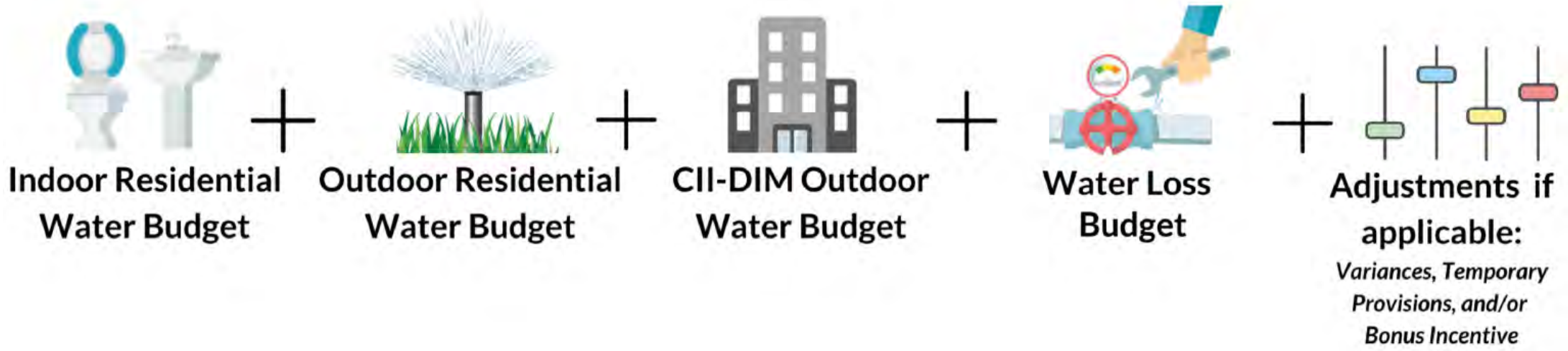
- DWR recommendations released

2023

- Draft regulation from SWRCB released

Calculating the Urban Water Use Objective

Providers cannot exceed the SUM of the standards



*Agriculture and indoor CII not part of objective, though indoor CII is covered by Performance Measures.

Image from California Water Efficiency Partnership

Indoor Residential Water Budget

- The maximum allowed indoor water use
- Decreases over time
- Valley Water Program Support:
  - eCart
  - Fixture Replacement Program
  - AMI and Water Use Reports
  - MWENDO

Indoor Residential Standard by year

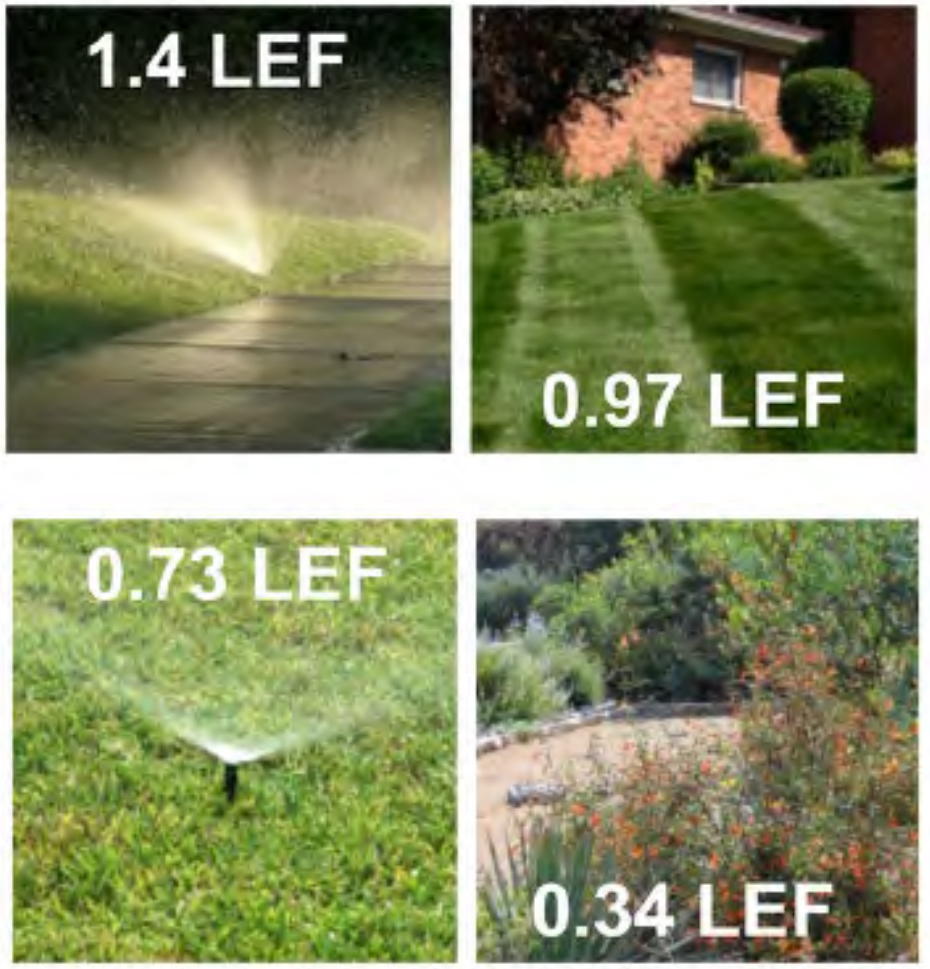
Compliance Year	Allowable GPCD
2020-2024	55
2025-2029	47
2030 onward	42

Outdoor Water Budgets

- Landscape Efficiency Factors (LEF) decrease over time
- Landscape Area Measurement (LAM) data mapped and provided by the State
- Valley Water Program Support
  - Landscape Rebate Program
  - Large Landscape and Water Wise Outdoor Survey Programs

Year	Residential	CII (DIM only)
Through June 30, 2035	0.80	0.80
July 1, 2035-June 30, 2040	0.63	0.63
July 1, 2040 and after	0.55	0.45
New Construction	0.55	0.45

Example LEFs



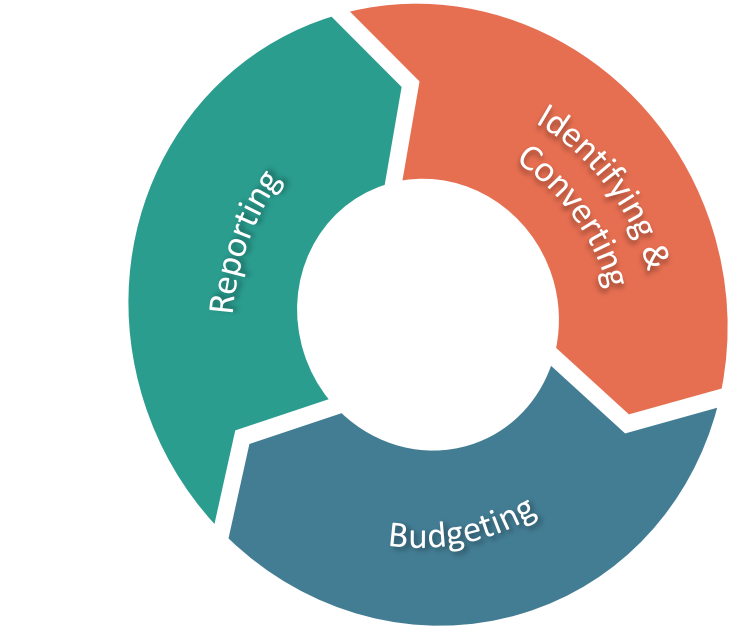
Source: Adapted from State Water Resources Control Board Public Workshop October 4, 2023

Water Loss Budgets

- Maximum allowable losses from physical water leakage in a supplier's distribution system
- Measured in gallons per connection per day
- Aligns with SB 555
- Unique compared to other UWUOs – enforceable individually even if a service area is within all other UWUO requirements
- Valley Water Program Support: TBD

Support for CII Elements

- Partnership with BAWSCA and Maddaus Water Management
- Develop roadmaps to help retailers comply with CII requirements
- Valley Water Program Support:
  - WET Rebate Program
  - CII Indoor Survey Pilot
  - AMI and Water Use Reports



Policy Changes Impacting Savings

Valley Water	California	VW Program Support
Water Waste Prohibitions (Ordinance 23-02)	Ban on Irrigating Nonfunctional Turf (AB 1572)	• Landscape Rebate Program • Large Landscape Program • Water Waste Program
Water Conservation Guiding Principles (Resolution 23-52)	Conservation Framework establishes Urban Water Use Objectives for indoor and outdoor efficiencies and CII performance metrics (AB 1668/SB 606)	• Landscape Rebate Program • Large Landscape Program • Water Efficient Technology Rebate Program • AMI and Water Use Reports

Water Conservation Guiding Principles

- Valley Water's Calling for Water Conservation as a Way of Life in Santa Clara County (Resolution 23-52)
- Guiding Principles that align with Conservation Framework:
  - Guiding Principles 1-4 to make it easier for the community to conserve through partnerships, education, and working with the CII community
  - Guiding Principles 6 and 8 to support legislative efforts and land-use agency coordination to promote water conservation
  - Guiding Principles 10 and 11 to utilize data to inform programs as well as to promote equitable and affordable approaches to water conservation

Land-Use Agency Coordination and MWENDO

- Coordinate with land use agencies regularly
- Select from a menu of water efficiency measures
  - Single-Family Residential
  - Multi-Family Residential and Nonresidential
  - Commercial Facilities
- MWENDO measures can be adopted at any time
- Supplemental MWENDO measure
  - Prohibition of non-functional CII turf
- Valley Water provides staff support to interested municipalities

Next Steps

Leverage Partnerships locally and statewide to enhance programs and resources

Identify strategies that can support Valley Water policies and increase long-term water conservation savings while supporting the Conservation Framework

Evaluate pilot effectiveness to consider wide-scale implementation, particularly for the CII sector

Continue engagement with water retailers

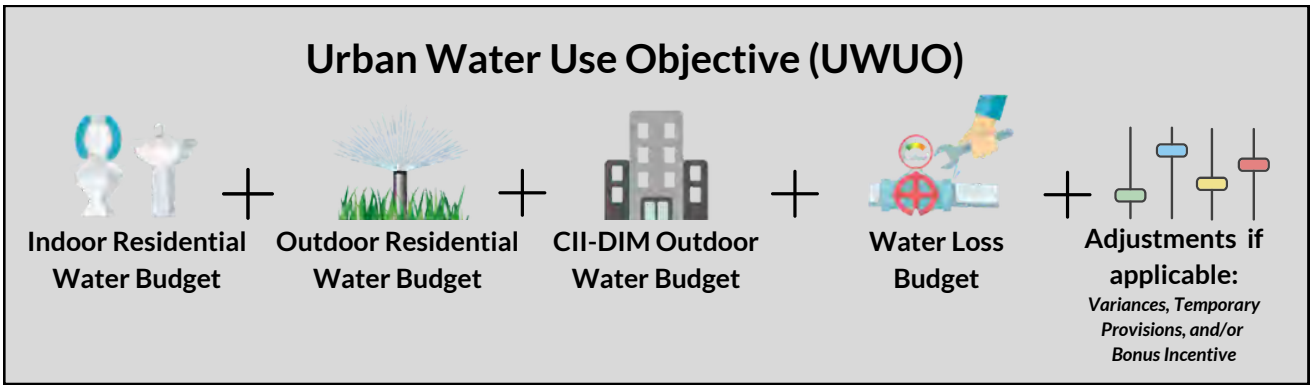
CALIFORNIA WATER EFFICIENCY PARTNERSHIP

Making Conservation a California Way of Life

NOTE: DETAILS SUBJECT TO CHANGE PENDING STATE WATER BOARD RULEMAKING

Overview

SB 606 and AB 1668, signed in 2018 are intended to "Make Water Conservation a California Way of Life." In total, three water use standards (indoor residential, outdoor residential, and outdoor commercial, industrial and institutional (CII-DIM)), one water loss standard, and a variety of adjustments are used to calculate each urban water supplier's overall budget. The sum of these is known as an **Urban Water Use Objective (UWUO).**

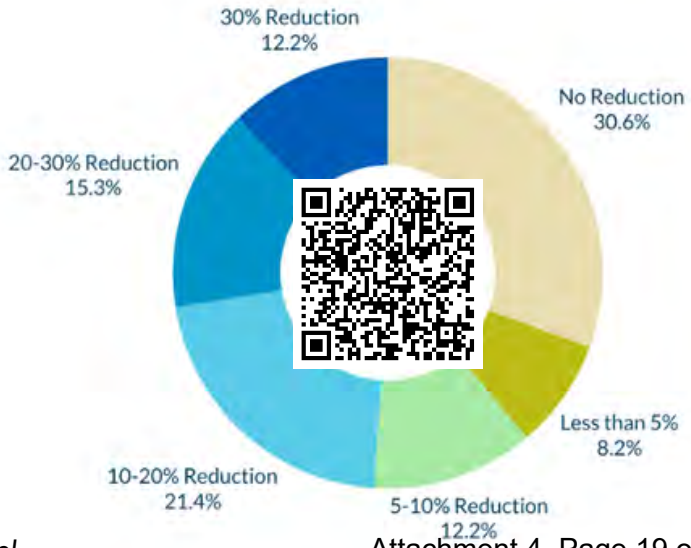


Adjustments to an UWUO can be made via variances, temporary provisions, and/or a bonus incentive for potable reuse, where applicable per supplier. A variance or temporary provision must receive prior approval by submitting a request to the State Water Board.

In addition to the UWUO, every urban supplier will need to comply with a set of CII performance measures. These performance measures are intended to enable water-usage benchmarking per CII classification category as well as establish BMPs for indoor and outdoor CII water use regardless of CII-DIM status. Even if an agency meets its UWUO, it will still need comply with the CII Performance Measures.

Provisional Data

In March 2024, the State Water Board released updated provisional data for every urban water supplier in the state used for their Water Use Objective Exploration Tool. The chart to the right shows projections for reductions needed by water suppliers in 2040 based on the State's provisional data. (**Note the provisional data does not include potential variances that suppliers may be able to utilize to adjust their UWUO**.)



Use the QR code to go to the Water Use Objective Exploration Tool.

CALIFORNIA WATER EFFICIENCY PARTNERSHIP

Making Conservation a California Way of Life
STANDARDS CHEAT SHEET

Indoor Residential Water Budget

Indoor Residential Water Budget (gal/yr) = Indoor Residential Standard x Population x 365 days

The **Indoor Residential Standard** is the maximum allowed indoor water use measured in gallons per capita per day (GPCD). It is intended to represent efficient use. The Indoor Residential Standard will decrease over time.

Indoor Residential Standard by year

Compliance Year	Allowable GPCD
2020-2024	55
2025-2029	47
2030 onward	42

Outdoor Residential Water Budget

In the most general terms, the outdoor water budget consists of a supplier's residential landscape area, multiplied by an efficiency standard and a climate factor that's reflective of a supplier's unique service area conditions.

The annual outdoor water budget is calculated as follows:

Outdoor Residential Water Budget (gal/yr) = LAM x LEF x (ETo-Peff) x 0.62

Factor	Definition
LAM	Landscape Area Measurement includes the following landscape types: ◦ Irrigable-Irrigated (II), ◦ Irrigable-Not-Irrigated (INI) – up to 20% until LAM data is updated, ◦ Special Landscape Areas (SLA), and ◦ New Construction Aggregate data provided by DWR for all designations except for new landscapes installed beginning 1/1/2019.
LEF	Outdoor Residential Standard or landscape efficiency factor (unitless).
ETo	Reference Evapotranspiration (inches per year). Provided annually by DWR.
Peff	Effective Precipitation (inches per year). Capped at 25% of total precipitation or a lower value generated by the Cal-SIMETAW model. Provided by DWR.
0.62	Conversion Factor to generate units in gallons per year.

Outdoor Residential Water Budget (cont.)

The LEF is an efficiency factor determined by the State Water Board. It is proposed to decrease overtime as presented in the table below.

Compliance Start Date	Irrigable-Irrigated (II)	Irrigable-Not - Irrigated (INI)	Special Landscape Areas (SLA)	New Construction (post 1/1/2019)*
July 1, 2025	0.80	0.80 until LAM data updated	1.0	0.55
July 1, 2035	0.63	N/A assumes LAM data updated	1.0	0.55
July 1, 2040	0.55	N/A assumes LAM data updated	1.0	0.55

**For new homes built after the DWR Landscape Area Measurement (LAM) data was generated, the water budgets should be calculated with an LEF of 0.55.*

Example landscape types with associated LEFs from least efficient to most efficient.

Source: Adapted from State Water Resources Control Board Public Workshop October 4, 2023

Outdoor Commercial, Industrial, and Institutional Water Budget

CII Residential Water Budget (gal/yr) = ((DIM LA - DIM SLA) x LEF) + (DIM SLA x 1.0) x (ETo-Peff)x 0.62

Factor	Definition
DIM LA	Landscape Area Measurement includes the following landscape types: ◦ Irrigable-Irrigated (II) of connections served by dedicated irrigation meters
DIM SLA	Landscape Area Measurement for **CII Special Landscape Area includes the following landscape:** ◦ Edible plants ◦ Recreation ◦ Recycled water
	◦ Slopes with live vegetation ◦ Ponds or lakes for sustaining wildlife ◦ Plant collections, botanical gardens, and arboretums ◦ Public pools ◦ Cemeteries (build before 2015)

Outdoor Commercial, Industrial, and Institutional (CII) Water Budget (cont.)

Factor	Definition
LEF	Outdoor CII Standard or landscape efficiency factor (unitless).
ETo	Reference Evapotranspiration (inches per year). Provided annually by DWR.
Peff	Effective Precipitation (inches per year). Capped at 25% of total precipitation or a lower value generated by the Cal-SIMETAW model. Provided by DWR.
0.62	Conversion Factor to generate units in gallons per year.

DWR is currently mapping water agencies CII landscape area. This project is expected to be completed in the next couple years. **Agencies can choose to generate their own CII landscape area measurements or wait and utilize the dataset provided by DWR as a technical resource for measuring their CII landscape area. Suppliers must distinguish CII-MUM area from CII-DIM area.** Starting July 1st 2028, suppliers will use total Irrigated Irrigable (II) square footage for all DIMs. The CII-DIM LEF is proposed to decrease overtime as presented in the table below

Compliance Start Date	Irrigable-Irrigated (II)	Special Landscape Areas (SLA)	New Construction (post 1/1/2019)*
July 1, 2025	0.80	1.0	0.45
July 1, 2035	0.63	1.0	0.45
July 1, 2040	0.45	1.0	0.45

**Applies to CII-DIM accounts subject to MWELO. See 23 CCR Section 495 (b)(6)*

Water Loss Budget

The **water loss standard** is the maximum allowable "real" water loss measured in gallons per connection per day for each supply system in an urban water supplier's service area. Therefore, a supplier could have multiple water loss standards. The standards are intended to represent cost effective real water loss. Real losses can be defined as the volume of annual leakage due to physical water leakage in a supplier's distribution system.

The water loss standard is derived by entering a supplier's system-specific validated baseline water loss audit data and other related data into the Water Loss Economic Model (Model) developed by the State Water Board. The Model calculates the water loss standard based on water use, system characteristics, and economic cost data. The State Water Board provides initial water loss standards for each applicable supplier's systems on their water loss website. For about half of the State's urban water suppliers' systems, the Model cannot calculate a cost-effective water loss standard. In these cases, a supplier's impacted systems' water loss standard will revert to baseline loss (average of 2017-2020 water loss audit real loss).

The water loss standard is used to calculate the annual maximum allowed water loss volume (in gallons) per system. This maximum is referred to as the **water loss budget**. The annual water loss budget is calculated using Equation 2. For suppliers with multiple systems the total water loss budget is equal to the sum all of water loss budgets per system.

Equation 2: Annual Water Loss Budget

Water Loss Budget (gal/yr) = Water Loss Standard x (C or M) x days in the year

Where,
C = Number of total service connections
M = Length of the distribution system in miles

It is important to note the following as it relates to the water loss standard:

- The water loss standard is unique in that it was originally regulated under prior and independent 2015 legislation – Senate Bill 555 (Wolk, Chapter 679, Statues of 2015). Therefore, compliance can be enforced individually for water loss , unlike other standards within the Framework legislation.

- Water loss standards apply to systems with more than 200 connections. Systems with under 200 connections are not subject to a water loss standard if conditions in Water Code Section 980 (ddd) are met.

- The State Water Board cannot issue a notice or order to a supplier under the Framework legislation for exceeding the UWUO due solely to water loss budget overages if the State is already taking enforcement action under SB 555. The water loss standard guidelines and requirements are complex with many caveats not covered in this cut sheet. Therefore, it is recommended that a supplier review the entire regulation text for a complete understanding.

Commercial, Industrial, and Institutional (CII) Performance Measures

All urban water suppliers will also be required to meet a list of performance measures. These performance measures are intended to enable water-usage benchmarking per CII classification category as well as establish BMPs for indoor and outdoor CII water use regardless of CII-DIM status. A simplified rundown of the CII Performance Measures are as follows:

Action	Compliance Start Date
Classification of CII properties to align with ENERGY STAR Portfolio Manager categories plus 4 additional categories	2027
Deploy Best Management Practices (BMPs) for top water CII users (three possible track options are provided for suppliers.)	2039
DIM installation or in-lieu technologies on large landscapes (threshold = 1/2 acre landscape. Note this includes identifying and measuring CII-MUM landscapes that meet or exceed this threshold.	2039

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9/4/2024		Valley Water - Water Conservation Programs for CII Properties										
BMP Category	BMP	Landscape Rebate Program	Water Efficient Technology Rebate Program	Water Wise Outdoor Surveys	Water Conservation Communications Campaigns	Large Landscape Program - Irrigation Budgets	Large Landscape Program - Surveys	Online Shopping Cart	Fixture Replacement Program	Mobile Irrigation Lab	AMI Cost Share	Webinar Series
BMP (1) Outreach, Technical Assistance, and Education best management practices	(A) Direct contacts via site visits or phone calls	X		X						X		
	(B) Informative or educational bill inserts											
	(C) Conducting workshop or developing training videos											X
	(D) Webpage portals to access information, tools, and rebates	X								X		X
	(E) Cost-effectiveness analysis tools											
	(F) Commercials or advertisements	X			X							
	(G) Grass roots marketing											
	(H) Community based social marketing	X			X							X
	(I) Other CII-best management practices derived from additional innovation and technology advancement that can be taken by suppliers, subject to Board approval											
BMP (2) Incentive best management practices	(A) Rebates and cost-sharing for replacing inefficient fixtures, equipment, irrigation systems or landscapes with water efficient ones	X						x	x			
	(B) Certification or branding programs that recognize customers as water efficient	X										
	(C) Incentives for technologies that enable customers to identify, measure, and analyze indoor and outdoor water use											
	(D) Other CII-best management practices derived from additional innovation and technology advancement that can be taken by suppliers, subject to Board approval											
BMP (3) Landscape best management practices	(A) Landscape and irrigation management practices to promote improved water use efficiency			X		X	X					X
	(B) Irrigation system inspections, audits, or surveys			X			X			X		
	(C) Training or guidance on irrigation scheduling and maintenance			X		X	X			X		X
	(D) New development landscape inspection, workshops, and training											X

(con't) BMP (3) Landscape best management practices	(E) Programs to remove turf and replace it with climate-ready vegetation	X										
	(F) Programs to decrease urban heat and reduce turf water use by planting trees	X										
	(G) Programs to install green infrastructure such as swales or rain gardens that offset irrigation needs	X										
	(H) Other CII-best management practices derived from additional innovation and technology advancement that can be used by suppliers, subject to Board approval											
BMP (4) Collaboration and coordination best management practices	(A) Coordination with "green" building certification or recognition programs to promote water use efficiency											
	(B) Coordination with land use authorities to check new landscapes design and implementation											
	(C) Collaboration with non-governmental organizations on outreach and education	X										X
	(D) Collaboration with municipal arborists and tree planting organizations to expand and maintain urban forests	X										X
	(E) Collaboration with stormwater agencies to install green infrastructure such as swales or rain gardens to also offset irrigation needs	X										
	(F) Other CII-best management practices derived from additional innovation and technology advancement that can be taken by suppliers, subject to Board approval											
BMP (5) Operational best management practices	(A) Infrastructure changes (for example, smart meter replacement programs)		X								X	
	(B) Billing or data collection procedures (for example, data tracking, analysis, and reporting improvements)											
	(C) Other operational best management practices to facilitate CII- best management practices program implementation and evaluation			X								
	(D) Other CII-best management practices derived from additional innovation and technology advancement that can be taken by suppliers, subject to Board approval											

File No.: 25-0177

Agenda Date: 3/24/2025
Item No.: 4.2.

COMMITTEE AGENDA MEMORANDUM
Water Supply and Demand Management Committee

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

SUBJECT:
Receive Update on Valley Water's New Water Conservation Programs and Pilots and Provide Feedback.

RECOMMENDATION:
Receive an update on Valley Water's new water conservation programs and pilots and provide feedback.

SUMMARY:
Santa Clara Valley Water District (Valley Water) continues to develop new programs and pilots to meet the Board's long-term water conservation goals and Resolution calling for Water Conservation as a Way of Life. The following new and enhanced programs were added, and pilots conducted over the last year.

NEW AND ENHANCED PROGRAMS

Staff continues to look for ways to enhance existing programs or develop new water conservation programs to support retailers' achieving state mandated water conservation regulations and the Board's long-term water conservation goals. At the September 2024 Water Supply and Demand Management Committee, Staff presented on several new or enhanced programs with recently awarded contracts or upcoming Request for Proposals. Additional new program updates are provided below:

1. Landscape Direct Installation Program: Staff secured a Program Administrator contract with Smart Yards Coop in July 2024 for an enhanced Landscape Direct Installation Program. This program, offered to low-income residents in Santa Clara County, replaces the Our City Forest Lawn Busters Program, which expired at the end of Fiscal Year 2024. The new Landscape Direct Installation Program will prioritize eligible applicants currently on the Lawn Busters waitlist and will offer landscape conversion, but unlike Lawn Busters also includes graywater laundry to landscape, irrigation equipment upgrades, rainwater capture, and urban tree planting. The design of this new program incorporated feedback from the Water Conservation

and Demand Management Committee. Staff has worked with the new vendor to create an online application portal and develop program materials such as Terms and Conditions and participation agreements. The vendor is working to secure C-27 Landscape Contractors to perform the landscape and equipment installations. Once secured, the program will launch to waitlisted Lawn Busters applicants, and then to the eligible public.

2. Annual Landscape Summit and Webinar Series: Due to the success of the annual Landscape Summit and Webinar Series, piloted using Safe Clean Water funding, Valley Water has awarded a contract to G3 (Green Gardener Group) to offer these as permanent programs. The webinar series kicked off in October 2024 with the first of 7 webinars to be hosted through the end of FY25. Valley Water worked with its water retail partners to identify webinar topics that best support their residents in making water conservation a way of life, including:

   - Rainwater Capture
   - Watershed Wise Landscaping
   - New Commercial Landscape (professional landscaper series)
   - Outdoor Leak Detection
   - Garden Design Workshop
   - Protecting Trees
   - Pet and Kid Friendly Landscaping

   In addition to the Webinar series, Valley Water worked with G3 to host Valley Water's 10th annual Landscape Summit, held on February 27, 2025, in Valley Water's Board Room. Kicked off by a welcome from Vice Chair Richard Santos, the Summit provided updates on Valley Water's current water supplies and Water Conservation Programs as well as the following presentations:

   - Regenerative Agriculture Research Provides Solutions for Urban Landscapers, by Dr. Cynthia Dailey, Chico State University
   - How Urban Landscapes Could Lead Water Conservation, by Krista Guerrero, Metropolitan Water District of Southern California
   - Practical Ways Urban Landscapes Mimic Natural Ecosystems through Naturalistic Planting Design, by Story Wiggins, Terremoto

   The audience included landscape professionals, city and water agency staff, and local organizations, with approximately 60 attending in person and over 100 attending virtually.

4. Agricultural Mobile Irrigation Lab (MIL): A Request for Proposal (RFP) was issued in June 2024 for an updated MIL program designed to increase water use efficiency for growers in Santa Clara County and was awarded to California H2orticulture in October 2024. The new contract offers an enhanced version of the long-standing program, including increased soil moisture monitoring assistance (as recommended in the Agricultural Water Use Baseline Study, presented at the November 2022 Water Conservation and Demand Management Committee and January 2023 Agricultural Water Advisory Committee), small farm irrigation

system design, workshops, and increased grower meeting and training time.

5. Demonstration Garden Design: Valley Water staff released an RFP on February 14, 2025, for the design of an approximately 26,000 square foot demonstration garden at its Headquarters facility at Almaden Expressway. The RFP closed on March 20, 2025. The design will be entirely funded by the Safe, Clean Water Program. The garden will highlight a watershed approach to landscaping and serve as a beautiful, functional demonstration garden and community gathering space. Specifically, the garden will showcase Valley Water's Landscape Rebate Program, serving as a tangible example for the public to see, to engage with, and to learn from. More information on this item is provided in the Safe, Clean Water Conservation Program - Project A2: Water Conservation Rebates and Programs agenda item in this same meeting.

6. Large Landscape Program: An RFP closed on January 8, 2025, for an updated Large Landscape Program. The Large Landscape Program offers free surveys to eligible Commercial, Industrial, and Institutional (CII) sites, evaluating irrigation systems and landscape water management, and offering recommendations for improvements, include upgrading irrigation hardware, and/or providing site-specific budgets based on climate, irrigation system components, and vegetation. A Notice of Intent to Award has been issued noting the intent to award an agreement to Waterfluence, the same vendor Valley Water has partnered with on the Large Landscape Program since 2013. The new contract offers program enhancements that focus on tools to support regulatory compliance, data analytics and automation, including for Advanced Metering Infrastructure, integration with other Valley Water program interfaces, and increased capability to target messaging to the hard-to-reach the CII sector.

7. eCart Program: An RFP for Water Conservation Devices Online Shopping Cart (eCart) Order Fulfillment Services closed on February 18, 2025, and evaluations are in process.

8. Fixture Replacement Program: An RFP for an updated indoor direct installation program closed on January 22, 2025, and evaluations are currently in process. The new contract will include program enhancements, with a focus on CII and multifamily properties, particularly those in disadvantaged communities (DAC). Single-family properties will now have the opportunity to participate, provided they meet specific eligibility criteria, such as being located in a DAC, residing in areas with historically low program participation, or having occupants or owners enrolled in income-based assistance programs. Additionally, single-family properties may apply for upgraded fixtures or clothes washer retrofits based on need and program budget. Other enhancements may include expanded services for high-density properties, such as leak detection support and the integration of Point-of-Use Monitoring leak detection devices. Enhancements were identified through incorporating relevant findings from the Leak Assessment and Repair Pilot and Toilet Repair and Retrofit Pilot with Richard Heath and Associates, Inc., which concluded in August 2023.

9. Benchmarking Study: Staff are performing a benchmarking study to evaluate and compare

Valley Water conservation programs with those of peer agencies resulting in quantitative and qualitative data. The project includes compiling publicly available data; requesting program assumptions, implementation rates, and other data from participating agencies; and interviews with a subset of agencies. This effort will help improve awareness of peer agencies' programs and what program parameters may lead to increased program participation. An example of a program parameter that could increase program participation may include increasing an incentive rate for a specific program to better align with or to exceed our peers' offerings. Benchmarking results will also help answer: "Is Valley Water a leader in water conservation?". As outlined in the Water Conservation Program Savings Number Update agenda item from this meeting, staff plans to utilize the findings from this study to refine and enhance program offerings, identify potential future pilot programs for exploration, and integrate into future strategic planning as appropriate. More information will be provided to the committee in the fall.

PILOTS

Small-scale pilot programs help inform development of larger-scale programs by evaluating the feasibility and potential costs/benefit.

Below is an update on two pilot programs originally presented at the September 2023 Water Conservation and Demand Management Committee and the September 2024 Water Supply and Demand Management Committee:

1. Leak Detection and Repair Certification: A leak incentive program is part of the 2040 Water Supply Master Plan's "No Regrets" package of water conservation programs (along with Advanced Metering Infrastructure [AMI]). Objective resources to help customers find qualified professionals to fix leaks once a customer receives a leak notification, whether through AMI or another means, are lacking. Without this list of qualified professionals with the skills and training to fix leaks, a leak incentive program would be challenging to design and implement. This pilot was a key component in developing new resources and ultimately new programs to help customers repair leaks on their property.

As a result of this pilot, California Water Efficiency Partnership (CalWEP) is coordinating with Valley Water and Bay Area Water Supply and Conservation Agency (BAWSCA) to transform our training framework into a first-of-its kind training program in California. As part of this effort, CalWEP has tentatively secured support from the International Association of Plumbing and Mechanical Officials (IAPMO) to host the training focused on indoor leaks. CalWEP is securing interest from additional agency partners in the Bay Area. By partnering with other agencies, costs to Valley Water to offer this unique training will be reduced. Outdoor leak detection and repair certification trainings will be further evaluated at a future time. Valley Water is currently in the early negotiation phases to launch a pilot training with CalWEP and is anticipating offering the first training by the end of 2025. Our leadership in developing this program with BAWSCA has generated interest with SFPUC and EBMUD to turn this into a regional training

opportunity

2. Commercial Indoor Water Use Survey Pilot Program (CIW): As presented in the September 2024 meeting, in Fall 2023, Valley Water partnered with two water retailer service areas (City of Morgan Hill and the City of Santa Clara) to offer the CIW Pilot Program to the hard-to-reach CII sector as a free evaluation of a site's indoor water-using fixtures. Participants received onsite feedback and a report summarizing recommendations with relevant Valley Water programs that can help improve a site's water-use efficiency. Staff compiled lessons learned from the FY24 pilot period and implemented process improvements to continue and expand the pilot in FY25.

   During the FY25 phase of the pilot, Valley Water worked with the following water retailers:

   - City of Milpitas
   - City of Morgan Hill
   - City of Palo Alto Utilities
   - San José Municipal Water

   During the FY25 phase, Valley Water coordinated with the water retailers who identified their targeted CII customers and then directly sent them weekly emails within their respective service areas. The email content was developed from an earlier pilot to message CII stakeholders on LinkedIn. The effort led to approximately 700 emails sent over one month, and 15 sites across the county were surveyed from the end of October to the end of January. Valley Water staff continue to work with the participating water retailers to gather and assess lessons learned with hopes of conducting a water-savings analysis. Understanding how this pilot can produce water savings and influence participation in other programs will be critical in determining whether this pilot can transition into a permanent county-wide program.

NEXT STEPS

These new programs and pilots will either directly or indirectly increase our progress on long-term conservation goals and can help staff refine savings assumptions. All of them support Valley Water's Board Resolution 23-52 to Make Water Conservation a Way of Life in Santa Clara County. With the newly adopted "Making Conservation a California Way of Life" regulatory framework that will impact urban water use throughout California, staff will continue evaluating whether to continue or revamp existing programs or initiate new programs. Collectively, this will better help water retailers and Santa Clara County properties reduce their water use.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:
Environmental justice and equity impacts on local communities are expected/likely to result from

implementation of the water conservation program toward meeting the long-term water conservation 2030, 2040, and 2050 goals. Water conservation offers a range of environmental justice benefits by equitable access to clean water, reducing pollution, protecting ecosystems, mitigating climate change, saving costs for vulnerable communities, enhancing drought resilience, and empowering residents with knowledge and skills for sustainable water use. Valley Water provides such water conservation information in multiple languages and via various outreach techniques to reach all members of our community. Valley Water acknowledges that during drought, disadvantaged communities may be disproportionately impacted. To address these impacts, Valley Water promotes access to equitable and affordable water supplies (Water Supply Goal 2.6). Valley Water offers specific programs, such as the Landscape Direct Installation Program to provide water-efficient landscapes to low-income residents.

ATTACHMENTS:
Attachment 1: PowerPoint

UNCLASSIFIED MANAGER:
Kirsten Struve, 408-630-3138

Water Conservation New Programs and Pilots Update

Water Conservation and Demand Management Committee, March 24, 2025

Ashley Shannon, Sr. Water Conservation Specialist

New and Enhanced Programs

- Landscape Direct Installation Program
  - Contract awarded to Smart Yards Coop
  - Program development in process
  - C-27 contractor recruitment underway
- Agricultural Mobile Irrigation Lab
  - Contract awarded to California H2orticulture
  - Recommendations from Agricultural Baseline Study incorporated

New and Enhanced Programs

- Annual Landscape Summit and Webinar Series
  - Contract awarded to Green Gardeners Group (G3)
  - Webinars:
    - 4 webinars completed since October 2024
    - 3 upcoming webinars:
      - Garden Design Workshop
      - Protecting Trees
      - Pet and Kid Friendly Landscaping
  - Landscape Summit:
    - February 27, 2025 – 22nd Century Landscape
    - 60 in-person, 103 virtual attendees

New and Enhanced Programs

- Demonstration Garden
  - RFP Closed March 20, 2025
  - 26,000 sq ft garden
  - Safe Clean Water funded
- Large Landscape Program
  - RFP closed January 2025
  - Enhancement include:
    - Regulatory compliance tools
    - Valley Water program integration
    - Increased targeting messaging

Valley Water Demonstration Garden Project Map

New and Enhanced Programs

- eCart Program
  - RFP Closed February 18, 2025
  - Water Conservation Devices Online Shopping Cart
- Fixture Replacement
  - RFP closed January 22, 2025
  - Enhancements
- Benchmarking Study
  - Evaluation and comparison of Valley Water's conservation program to peer agencies
  - "Is Valley Water a leader in water conservation?"

Pilots

- Leak Detection and Repair
  - Part of the 2040 Water Supply Master Plan's "No Regrets" package of water conservation programs
  - Partnership with Valley Water, CalWEP and BAWSCA to create first-of-its kind training program in California.
  - First training anticipated by end of 2025
- Commercial Indoor Water Use Survey Pilot Program
  - Onsite feedback and a report summarizing recommendations to improve water-use efficiency
  - FY24 pilot period informed improvements incorporated in FY25 pilot period
  - Expanded pilot to four water retailers

Next Steps

- New programs and pilots increase progress towards long-term conservation goals
- "Making Conservation a California Way of Life" regulatory framework
- Staff will continue evaluating whether to continue or revamp existing programs or initiate new programs

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File No.: 25-0178

Agenda Date: 3/24/2025
Item No.: 4.3.

COMMITTEE AGENDA MEMORANDUM
Water Supply and Demand Management Committee

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

SUBJECT:
Receive Update on Safe Clean Water Conservation Program - Project A2: Water Conservation Rebates and Programs Update.

RECOMMENDATION:
Receive an update on the Safe Clean Water funded conservation programs.

SUMMARY:
Through the 2020 voter-approved Measure S, a renewal of Santa Clara Valley Water District's (Valley Water) Safe, Clean Water and Natural Flood Protection Program (SCW), up to $1 million per year is provided for water conservation program activities, including rebates, technical assistance, and public education, for the first seven (7) years of the SCW. SCW funding not only helps Valley Water meet its countywide long-term water conservation goal of 126,000 acre-feet of water per year by 2050, but these water conservation programs also increase water supply reliability, help reduce greenhouse gases, and irrigation runoff pollution to the Bay. As presented at the August 2024 Water Supply and Demand Management Committee, in Fiscal Year 2024 (FY24), SCW provided an opportunity to enhance and create the following programs:

- Landscape Rebate Program
- Lawn Busters Program
- Qualified Water Efficient Landscaper Training

In FY25, SCW funding continues to support the Landscape Rebate Program, allowing for the $2 per square foot conversion rate to continue. Increasing participation in this program will help ensure Valley Water reaches its 2050 Water Conservation Goals. Funding will also be used for the design of a 26,000-square-foot demonstration garden adjacent to Valley Water's Headquarters building. A progress report on the demonstration garden was presented to this committee at the May 2024 meeting.

Landscape Conversion Program Enhancements
To increase participation in Valley Water's conservation program, SCW funding was utilized to increase the Landscape Conversion Rebate rate from $1 per square foot (sf) to $2 per sf. In Q1 of FY25 the increased funding for the Landscape Rebate Program led to the conversion of over 210,000 sq ft of lawn, 195,000 sq ft of which was eligible for SCW funding.

Valley Water Demonstration Garden
In FY25, Valley Water will be kicking off the design of a Demonstration Garden located at the southeast corner of Valley Water's Headquarters building located on Almaden Expressway. The Valley Water Garden will highlight a watershed approach to landscaping and serve as a beautiful, functional demonstration garden and community gathering space. Specifically, the Garden would showcase Valley Water's Landscape Rebate Program, serving as a tangible example for the public to see, to engage with, and to learn from. The Garden will convert approximately 26,000 square feet of existing landscape areas into a low water-use, Bay-friendly landscape and will include the creation of several Low Impact Development (LID) features. These LID features will include vegetated swales/rain gardens within the landscape. High-efficiency irrigation technology and a rainwater harvesting demonstration system are planned. This project will also include the creation of a public gathering area, permeable hardscape, and educational signage. The Garden, easily accessible by the public, will reflect garden design elements that can be applied to both residential and commercial sites.
The Request for Proposal for Design Services for the Demonstration Garden Project was posted on February 14, 2025 and closes on March 20, 2025. Project objectives include:

- Design of sustainable demonstration garden
- Stakeholder engagement
- Construction Oversight and Quality Assurance
- Development of Comprehensive Maintenance Plans

Next Steps
FY25 will continue to support both the Landscape Conversion Rebate and the design of the Demonstration Garden. In FY26, SCW funding will support the construction of the Demonstration Garden, pending completion of the design.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:
Environmental justice and equity impacts on local communities are expected/likely to result from implementation of the water conservation program toward meeting the long-term water conservation 2030 and 2040 goals. Water conservation offers a range of environmental justice benefits by promoting equitable access to clean water, reducing pollution, protecting ecosystems, mitigating climate change, saving costs for vulnerable communities, enhancing drought resilience, and empowering residents with knowledge and skills for sustainable water use. Valley Water provides such water conservation information in multiple languages and via various outreach techniques to

reach all members of our community. Valley Water acknowledges that during drought, disadvantaged communities may be disproportionately impacted. To address these impacts, Valley Water promotes access to equitable and affordable water supplies (Water Supply Goal 2.6). Valley Water offers specific programs, such as the Lawn Busters program to provide water-efficient landscapes to low-income, elderly, disabled, or veteran homeowners and schools within disadvantaged communities.

ATTACHMENTS:
Attachment 1: PowerPoint

UNCLASSIFIED MANAGER:
Kirsten Struve, 408-630-3138

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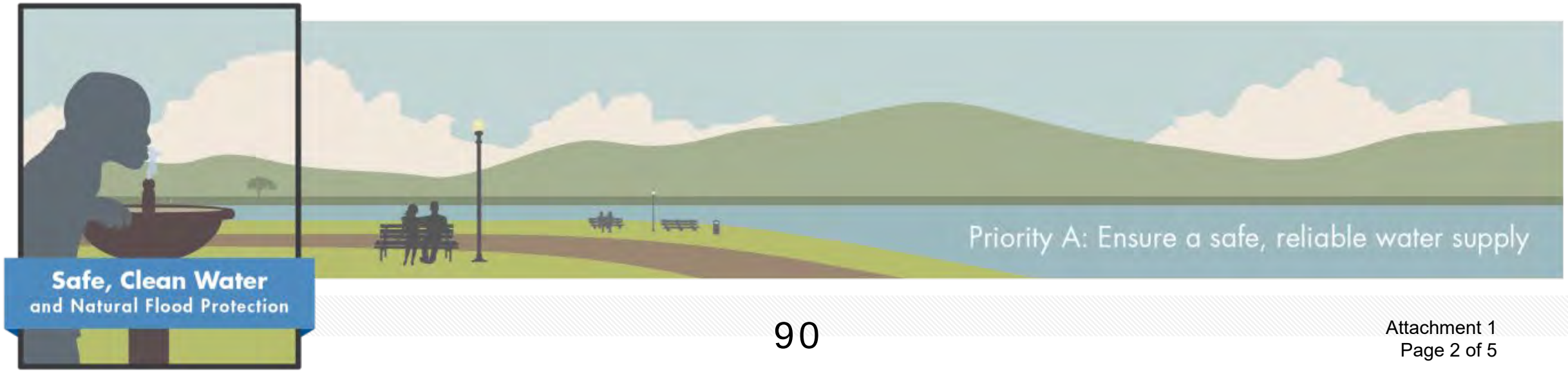
Safe Clean Water – A2: Conservation Programs Update

Water Conservation and Demand Management Committee, March 24, 2025

Ashley Shannon, Sr. Water Conservation Specialist

Safe Clean Water- Conservation Program Update

- Measure S, Safe Clean Water and Natural Flood Protection
- $1 Million per year for Water Conservation activities
- Opportunity to enhance and create Water Conservation programs and resources



Landscape Conversion Program Enhancements

Landscape Rebate Program

- Increase rate from $1/sq ft to $2/sq ft
- Over 210,000 sq ft of lawn converted in Q1 of FY25
- Over 195,000 sq ft of that eligible for SCW funding

Valley Water Demonstration Garden

- Design services requested for an approximately 26,000 sq ft demonstration garden
- Request for Proposal posted on February 14, 2025
  - Design of sustainable demonstration garden
  - Stakeholder engagement
  - Construction Oversite and Qualify Assurance
  - Development of Comprehensive Maintenance Plans

Valley Water Demonstration Garden Project Map

Next Steps

FY25 SCW Funding:

- Landscape Conversion Rebate
- Valley Water Demonstration Garden Design

FY26 SCW Funding:

- Valley Water Demonstration Garden Construction

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Santa Clara Valley Water District

File No.: 25-0255

Agenda Date: 3/24/2025
Item No.: 4.4.

COMMITTEE AGENDA MEMORANDUM
Water Supply and Demand Management Committee

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

SUBJECT:
Receive Update on Sustainable Groundwater Management Act (SGMA) Compliance related to the Kern County Subbasin.

RECOMMENDATION:
Receive an update on SGMA compliance related to the Kern County Subbasin.

SUMMARY:
The Sustainable Groundwater Management Act (SGMA) requires that a groundwater sustainability agency (GSA) managing a basin ranked as medium- or high-priority submit a groundwater sustainability plan (GSP) or approved Alternative to the Department of Water Resources (DWR) by certain statutory deadlines. SGMA provides GSAs with various groundwater management authorities to implement GSPs or Alternatives with the goal of achieving sustainable groundwater conditions. If DWR finds that a GSP is inadequate, it may refer the GSA to the State Water Resources Control Board (State Water Board) for state intervention.

Valley Water is an original banking partner with 350,000 acre-feet of storage capacity at Semitropic Groundwater Storage Bank (Semitropic) and relies on Semitropic to help meet demands during droughts. Semitropic lies within the Kern County Subbasin (Subbasin). In January 2022, DWR determined that the GSPs initially submitted for the Subbasin in January 2020 were incomplete. Revised GSPs were submitted in July 2022, and DWR determined that the revised GSPs were inadequate and referred the Subbasin to the State Water Board in March 2023. The State Water Board scheduled a Probation Hearing for the subbasin for February 20, 2025.

In its Final Staff Report for the Probationary Hearing, State Water Board staff expressed concerns that there may be adverse impacts during periods when groundwater banking operations withdraw significant amounts of stored water from the basin. The Report also states that Board staff need to evaluate whether water banked in groundwater banks utilizing in-lieu recharge, such as Semitropic, should be considered "native groundwater" subject to SGMA regulation and fees rather than stored imported surface water.

Valley Water, along with other water agencies that bank water supplies in the Subbasin, submitted a comment letter (Attachment 1) and provided a statement at the Probationary Hearing, highlighting the investments that agencies have made in the Subbasin, the benefits of the groundwater banking programs, and the importance of these programs to our agencies. State Water Board acknowledged the comments, while noting that staff is reviewing these programs to better understand any potential impacts of banking operations.

The State Water Board did not place the subbasin on probation on February 20th and instead continued the hearing to September 17, 2025. The Kern County Subbasin GSAs are to provide updated drafts of their GSPs to State Water Board staff by June 20, 2025.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:
There are no environmental justice and equity impacts associated with this item.

ATTACHMENTS:
Attachment 1: Joint Comment Letter to the State Water Board

UNCLASSIFIED MANAGER:
Vincent Gin, 408-630-2633

February 13, 2025

Ms. Courtney Tyler
Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor, Sacramento, CA 95814-0100
Email: SGMA-Kern@waterboards.ca.gov
Submitted via email

Subject: Comments on the Kern County Subbasin Probation Hearing Staff Report

Dear State Water Board and Staff:

Alameda County Water District (ACWD), the Metropolitan Water District of Southern California (Metropolitan), Montecito Water District (Montecito), Santa Clara Valley Water District (Valley Water), Santa Clarita Valley Water Agency (SCV Water), and Zone 7 Water Agency (Zone 7) appreciate the opportunity to provide written comments to the State Water Resources Control Board (State Water Board) regarding the Kern Subbasin Probationary Hearing. Collectively, our agencies serve over 21 million residents in California, more than half of the state's population, and the water banks we participate in within the Kern County Subbasin (subbasin) are vital to the water supply reliability and drought resiliency of our agencies. Over the past three decades, we have invested nearly half a billion dollars[1] in water banking programs in the subbasin. The ability to store and recover our banked water from these programs is a critical part of our operations.

While our agencies have made substantial local investments in water use efficiency, recycled water, desalination, and groundwater management, water supplies imported from the Delta have been and will continue to be a crucial component of our water supply portfolios. The subbasin serves as an important storage reservoir for our imported water supplies, allowing us to store wet-year supplies for use in dry years. The storage volume of select water banks within the subbasin is over 5.7 million acre-feet (Staff Report, pg. 66), more than Lake Oroville and San Luis Reservoir combined. As further discussed in this letter, the continued operations of banking programs are critical and beneficial for both our agencies and the subbasin.

Our agencies previously submitted comment letters to the State Water Board on the Draft Staff Report released in July 2024. Those comment letters highlighted:

- the partnerships between our agencies and the subbasin,
- the benefits of banking operations both locally and for banking partners,

[1] Adjusted to 2023 dollars.

- that our banking programs import surface supplies for storage,
- that banking programs utilizing in-lieu recharge are critically important for ensuring basin sustainability,
- that State policies support water supply diversification and prioritize the expansion of below ground water storage,
- and that banking programs certainty is required for our agencies to continue substantial investment in the subbasin and to continue to provide water reliably and affordably to our customers.[2]

We appreciate the acknowledgement of our agencies' comments relating to water banking programs within the subbasin in the Final Staff Report (pg. C-8). The Final Staff Report, however, continues to state that State Water Board staff would need to evaluate whether water classified as stored water under in-lieu operations is native groundwater and subject to SGMA reporting and fees on a case-by-case basis. We respectfully offer the following perspectives for the State Water Board's consideration.

Banking Programs are Net-Beneficial for the Subbasin and Utilize Imported Surface Supplies – not Native Groundwater

As discussed in our comment letters, these banking programs are not only essential water management tools for participating agencies, but they also provide significant benefits to the subbasin. The investments by our agencies into the subbasin have reduced reliance on groundwater in the subbasin through the construction of dual purpose infrastructure that expanded the conjunctive use capabilities of the banking agencies (i.e. Semitropic Water Storage District, Kern Delta Water District, etc.) while providing our agencies with water banking capacity. Moreover, each water bank we participate in has a "leave behind" ranging from 10% to 50% – meaning that for every unit of water we import into the subbasin, a dedicated portion is left behind for the subbasin's benefit. As acknowledged by the Staff Report, this leave-behind has resulted in additional water for the subbasin "as recharge for the benefit of the subbasin" (pg. 66). Over the life of these programs, our agencies alone have collectively provided more than 320,000 acre-feet of leave-behind for the subbasin.

In-lieu recharge plays a critical role in conjunctive use across California. The water our agencies have banked in the subbasin under in-lieu recharge is entirely the result of our investments and the importation of non-native supplies into the subbasin. Legal precedent differentiates groundwater that is in a basin due solely to the efforts of persons bringing imported water into the basin from groundwater that is naturally recharged. Similarly, not only do the contracts between banking partners and water banks treat water in storage (whether through direct or in-lieu recharge) as surface supplies held by the water banks in trust for banking partners, but years of Department of Water Resources (DWR)

[2] See Wat. Code § 1011.5(a)("The Legislature hereby finds and declares that the growing water needs of the state require the use of water in an efficient manner and that the efficient use of water requires certainty in the definition of property rights to the use of water. The Legislature further declares that it is the policy of this state to encourage conjunctive use of surface water and groundwater supplies and to make surface water available for other beneficial uses. The Legislature recognizes that the substantial investments that may be necessary to implement and maintain a conjunctive use program require certainty in the continued right to the use of alternate water supplies.").

accounting, State Water Project agreements[3], and State Water Board documents[4] have also referred to this water as stored surface water supplies – not native groundwater.

In discussing comments on the Draft Staff Report, however, State Water Board staff maintains that:

> "Board staff would need to evaluate whether water classified as 'stored' or 'banked' under in-lieu operations/accounting procedures is native groundwater and subject to SGMA reporting and fees" (pg. C-9)

Yet, the report fails to provide any clarification as to how this evaluation will be conducted. Non-native water imported into a basin that results in increased groundwater has a distinct and paramount legal status compared to naturally recharged water under California law, and SGMA respects and cannot alter existing water rights.[5] If the water that exists only from our investment in bringing imported water supplies into the subbasin were to be considered by the State Water Board as "native recharge," it would be contrary to California case law regarding the paramount water rights of persons that bring foreign, non-native water into a basin through their industry and investment.

Our agencies respectfully submit that the State Water Board should recognize the water supplies stored within our banking programs – developed through hundreds of millions of dollars in investment after thorough CEQA analysis and operated using imported supplies with transparent accounting through both banking participants and state agencies – as foreign, imported water supplies distinct from native groundwater and exempt from SGMA reporting and fees, just as staff proposed to treat directly recharged surface water supplies.

<u>Water Supply Planning and Drought Resilience Depends on Reliable Banking Operations – including the use of In-Lieu Recharge</u>

California has experienced climate extremes for more than a decade, and climate change is expected to continue to produce extreme weather events and variances in hydrology. Because our agencies depend on imported water supplies with fluctuating year-to-year reliability, utilizing water banks to store surplus supplies in wet years for use during dry years is unequivocally required. This strategic and flexible approach to water management is a crucial component of our agencies' drought mitigation efforts and aligns with the Governor's 2022 Water Supply Strategy and the California Water Plan. As an example of the importance of our banking programs, in 2022 alone, water recovered from the subbasin for our agencies provided enough water supply to serve more than 600,000 households. As of the end of 2024, our agencies have over 1.1 million acre-feet of imported supplies stored in the subbasin, a critical reserve in meeting water supply needs if 2025 (or any future year) is dry.

In-lieu recharge is a critically important conjunctive water use tool for California water management and climate adaptation: it has a low carbon footprint, does not require new land development or land use

[3] Each agency has entered into agreement with DWR for the delivery of water to and from the water banks (e.g. SWPAO #10-009, 10-002, 20-035, and 23-025.)
[4] See July 22, 2024 Order Approving A Petition For Temporary Change In The Place Of Use Of License And Permits Of The California Department Of Water Resources And The United States Bureau Of Reclamation as example.
[5] See Wat. Code § 10720.5(b).

modifications, is scalable for extreme wet years, and is feasible across a wider geographical area when compared to direct recharge. Additional fees and uncertainty regarding the regulation or legal status of water stored in a water bank via in-lieu recharge will disrupt and discourage the continued use of water banking and in-lieu recharge programs statewide. This will hurt water banks, agencies (like ours) that rely on water banks to store surplus water in wet years for use during dry years, and the groundwater basins in which such banks are located, in contravention of the Legislature's declarations. Additionally, this will negatively impact the reliability and affordability of water supplies, including those in disadvantaged communities.

We appreciate the State Water Board's acknowledgement of the importance of in-lieu banking operations as a necessary component of conjunctive use in the subbasin. Our agencies continue to support SGMA and its implementation in California, and we understand State Water Board staff's desire to understand banking operations and account for the water associated with them to ensure that they are consistent with sustainable management. We believe historical data demonstrates that water banking programs benefit both the agencies that bank imported water and the subbasins in which this water is banked. We request that the State Water Board ensure these important water supply programs remain operational moving forward by exempting recovery of imported surface supplies in these banks, stored directly or through in-lieu recharge, from SGMA reporting and fees and any potential extraction restrictions. The majority of the undersigned agencies will be available for further discussion during our panel on February 20th, and we welcome opportunities to discuss any questions about our agencies' banking programs in the Kern County Subbasin.

Sincerely,

Signed by:
Laura Hidas
AC6BB6EC9C1C4BA...
Laura Hidas, P.E.
Director of Water Resources
Alameda County Water District

DocuSigned by:
Brandon Goshi
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Brandon Goshi
Interim Group Manager, Water Resource Management
Metropolitan Water District of Southern California

DocuSigned by:
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Nick Turner, P.E.
General Manager
Montecito Water District

DocuSigned by:
Aaron Baker
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Aaron Baker, P.E.
Chief Operating Officer
Santa Clara Valley Water District

Signed by:
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Ali Elhassan, Ph.D., P.E.
Director of Water Resources
Santa Clarita Valley Water Agency

DocuSigned by:
Ken Minn
A94B32D502BF466...
Ken Minn, P.E.
Water Resources Manager
Zone 7 Water Agency

Santa Clara Valley Water District

File No.: 25-0271

Agenda Date: 3/24/2025
Item No.: 4.5.

COMMITTEE AGENDA MEMORANDUM
Water Supply and Demand Management Committee

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

SUBJECT:
Receive Update and Discuss the B.F. Sisk Dam Raise and Reservoir Expansion Project; Recommend to the Board to Increase Valley Water's Storage Capacity to a Minimum of 63,560 Acre Feet (AF) and Up To 70,000 AF if Space Becomes Available; Recommend to the Board to Authorize Up To $2,187,646 to Cover Valley Water's Share of Project Planning Costs.

RECOMMENDATION:
A. Receive an update and discuss the B.F. Sisk Dam Raise and Reservoir Expansion Project.
B. Recommend to the Board to increase Valley Water's storage capacity to a minimum of 63,560 Acre Feet (AF) and up to 70,000 AF if space becomes available.
C. Recommend to the Board to authorize up to $2,187,646 to cover Valley Water's share of Project planning costs.

SUMMARY:
On February 25th, Valley Water's Board approved execution of the First Amended and Restated B.F. Sisk Dam Raise and Reservoir Expansion Project Activity Agreement, a key Project agreement required to continue participation in the Project, and authorized increasing VW's share of storage from 60,000 AF to 60,398 AF. The Board also authorized funding of up to $2,057,636 to cover Project planning costs through February 2026. At the time of the VW Board vote, staff was aware that five of the six other Participants also executed the amended Activity Agreement, while San Luis Water District (SLWD) had not yet made a decision.

Subsequent to VW's Board decision, SLWD elected to withdraw from the Project at their February 25th Board meeting. SLWD's share for the project corresponded to a storage capacity of 4,527 acre-feet (AF). Under the terms of the Activity Agreement, a withdrawing participant's storage capacity is automatically allocated to the remaining participants in proportion to their participation percentages. A Participant may be relieved of their obligation to assume their share of the withdrawing participant's storage capacity if another Participant or Reclamation is willing to assume their share. Valley Water's share of the reallocated storage capacity is 3,162 AF, which would increase Valley Water's total storage capacity from 60,398 AF to 63,560 AF. This would increase Valley Water's share of capital

costs from approximately $485 million to $511 million. Staff recommend that Valley Water agree to assume its share of SLWD's storage capacity.

Valley Water staff are also recommending that the Board authorize an increase in storage of up to 70,000 AF if space becomes available. This would allow Valley Water to take on SLWD's entire storage capacity if other participants are not able to take their shares, as well as provide for a small amount of additional storage to allow Valley Water to respond quickly to any future small adjustments in Project participation. At 70,000 AF of storage capacity, Valley Water's share of the capital costs would be approximately $563 million.

At the February 25th Board meeting, Valley Water's Board authorized planning funding of up $2,057,636. However, SLDMWA revised their planning funding request in late February to account for unspent funds carried over from the last fiscal year, reducing Valley Water's funding share. If Valley Water assumes its proportionate share of the space vacated by SLWD, our share of planning costs will be $1,839,048. At 70,000 AF of storage, which allows Valley Water to take on SLWD's full share and also provides for any future small adjustments in participation, Valley Water's proposed cost share is $2,187,646. Valley Water staff recommend that the Board authorize funding of up to $2,187,646 to cover contingencies and to help ensure the Project is fully subscribed moving forward.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:
There are no environmental justice and equity impacts associated with this item. The B.F. Sisk Dam and Reservoir Expansion Project 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:
Vincent Gin, 408-630-2633

B.F. Sisk Dam Raise and Reservoir Expansion Project

Water Supply and Demand Management Committee, March 24, 2025

Background

- 130,000 AF expanded storage
  - 39,000 AF Reclamation space (30%)
  - 91,000 AF Participant space (70%)
- 7 agencies participating through San Luis & Delta-Mendota Water Authority
- Total Capital Costs: $1.045 billion

Summary

- Amended Activity Agreement fully executed in February
- 6 of 7 Participants executed amended Activity Agreement
  - Valley Water approved in February 25th Board meeting
- San Luis Water District (SLWD) elected to withdraw from the Project
- Per Activity Agreement, remaining Participants are proportionally allocated SLWD's share
- Participants can choose not to take their portion of SLWD's share if another Participant or Reclamation agrees to take it

Adjusted Storage Allocations

- **Storage allocations adjusted after San Luis Water District withdrawal in February.**

Participating Agency	Previous Storage Capacity (AF)	Participation Level*	Adjusted Storage Capacity (AF)	Adjusted Participation Level*
Santa Clara Valley Water District	60,398	66.37%	63,560	69.85%
Westlands Water District	11,328	12.45%	11,921	13.10%
City of Tracy	5,033	5.53%	5,297	5.82%
San Benito County Water District	5,033	5.53%	5,297	5.82%
Del Puerto Water District	3,674	4.04%	3,867	4.25%
Byron Bethany Water District	1,007	1.11%	1,059	1.16%
San Luis Water District	4,527	4.97%	-	-
Total	**91,000**	**100.0%**	**91,000**	**100.0%**

*Reflects each Investor's share of the 70% non-federal portion of the Project, while the federal share constitutes the remaining 30%.

Project Costs & Current Funding Request

- **Recommend Valley Water participation at up to 70,000 AF**
  - Cover the full amount of SLWD share if needed
  - Additional space to cover future small participation adjustments

Valley Water Share of Costs:

Valley Water Participation Options	Storage (AF)	Participation Level*	VW Share of Capital Costs ($M)	VW Share of FY 26 Planning Costs
Previous Share before SLWD withdrawal	60,398	66.4%	$485	$1.67 million
Adjusted Share after SLWD Withdrawal	63,560	69.9%	$511	$1.84 million
Recommended “up to” amount if space becomes available	70,000	76.9%	$563	$2.19 million

*Reflects each Investor’s share of the 70% non-federal portion of the Project, while the federal share constitutes the remaining 30%.

WSDMC Recommendations

- Recommend to the Board to increase Valley Water's storage capacity to a minimum of 63,560 Acre Feet (AF) and up to 70,000 AF if space becomes available.
- Recommend to the Board to authorize up to $2,187,646 to cover Valley Water's share of Project planning costs.

Valley Water

Clean Water • Healthy Environment • Flood Protection

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Santa Clara Valley Water District

File No.: 25-0192

Agenda Date: 3/24/2025
Item No.: 4.6.

COMMITTEE AGENDA MEMORANDUM
Water Supply and Demand Management Committee

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

SUBJECT:
Review and Discuss the Water Supply and Demand Management Committee (WSDMC) Work Plan and Upcoming Discussion Items.

RECOMMENDATION:
Review and discuss the WSDMC Work Plan and upcoming discussion items.

SUMMARY:
Under direction of the Clerk, Work Plans are used by Board Committees to increase Committee efficiency, provide increased public notice of intended Committee discussions, and enable improved follow-up by staff. Work Plans are dynamic documents managed by Committee Chairs and are subject to change.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:
The Committee's Work Plan is not subject to environmental justice and equity impact analysis.

ATTACHMENTS:
Attachment 1: 2025 WSDMC Work Plan

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

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Water Supply and Demand Management Committee 2025 WORKPLAN

Task	Agenda Item	January	February	March	April	May	June	July	August	September	October	November	December
FY 25	**Drought Preparation**												
1.1	Drought Response Plan					~~X~~	X						
FY 23 WSMP Strategy 1: Secure Existing Supplies - 99,000 AF Conservation by 2030													
2.1	Water Conservation Savings Model/Annual Water Conservation Savings			X									
2.2	Water Conservation as a Way of Life recommendations (including water waste restrictions)									X			
2.3	New Programs (Lawn Busters, Pilot programs, landscape design assistance, demonstration garden, + affordability discussion/supporting underserved communities)			X						X			
2.5	SCW Funding (LRP & Demo Garden)			X							X		
2.6	Collaboration with Retailers+outreach, including Renters/Landlords	X									X		
FY 24 WSMP Strategy 2: Increase Water Conservation (109,000 AF) and Stormwater Capture (1,000 AF) by 2040													
3.1	Investments in no-regrets package, including stormwater resource plan						X						
3.2	Stormwater Capture/ FloodMAR						X						
3.3	Find opportunities to ensure new development has improved water wise features (MWENDO, land use coordination)									X			
FY 24 WSMP Strategy 3 Optimize the Use of Existing Supplies and Infrastructure (SGMA/groundwater management and storage projects)													
4.1	Sustainable Groundwater Management Act (SGMA) - annual update			X							X		
4.2	South County Recharge										X		
4.3	Los Vaqueros Reservoir Expansion Project	X											
4.4	Sites Reservoir Expansion						X					X	
4.5	BF Sisk Dam Raise	X		X			X		X				X
4.6	Groundwater Banking Opportunities				X						X		
4.7	Semitropic Groundwater bank										X		
4.8	Pacheco Reservoir Expansion Project	X			X			X			X		

*Red item added.
032425 WSDMC Meeting

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