



WATER SUPPLY AND DEMAND
MANAGEMENT COMMITTEE MEETING

MINUTES

**REGULAR MEETING
MONDAY, MAY 5, 2025
12:00 PM**

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER:

A regular meeting of the Santa Clara Valley Water District (Valley Water) Water Supply and Demand Management Committee (Committee) was called to order by Chairperson Hsueh at 12:00 p.m. in the Valley Water Headquarters Building Boardroom at 5700 Almaden Expressway, San Jose, California, and by Zoom teleconference.

1.1. Roll Call.

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

Staff members in attendance were: Gina Adriano, Karen Adriano, Antonio Alfaro, Roseryn Bhudsabourg, Justin Burks, Rita Chan, Vanessa De La Piedra, Gavin Downs, Andrew Garcia, Rachael Gibson, Paola Giles, Mark Gomez, Andy Gschwind, Mario Hernandez, Cindy Kao, Matt Keller, Kaho Kong, Candice Kwok-Smith, Kathleen Low, Jess Lovering, Ryan McCarter, Carmen Narayanan, Julianne O'Brien, Carlos Orellana, Steve Peters, Sarah Piramoon, Mark Poole, Paola Reyes, Breanne Roderick, Melanie Richardson, Don Rocha, Desiree Sausele, Nicholas Simard, Stephanie Simunic, Ranithri Slayton, Kirsten Struve, Charlene Sun, Jing Wu, Beckie Zisser.

Public in attendance were: District 7 Director Rebecca Eisenburg, Lundyn Harrelson (Raftelis), Kevin Kostiuk (Raftelis), Elaine Vastis (Raftelis), Mike Avina (Stop the Pacheco Dam Project), Kurt Elvert (San Jose Water Company), Katja Irvin (Sierra Club), Steve Jordan (Purissima Hills Water District), Sanjay Reddy (Carollo Engineers), John Tang (San Jose Water Company), Luke Wang (Hazen & Sawyer), Peter Van Dyke (Loma Prieta RCD).

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

Chairperson Hsueh declared time open for public comment on any item not on the agenda. There was no one who wished to speak.

3. APPROVAL OF MINUTES:

3.1 Approval of March 24, 2025 Water Supply and Demand Management Committee (WSDMC) Minutes.

Recommendation: Approve the minutes.

The Committee considered the minutes of the March 24, 2025 Water Supply and Demand Management Committee (WSDMC) meeting.

Public Comments: None.

It was moved by Director Santos, seconded by Vice Chairperson Ballard, and unanimously carried, to approve the March 24, 2025 WSDMC minutes.

4. REGULAR AGENDA:

4.1 Receive Information and Discuss Proposed Storage Projects Contained in Valley Water's Water Supply Master Plan 2050.

Recommendation: Receive information and discuss proposed Storage Projects contained in Valley Water's Water Supply Master Plan 2050.

Jing Wu reviewed the information on this item, per the attached Committee Agenda Memo and in the attachment and with Kirsten Struve, was available to answer questions.

The Committee discussed the following with staff input including: if enhanced flexibility could be realized in operating existing water utility system if the proposed storage opportunity is an integral part of Valley Water's water utility system, the ability to deliver water to storage (put) and ability to retrieve banked supplies (take) in various reservoirs, and challenges relating to project partnerships.

The Committee requested that the following is explained in the report to the Board: the difference between Valley Water creating storage vs. storage elsewhere as part of the Pacheco project update, the Water Supply Master Plan adaptive management process relating to Pacheco, and a more in-depth discussion relating to put and take.

Public Comments: Peter Van Dyke expressed concern relating to the Pacheco project regarding capital costs and inflation. Katja Irvin stated the decision point should be clearer if Directors want the opportunity to not go forward with the Pacheco project.

Director Hsueh requested the public commentators questions and concerns are addressed in the Pacheco report that goes to the Board.

The Committee received the information and took no formal action.

4.2 Receive an Informational Update on the Pacheco Reservoir Expansion Project With a Focus on Partnerships and the role of the Project in the Water Supply Master Plan.

Recommendation: Receive and informational update on the Pacheco Reservoir Expansion Project with a focus on partnerships and the role of the project in the Water Supply Master Plan.

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.

The Committee discussed the following with staff input including: cost as the main dealbreaker for not moving forward with the project, and a future cost-benefit analysis.

Public Comment: Mike Avina, Peter Van Dyke, and Katja Irvin expressed concerns about the project relating to environmental impacts, cost factors including financing by ratepayers, clarification relating to downstream environmental benefits, clarification of the rental merchant model for partnership, and the finished project lifespan.

Director Hsueh requested the commentors questions and concerns are addressed in the report that goes to the Board.

The Committee received the information and took no formal action.

4.3 Receive and Discuss Information Regarding the Status of Potential Groundwater Banking Projects.

Recommendation: Receive and discuss information regarding the status of potential groundwater banking projects.

Kaho Kong 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 including: projects in the portfolio, adaptive management and the Monitoring and Assessment Program (MAP) in the Water Supply Master Plan, potential challenges and supplies relating to the Sacramento Regional Bank, and the importance of partnerships with other water agencies.

Director Hsueh reminded staff to include information relating to put and take capacities in future updates on potential groundwater banking projects to the Committee.

Public Comment: None.

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

4.4 Receive Information on the Water Use Projections, Water Demand Elasticity and Customer Affordability Study and Provide Feedback to Staff.

Recommendation: Receive information on the Water Use Projections, Water Demand Elasticity and Customer Affordability Study (Study), including the Study scope, objectives, status updates, and provide feedback to Staff.

Kevin Kostiuk of Raftelis reviewed the information on this item, per the attached Committee Agenda Memo and in the attachments and were available to answer questions with Elaine Vastis of Raftelis and Luke Wang of Hazen & Sawyer.

The Committee discussed the following with staff input including: similarities between Valley Water and other water agencies relating to water demand trends and forecasting, spatial and sector segmentation, and reserve policies.

Public Comment: Peter Van Dyke inquired that since water conservation is successful and water use trends are declining, how will that impact future revenue. Katja Irvin stated that the Urban Water Management Plan tends to overestimate growth and future demand, and to use the plan with caution, requested further details relating to how droughts and demand hardening are being considered, on slide 3 what does it mean to review how expected changes in the service area are utilized, and on slide 13 what are the other considerations related to reserve policies.

Staff stated that revenue projections based on a small rebound, water rates are updated annually, and if water usage plays out differently updates are made. Director Hsueh stated that, over the years, Valley Water has continually improved its tools and methodologies in estimating water demand for the upcoming fiscal year. Staff clarified that Valley Water's Urban Water Management Plan uses supply numbers for the whole county. Chairperson Hsueh requested the fiscal team answer the public commentators questions.

Staff solicited the Committee's inputs on updating the full board about the studies, for each subject (water use projection, water demand elasticity, customer affordability) or until the completion of all three subjects. The Committee did not have a specific recommendation for staff.

Director Ballard stated she likes drilling down on land use information.

The Committee received the information and took no formal action.

4.5 Review and Discuss Water Supply and Demand Committee (WSDMC) Work Plan and Upcoming Discussion Items.

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

Public Comment: None.

The Committee received the information and briefly discussed the schedule of agenda items. The Committee unanimously agreed to cancel the June 2, 2025 meeting.

5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS:

Stephanie Simunic stated no clarification was needed. The Committee took no action.

6. ADJOURN:

6.1. Adjourn to Regular Meeting at 10:00 a.m. on Monday June 23, 2025.

Chairperson Hsueh adjourned the meeting at 1:53 p.m.

Date Approved: June 23, 2025

Stephanie Simunic
Assistant Deputy Clerk II

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