Santa Clara Valley Water District
Santa Clara Valley Water Commission Meeting

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

REGULAR MEETING
AGENDA

Wednesday, October 23, 2024
12:00 PM

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

Hon. Lydia Kou, Chairperson
Hon. Domingo Candelas, Vice Chairperson

Director Nai Hsueh, District 5
Director Richard Santos, District 3
Director John L. Varela, District 1

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.

Rachael Gibson
(Staff Liaison)
Stephanie Simunic
(COB Liaison)
Assistant Deputy Clerk II
ssimunicl@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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REGULAR MEETING
AGENDA

Wednesday, October 23, 2024 **12:00 PM** **HQ. Bldg. Boardroom, 5700 Almaden Expressway, San Jose, California**
Join Zoom Meeting: https://valleywater.zoom.us/j/91095453959#

IMPORTANT NOTICES AND PARTICIPATION INSTRUCTIONS

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

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

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

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

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

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1 (669) 900-9128, 91095453959#

1. CALL TO ORDER:

1.1. Roll Call.

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

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

3. APPROVAL OF MINUTES:

3.1. Approval of April 10, 2024 Santa Clara Valley Water Commission Minutes. 24-0931

Recommendation: Approve the minutes.

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

Attachments: Attachment 1: 041024 WC Mtg. Mins. - Pending Com. Approval

Est. Staff Time: 5 Minutes

4. REGULAR AGENDA:

4.1. Receive Information and Provide Feedback on Valley Water's Water Supply Master Plan 2050. 24-0832

Recommendation: Provide feedback on the development of Water Supply Master Plan 2050.

Manager: Kirsten Struve, 408-630-3138

Attachments: Attachment 1: Project Evaluation Summary
Attachment 2: 2050 Conservation Goal
Attachment 3: Potable Reuse Goal
Attachment 4: Additional Water Supply Portfolios
Attachment 5: PowerPoint

Est. Staff Time: 45 Minutes

4.2. Review Santa Clara Valley Water Commission Work Plan, the Outcomes of Board Action of Commission Requests; and the Commission's Next Meeting Agenda. 24-0936

Recommendation: Review the Commission work plan to guide the commission's discussions regarding policy alternatives and implications for Board deliberation.

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

Attachments: Attachment 1: 102324 Water Commission Work Plan

Est. Staff Time: 5 Minutes

5. INFORMATIONAL ITEM:

5.1. Standing Items Report. 24-0928

Recommendation: Standing Items Report
This item allows the Santa Clara Valley Water Commission to receive verbal or written updates and discuss the Board's Fiscal Year 2023-2024 Work Plan Strategies. These items are generally informational; however, the Committee may request additional information and/or provide collective input to the assigned Board Committee.

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

Attachments: Attachment 1: Board Work Plan Standing Items Report

Est. Staff Time: 5 Minutes

6. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.

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

7. REPORTS:

7.1. Directors Report

7.2. Manager's Report

7.3. Committee Member Report

7.4. Information Links:

https://www.valleywater.org/how-we-operate/committees/board-committees
•Board Policy and Monitoring Committee (BPMC) - formerly Board Policy and Planning Committee & Diversity and Inclusion Ad Hoc Committee
•Environmental Creek Cleanup Committee (ECCC) - formerly Homeless Encampment Committee
•Water Supply and Demand Management (WSDM) - formerly Water Storage Exploratory Committee & Water Conservation & Demand Management Committee

https://www.valleywater.org/your-water/water-supply-planning/monthly-water-tracker
•Water Tracker

8. ADJOURN:

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

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Santa Clara Valley Water District

File No.: 24-0931

Agenda Date: 10/23/2024
Item No.: 3.1.

COMMITTEE AGENDA MEMORANDUM
Santa Clara Valley Water Commission

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

SUBJECT:
Approval of April 10, 2024 Santa Clara Valley Water Commission Minutes.

RECOMMENDATION:
Approve the minutes.

SUMMARY:
A summary of Committee discussions, and details of all actions taken by the Committee, during all open and public Committee meetings, is transcribed and submitted for review and approval.

Upon Committee approval, minutes transcripts are finalized and entered into the District's historical records archives and serve as historical records of the Committee's meetings.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:
The approval of minutes is not subject to environmental justice analysis.

ATTACHMENTS:
Attachment 1: 041024 WC Meeting Minutes - Pending Com. Approval 7-24

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

SANTA CLARA VALLEY WATER COMMISSION MEETING

DRAFT MINUTES

REGULAR MEETING SESSION
WEDNESDAY, APRIL 10, 2024
12:00 PM

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER:

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

A quorum of 11 was established of Commission members present in person.

1.1 Roll Call.

Members in attendance were:

Municipality	Representative	Alternate
City of Cupertino	J.R. Fruen	
Town of Los Gatos		Hon. Maria Ristow
City of Milpitas	Hon. Carmen Montano	
City of Monte Sereno	Hon. Evert Wolsheimer	
City of Morgan Hill	Hon. Gino Borgioli	
City of Palo Alto	Hon. Lydia Kou	
City of San José	Hon. Domingo Candelas	
City of Santa Clara	Hon. Kathy Watanabe	
City of Saratoga	Hon. Chuck Page	
Open Space Authority Santa Clara Valley	Hon. Mike Flaugher	
Midpeninsula Regional Open Space District	Hon. Jed Cyr	

Members not in attendance were:

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

Valley Water Board representatives in attendance were Chairperson Nai Hsueh (District 5) and Vice Chairperson Richard Santos (District 3).

Staff members in attendance were: Jennifer Abadilla, Aaron Baker, Sam Bogale, Enrique De Anda, Andrew Gschwind, Cynthia Johnson, Michele King, Candice Kwok-Smith, Emelia Lamas, Dave Leon, Marta Lugo, Nicole Merritt, Carmen Narayanan, Metra Richert, Mario Rivas, Don Rocha, Kirsten Struve, Darin Taylor, Cheryl Togami, Gregory Williams, and Jing Wu.

Public in attendance were: Hon. Rebecca Eisenberg (Valley Water Board Member-District 7), Hon. Pete Dailey (City of Los Altos), Katja Irvin (Sierra Club), Dylan Lehmann (City of San Jose), Shilpa Mehta (City of Santa Clara), James Sylvain (City of Morgan Hill), Emily Yarsinske (City of Mountain View), and Gary Welling (City of Santa Clara).

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

3. APPROVAL OF MINUTES:

3.1. Approval of January 24, 2024 Santa Clara Valley Water Commission Meeting Minutes.

Recommendation: Approve the minutes.

The Commission considered the attached minutes of the January 24, 2024 meeting.

Public Comments:
None.

It was moved by Hon. Domingo Candelas and seconded by Hon. Gino Borgioli, and the minutes were unanimously approved as amended to correct/replace Hon. Susan Landry with Hon. Karen Hardy for the Election of Chairperson motion by Hon. Domingo Candelas which was subsequently withdrawn under Item 5.1.

4. REGULAR AGENDA:

4.1. Review Proposed Fiscal Year 2024-25 Groundwater Production Charges and Provide Feedback.

Recommendation: Review proposed Fiscal Year 2024-2025 groundwater production charges and provide feedback.

Carmen Narayanan reviewed the information on this item, per the attached Commission Agenda Memo; and per the information contained in Attachment 1.

Carmen Narayanan, Darin Taylor, Aaron Baker, Board member representatives Chairperson Hsueh, and Vice Chairperson Santos were available to answer questions.

Public Comments:
Valley Water Director Rebecca Eisenberg noted concern regarding not having ability to speak on the amendment to the motion.

The Commission received the information, and noted the following:

- The Commission noted Valley Water's efforts to provide long-range, smooth, and stable water rate projections to water retailers and the available online monthly water tracker report at valleywater.org.
- The Commission confirmed the shifting of the Safe, Clean Water Program funding for the Pacheco Reservoir expansion project plan did not affect the water rate projections.
- The Commission noted Valley Water's cost saving measures of a staff hiring freeze, cost cutting budget measures, the Capital Improvement Committee's support of projected rates, continued review of the Water Supply Master Plan 2050 for prioritizing long term projects, and backing off from the Palo Alto purified water project for future evaluation.
- The Commission confirmed the State Water Project (SWP) tax per

household is levied on all parcels in Santa Clara County and pays for the SWP costs for imported water from the Delta.

- The Commission noted concern for rate payers absorbing rate increases and long-range rate affordability, and confirmed Valley Water's plans to engage a consultant to conduct a water demand, elasticity, and affordability study for Santa Clara County for next fiscal year's rate setting cycle.
- The Commission confirmed the ground water rate in the North County Zone W-2 is higher than the South County Zone W-8 is due to the infrastructure and the cost of the benefits provided within that zone per Pages 3 and 5 on Attachment 1 and further detailed information is available at valleywater.org per the Protection and Augmentation of Water Supplies (PAWS) report.
- The Commission noted the two major drivers for the projected rate increases are the capital projects for the Rinconada Water Treatment Plant and the Anderson Dam.

It was moved by Hon. Gino Borgioli and seconded by Hon. Maria Ristow that the Committee approve to endorse the recommendation to the Board for the proposed Fiscal Year 2024-25 Groundwater production charges.

Hon. Kathy Watanabe requested to amend the motion to include the language for Valley Water to continue to explore options to reduce water rates and Hon. Domingo Candelas noted support for this amendment.

Hon. Gino Borgioli accepted the amendment to the motion, but the second was withdrawn by Hon. Maria Ristow per support for endorsing the motion without the proposed amendment and noted the possible increase of project delays and additional costs.

The motion was subsequently seconded by Hon. Domingo Candelas, and the motion was carried by majority vote that the Committee approved to endorse the recommendation to the Board for the proposed Fiscal Year 2024-25 Groundwater production charges with the amendment for Valley Water to continue to explore options to reduce water rates.

Hon. Domingo Candelas left the meeting and did not return.

4.2. Review Santa Clara Valley Water Commission Work Plan, the Outcomes of Board Action of Commission Requests; and the Commission's Next Meeting Agenda.

Recommendation: Review Santa Clara Water Commission Work Plan, the outcomes of Board action of Commission requests; and the Commission's next meeting agenda.

The Committee considered this Item without a staff presentation.

Nicole Merritt and Board member representatives Chairperson Hsueh, and Vice Chairperson Santos were available to answer questions.

Public Comments:
Valley Water Director Rebecca Eisenberg noted support for the Water Commission to meet more often, the appointment of interested Water Commissioners who attend scheduled meetings, a future agenda item regarding water expenses affecting North County, and interest in future Water Commission meeting discussions.

The Commission received the information, noted Rachael Gibson as the Board assigned staff support contact, and took no formal action.

5. CLERK REVIEW AND CLARIFICATION OF COMMISSION 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 Commission during the meeting.

Nicole Merritt confirmed Committee approval of January minutes with amendment under Item 3.1; the Committee approval of endorsement of groundwater production charges with amendment under Item 4.1; and noted Work Plan under Item 4.2.

6. ADJOURN:

6.1. Adjourn to Regular Meeting at 12:00 p.m. on July 24, 2024.

Chairperson Lydia Kou adjourned the meeting at 1:22 p.m., to the regular meeting at 12:00 p.m. on July 24, 2024.

Nicole Merritt
Assistant Deputy Clerk II

Date approved:

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File No.: 24-0832

Agenda Date: 10/23/2024
Item No.: 4.1.

COMMITTEE AGENDA MEMORANDUM
Santa Clara Valley Water Commission

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

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

RECOMMENDATION:
Provide feedback on the development of Water Supply Master Plan 2050.

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

Valley Water is working on developing the WSMP 2050. At the January 24, 2024 Water Commission meeting, staff presented the first update on the development of the WSMP 2050, including the planning framework and baseline needs assessment. This memorandum summarizes the progress since then and includes project evaluation that details each project's benefits and risks/challenges; cost analysis for individual projects and portfolios; representative portfolios under three themes that present different strategies to address future water shortages; and a proposed adaptive management approach to support making incremental investment decisions as projects develop. In addition, it includes recommended water conservation and potable reuse goals.

Water Supply Needs and Challenges
Valley Water operates a complex and interconnected water supply system to conjunctively manage supplies from surface water (imported and local) and groundwater to meet county-wide demand, now and in the future. With conjunctive management and continued investment, Valley Water's existing system has proven flexible and reliable in meeting demands in most years, but extended droughts continue to be the greatest challenge. According to the WSMP analyses, if relying only on existing

supplies and infrastructure, Valley Water will experience water shortages during the later years of an extended drought beginning in 2035, mostly driven by changing demands, regulations, and climate change. In 2050, the average shortage over a six-year drought could be as much as 76,000 acre-feet per year (AFY), depending on the projected demand and imported water supply conditions. These shortages are large and already account for meeting drought calls and long-term conservation goals. Therefore, Valley Water needs to invest in new projects to address those shortages to ensure long-term water supply reliability for Santa Clara County.

In addition to future water shortages, Valley Water's existing water supply system is aging and in need of maintenance and upgrading. At the same time, water infrastructure projects are becoming increasingly complex and expensive, which affects affordability and water rates. Therefore, Valley Water's WSMP 2050 aims to develop an investment strategy that balances providing safe clean water, reliability, adaptability, and affordability.

Project Evaluation
To address future water supply needs and other challenges, Valley Water evaluated nearly 20 projects. The project types and major projects within each group are listed below.

- Alternative Supply
  - San José Direct Potable Reuse (DPR)
  - Palo Alto Potable Reuse
  - Local Seawater Desalination
  - Refinery Recycled Water Exchange
- Surface Supply
  - Delta Conveyance Project (DCP)
  - Sites Reservoir
- Storage
  - Pacheco Reservoir Expansion (Pacheco)
  - Los Vaqueros Expansion (LVE)
  - B.F. Sisk Dam Raise (Sisk)
  - Out of County Groundwater Banking (GW Bank)
- South County Recharge
  - San Pedro Ponds Improvement
  - Coyote Valley Recharge Pond
  - Madrone Channel Expansion

The projects were evaluated both quantitatively (supply benefit and cost) and qualitatively, to provide a comprehensive understanding of their benefits and risks. The evaluation started with a detailed analysis of the water supply benefit and cost of each project, followed by a qualitative assessment of each project's reliability in providing planned benefits, likelihood of success, environmental impacts, jurisdiction and partnership, and public acceptance. The environmental impacts of major projects are based on their published Environmental Impact Reports, which detail their impacts on natural and/or cultural resources and other aspects of the environment. Each project's benefits to Valley Water's water supply reliability as well as associated risks and challenges based on the evaluation criteria are summarized in Attachment 1.

The project evaluation confirms that while all projects are beneficial to Valley Water's long-term water supply reliability, no single project can meet all our future needs and each project has risks and challenges. Some projects provide needed supply during droughts but are costly; others are lower in cost but are high risk or do not contribute significantly to drought reliability; and yet others require agreements with partners and therefore their success remains out of Valley Water's direct control. Furthermore, many projects are in the planning phase and still evolving, adding further uncertainty on their costs, benefits, and risks. Portfolios of projects that complement each other could provide a balanced, diverse, and sustainable water supply to address future needs and challenges.

Valley Water also developed water conservation and reuse goals for inclusion in the plan, as they are important components in our effort to address future shortages.

- **2050 Conservation Goal**
  A 2050 water conservation goal of 126,000 AFY was adopted by the Board of Directors (Board) on July 9, 2024, which is considered ambitious but implementable and balances benefits with affordability concerns (Attachment 2). This water conservation goal recognizes that Santa Clara County is already very water efficient and complements the State's "Making Water Conservation a Way of Life" regulation. It allows Valley Water to stay at the forefront of conservation with sufficient feasible program expansion options supported by community interest and reduces the need to invest in additional new supplies and/or storage. Meeting long-term conservation goals throughout the planning horizon is factored into baseline assumptions in the analysis. In addition, Valley Water will continue to implement the 'no-regrets' package of conservation and stormwater capture projects identified in the WSMP 2040.

- **Potable Reuse Goal**
  Potable reuse is a locally controlled and drought-resilient supply that is effective in mitigating drought risks. The Recycled Water Committee recommends a goal of 24,000 AFY of potable reuse by 2035, which can be achieved with a project in collaboration with the Cities of San José and Santa Clara, and a long-term vision to maximize water reuse in the county up to 32,000 AFY. This long-term vision includes additional potable and non-potable reuse, desalination, stormwater capture, and other alternative water sources. (Attachment 3). The inclusion of a 2035 goal with the long-term vision promotes a phased approach that accounts for uncertainty with future demand and wastewater availability while balancing affordability and risk of overinvestment.

Project Cost Analysis
Cost is one of the most important factors when developing a recommended investment strategy because of its impact on water rates and affordability. Cost analysis for water infrastructure projects typically includes multiple metrics to provide a complete picture of their financial implications. Valley Water's cost analysis was performed at the project and portfolio levels. For each project, the cost analysis includes total lifecycle cost and unit cost estimates. For each portfolio, the cost analysis includes total lifecycle cost, water rate impacts, and the cost of shortage. The cost of shortage is defined as the dollar amount that water users would be willing to pay to avoid water shortage, which

is calculated based on the economic theory of demand and relies on price elasticities and forecasted demands (among other variables). The cost metrics are calculated using similar approaches to other agencies and are based on inputs from the WSMP expert panel.

The lifecycle cost includes capital and annual operations and maintenance costs over a project's useful service life with financing. The useful service life is assumed to be the time before a project incurs any significant repair/replacement costs - 30 years for purified water, desalination, and local pipeline projects; and 50 years for storage and other projects. The unit cost calculation is handled separately for supply and storage projects because they function very differently. For supply projects, the unit cost is calculated using present values of lifecycle cost relative to the anticipated average annual supply benefit (Table 1). For storage projects, a "storage capacity cost" or cost per acre-foot of storage capacity is calculated (Table 2) because of the challenges in estimating their annual water supply yields. Therefore, unit costs can be used to compare projects within the same group, but not for comparing supply projects with storage projects. All costs are represented in 2023 dollars. These cost calculations may be updated in future updates. The portfolio cost analysis is discussed in a later section, and cost of shortage analysis will be included in a future Board update.

Table 1 Cost of Major Supply Projects (in 2023 Dollars)

Project	Average Annual Supply (AF)	Capital Cost (Million)	Annual O&M (Million)	Present Value (PV) Lifecycle Cost (Million)	Lifecycle Cost PV/ Yield PV ($/AF)	Annualized Unit Cost ($/AF)
Palo Alto Potable Reuse	8,000	$780	$13	$1,570	$10,200	$9,000
San José Direct Potable Reuse	24,000	$2,140	$30	$2,610	$6,400	$5,000
Local Seawater Desalination	24,000	$2,140	$30	$2,610	$6,400	$5,000
Refinery Recycled Water Exchange	8,000	$250	$9	$430	$2,800	$2,500
Delta Conveyance Project	14,000	$650	$2	$720	$2,700	$1,800
Sites Reservoir	5,000	$140	$0.6	$130	$1,200	$1,000

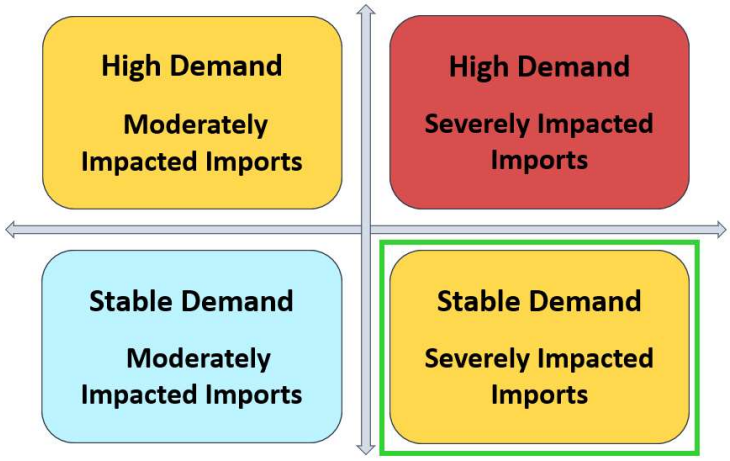
Table 2 Cost of Major Storage Projects (in 2023 Dollars)

Project	Storage (AF)	Capital Cost (Million)	Annual O&M (Million)	PV Lifecycle Cost (Million)	Lifecycle Cost PV/ Storage Capacity ($/AF)
Pacheco	140,000	$2,210	$2.5	$1,590	$11,400
B.F. Sisk Dam Raise	60,000	$440	$1.8	$470	$7,900
Los Vaqueros Expansion	30,000	$260	$3.2	$350	$11,700
Groundwater Banking	350,000[1]	$280	$2.8	$350	$1,000

[1]Different levels of Groundwater banking were used in the portfolio analysis.

Overall Water Supply Strategy
As presented in the January Board and committee update, portfolio analyses are used to identify the combinations of projects that may be needed to achieve water supply reliability under four future supply and demand conditions (Figure 1) based on different combinations of imported water supplies (moderately or severely impacted) and demand (stable or high).

Figure 1 Four Future Conditions for Planning



The portfolio analysis for this update was focused on a future with stable demand and severely reduced imported water supplies. The portfolios evaluated for this condition also work for the best-case condition (stable demand and moderately impacted imports), generally perform similarly to another middle-of-road condition (high demand and moderately impacted imports), and serve as the foundation for developing portfolios for the worst-case condition (high demand and severely reduced imported supply). Given these similarities, this memorandum summarizes water supply portfolios for the stable demand/severely reduced imported water supply condition. Additional projects needed to address the worst-case future condition with high demand and severely reduced imports will be included in a future update.

With the high number of potential projects, there are many combinations and strategies to achieve long-term water supply reliability, depending on different considerations and factors. The development of portfolios involved extensive water supply modeling to ensure that potential portfolios address projected shortages.

To help outline investment options and present tradeoffs, potential investment strategies were developed based on three themes - lower cost, local control, and diversified. Under each strategy, multiple portfolios can meet future water supply needs. Based on the project evaluation and discussions with both internal and external experts, one representative portfolio for each strategy was selected for this presentation and summarized in Table 3, along with the total lifecycle cost. Additional portfolios that would address projected shortages are provided in Attachment 4.

Table 3 Multiple Strategies for Water Supply Reliability

Strategies	Projects[1]	Portfolio Cost[2] (Billion)
Lower Cost	San José Direct Potable Reuse, DCP, Sisk, Groundwater Banking (250,000 AF), South County Recharge	**$4.0**
Local Control	San José Direct Potable Reuse, Palo Alto Potable Reuse, Pacheco without Partners, Groundwater Banking (150,000 AF), South County Recharge	**$5.9**
Diversified	San José Direct Potable Reuse, DCP, Pacheco with Partners, LVE, Sisk, Groundwater Banking (350,000 AF), South County Recharge	**$5.5**

[1]Conservation is factored in the baseline condition.
[2]Portfolio cost includes the sum of the present value total cost for each project.

These three potential strategies represent different approaches to water supply reliability, but each comes with tradeoffs:

- **Lower Cost** - Focuses on affordability and minimizing costs, with a mix of supply and storage projects. The strategy provides drought-resilient supply through potable reuse, diversifies existing storage, and secures existing imported supply through DCP. However, it has high risks, as all four major projects require partnership and institutional agreements to be successful.

- **Local Control** - Focuses on projects within Santa Clara County which Valley Water has more control over. The strategy provides drought-resilient supply through potable reuse, diversifies existing storage, provides emergency storage, and reduces reliance on imported supply. However, it has the highest cost, as it includes the three most expensive projects being considered (two potable reuse projects and Pacheco).

- **Diversified** - Focuses on diversifying the existing system with a mix of local and imported supplies as well as storage projects. The diversified strategy, which is most closely aligned

with the FY 2024-25 rate-setting portfolio, provides a similar variety of benefits as the other two strategies but builds in more resiliency and redundancy to help reduce the county's exposure to risk and uncertainty, including the risk of any one investment not performing up to expectations. However, it has a relatively high cost and more institutional complexity since it includes more projects.

All three strategies include Direct Potable Reuse in San José, emphasizing the importance of having drought-resilient local supplies in the long-term strategy. This project is also needed in nearly all other portfolios in the Attachment 4. It should also be noted that all strategies require Valley Water to either maintain existing level of storage or further diversify and develop additional storage.

As part of each portfolio evaluation, rate impacts for each portfolio were analyzed. The adopted FY 2024-25 water rates (commonly referred to as groundwater production charges), as presented to the Board in January, April and adopted in May 2024, most closely align with the Diversified portfolio. The Diversified portfolio includes an expanded investment in Groundwater Banking (350,000 AF) and higher Delta Conveyance Project (DCP) costs than are included in the FY 2024-25 rate-setting portfolio. Results are summarized in Table 4 below.

Table 4. Water Rate Impact Comparison Between Strategies
Translation of portfolio costs to North County Zone W-2 Municipal & Industrial rate ($/AF), or average monthly impact to an average household[1]

Strategy	FY 26 to FY 30	FY 31 to FY 35	FY 36 to FY 40	FY 41 to FY 45	FY 46 to FY 50
FY 2024-25 Adopted Rates & PAWS Report[2]	*$2,985 / AF or $102.81 / month*	*$4,786 / AF or $164.82 / month*	*$7,385 / AF or $254.35 / month*	*$7,956 / AF or $273.99 / month*	*$7,956 / AF or $273.99 / month*
Lower Cost	$2,866 / AF or $98.71 / month	$4,296 / AF or $147.96 / month	$6,581 / AF or $226.65 / month	$7,068 / AF or $243.42 / month	$7,068 / AF or $243.42 / month
Local Control	$3,359 / AF or $115.70 / month	$5,627 / AF or $193.80 / month	$8,134 / AF or $280.14 / month	$8,731 / AF or $300.69 / month	$8,835 / AF or $304.28 / month
Diversified	$3,100 / AF or $106.75 / month	$5,153 / AF or $177.45 / month	$7,686 / AF or $264.71 / month	$8,344 / AF or $287.37 / month	$8,377 / AF or $288.51 / month

For purposes of this analysis, an average household is assumed to use 15 hundred cubic feet, or 0.413 acre-feet, of water per month.
[2] PAWS Report: Annual Protection and Augmentation of Water Supplies Report, February 2024. Available online at < www.valleywater.org>.

South County Strategy

South County residents, businesses, and agriculture rely almost entirely on groundwater for water supply. Valley Water actively manages the groundwater basins to ensure continued sustainable supplies and takes appropriate action to protect groundwater-dependent communities such as prioritizing South County recharge during droughts. Groundwater recharge ponds are essential for long-term reliability and have played a critical role in drought recovery. With "weather whiplash" (frequent shifts between extremely wet and dry years) becoming more common and the

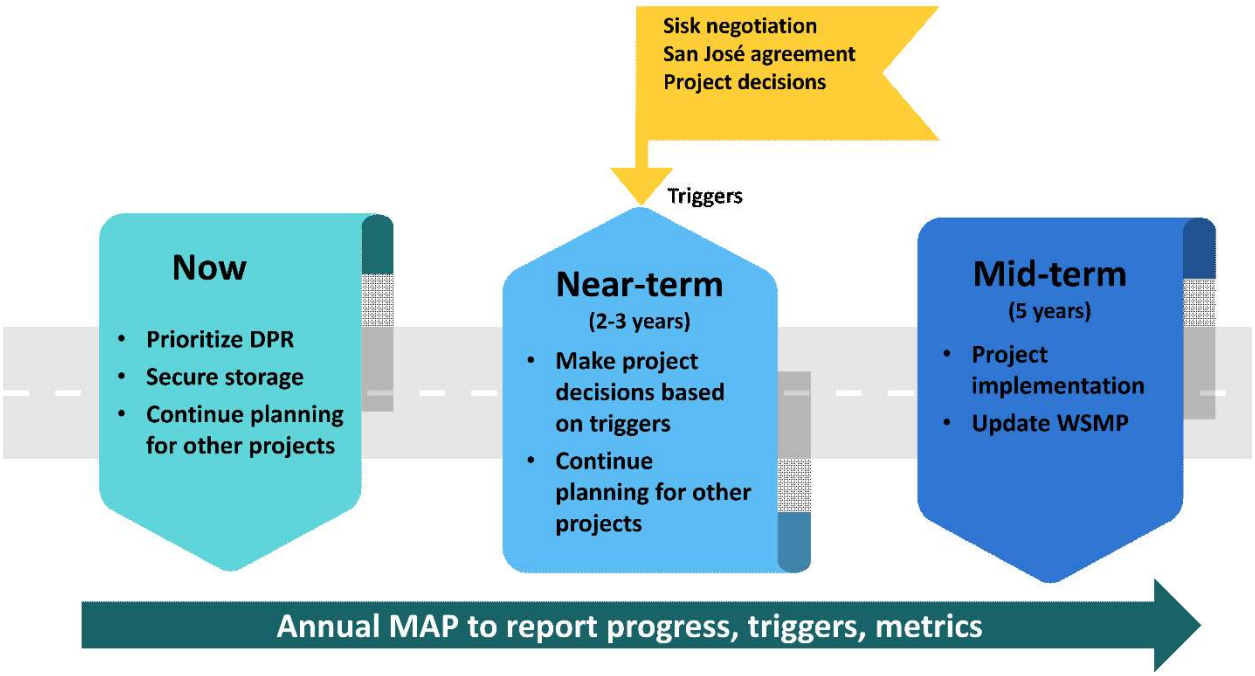
high local reliance on groundwater, there is a need for additional recharge capacity in South County.

In this plan, several recharge projects in the South County are being evaluated, including expansion of the Madrone Channel, a new recharge pond in the Coyote Valley, San Pedro Ponds Improvement Project, and Agricultural Land Recharge (FloodMAR). In addition, Valley Water recently worked with the South County partner agencies to complete the 2024 update to the South County Recycled Water Master Plan to identify opportunities for additional water reuse.

Adaptive Management Framework
Portfolio analysis suggests that there are different ways to achieve future water supply reliability, each with tradeoffs and risks and challenges. Because many WSMP projects are still in the planning phase and will evolve, it is hard to predict which will ultimately be successful. Uncertainty with forecasted future supply and demand conditions further challenges decision-making. Planning under such deep uncertainty requires an adaptive management approach to provide the Board with flexibility and the ability to make incremental investment decisions and refine them over time, based on evolving information and actual conditions. Incremental decisions based on actual conditions will help reduce the risk of over- or under-investing.

The adaptive framework is intended to define a consistent, stepwise process of making project and program investment decisions. The framework includes a roadmap and annual reporting. The roadmap outlines near- and mid-term actions and defines triggers and conditions for project decisions, and the annual reporting tracks project progress and provides up-to-date information to help inform decision-making. A preliminary conceptual roadmap is presented in Figure 2.

Figure 2 Proposed Roadmap for Adaptive Management



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

Some example triggers and indicators that will guide as to whether to stay the course or pivot to different pathways include:

- Negotiations and agreements with other agencies (i.e., Sisk Dam Raise Project or direct potable reuse facility with the Cities of San José and Santa Clara)
- Timing of upcoming project decisions
- Groundwater bank negotiations
- Annual water use
- Annual supply
- Conservation measures (water savings, program participation)
- Imported water allocations
- Growth trend/demand

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

Next Steps
Staff will finalize the analysis and roadmap and return to the Board and committees for another update in the Fall. Staff will also start to draft the plan for adoption in 2025.

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

ATTACHMENTS:
Attachment 1: Project Evaluation Summary
Attachment 2: 2050 Conservation Goal
Attachment 3: Potable Reuse Goal
Attachment 4: Additional Water Supply Portfolios
Attachment 5: PowerPoint

UNCLASSIFIED MANAGER:

Kirsten Struve, 408-630-3138

Attachment 1 – Project Evaluation Summary

Project	Benefits	Risks/Challenges	Expected online date
San José Direct Potable Reuse – Constructs an advanced water purification facility in San José to produce purified water for potable reuse. Purified water may augment treated and/or raw water supplies.	Up to 24,000 acre-feet per year (AFY) of locally controlled, drought resilient supply that is critical in mitigating risks of multi-year droughts. Increase operational flexibility.	Requires agreements with City of San José. Public acceptance remains mixed. High capital and operational costs. Requires reverse osmosis concentrate (ROC) management solutions.	2033
Palo Alto Potable Reuse – Construct an Advanced Water Purification Facility in Palo Alto to produce purified water for potable reuse.	8,400 AFY of locally controlled, drought resilient supply to mitigate risks of multi-year droughts.	Requires agreements with Palo Alto, public acceptance remains mixed, high capital and operational costs. Requires long-term ROC management solutions	Currently on CIP unfunded list
Local Seawater Desalination – A seawater desalination project in Santa Clara County using seawater from the South San Francisco Bay. Desalinated water could augment existing treated and/or raw water supplies.	Up to 24,000 AFY of locally controlled, drought resilient supply that mitigate risks of multi-year droughts and improve water supply reliability. Increase operational flexibility.	Project currently at the pre-feasibility stage. Environmental challenges, including brine management, power needs, and permitting in the sensitive Bay environment. High capital and operational cost. Multiple regulatory permitting steps.	2035
Refinery Recycled Water Exchange – A regional recycled water project between Valley Water, Central Contra Costa Sanitary District (Central San), and Contra Costa Water District (CCWD). The project will allow Central San to provide recycled water to two oil refineries in Contra Costa County in lieu of CCWD's Central Valley Project (CVP) water. CCWD will then	On average 8,500 - 10,000 AFY of imported water supply. Reduces regional reliance on the Delta. Increases regional drought resiliency.	Uncertainty in refinery demands and delivery of CVP supply. CCWD currently evaluating the project in their long-term plan. East Bay Municipal Utility District (EBMUD) also evaluating the project.	2030

provide its freed-up CVP supply to Valley Water.			
Delta Conveyance Project – Modernize the State Water Project (SWP) infrastructure in the Delta by adding new facilities to divert water and upgrading the current conveyance system. The project is intended to restore and protect the reliability of SWP water deliveries and, potentially, CVP water supplies south of the Delta.	At current 3.23% participation level, the project could provide on average 14,000 AFY of water supply benefits to Valley Water. It will help secure existing Delta-conveyed supplies, and improve access to transfer supplies and quality of imported water supplies.	Implementation complexity, long-term operational uncertainty, active public opposition due to environmental concerns, and long-term financing uncertainty.	2045
Sites Reservoir – A proposed off-stream water supply reservoir north of the Delta to provide new water supply by capturing flood flows from the Sacramento River. The project would be operated in coordination with the SWP and CVP.	Valley Water is assuming 2.7% participation level in the portfolio analysis, which could potentially provide dry year yield of around 9,200 AFY and 37,000 AF of storage. It also offers access for transfers and lease/purchase of additional storage.	Public opposition, requires through-delta conveyance, future regulatory changes. Project is currently fully subscribed.	2032
Pacheco Reservoir Expansion – Enlarges Pacheco Reservoir from about 5,500 AF to 140,000 AF and connects the reservoir to the Pacheco Conduit. The reservoir plans to be filled with natural inflow and imported (CVP and/or SWP) supplies. The project is currently moving toward 60% design.	Locally controlled, provides emergency storage with no annual carryover storage limit, downstream benefits for threatened fish, manages water quality impacts from San Luis Reservoir, diversifies Valley Water's storage program, captures and stores CVP Section 215 and SWP Article 21 water when available, and increases operational flexibility. Grant funding.	Public opposition, rising cost, environmental impact on cultural resources, difficulty in securing partners, and increased long-term environmental commitments.	2035
Los Vaqueros Expansion – Expand Los Vaqueros Reservoir storage from 160,000 to 275,000 AF and build the Transfer-Bethany Pipeline to connect the	Currently seeking to purchase at least 30,000 AF of dedicated storage to store imported supplies. The project can help diversify Valley Water's storage program and	Proposed storage currently under negotiation with the project's Joint Power Authority, CCWD maintains priority use, no guaranteed put/take	2033

reservoir to the California Aqueduct.	increase operational flexibility in conveying imported water.	timing and capacity for Valley Water, Operational and institutional complexity.	
B.F. Sisk Dam Raise – Expands the capacity of San Luis Reservoir by 130,000 AF. New capacity would be shared by Reclamation and project participants and may be operationally integrated with the CVP.	Valley Water is currently negotiating for 60,000 AF of storage for imported supplies. If secured, the storage may help diversify Valley Water's existing storage program, capture and store CVP Section 215 and SWP Article 21 water when available, and increase operational flexibility.	Proposed storage is under negotiation. Requires moving a portion of Route 152.	2032
Out of County Groundwater Banking – Participate in one or more Groundwater Banking Programs located within the Central Valley. Semitropic Groundwater Bank contract expires in 2035 and will need to be renegotiated.	Historically among the most cost-effective options. New programs may help diversify Valley Water's existing storage program, potentially increasing current put and take capacities.	No identified projects yet. Significant institutional, technical, and political hurdles to overcome, and potential competition with other agencies**.**	TBD
South County Recharge – Several projects in the South County are being evaluated, including San Pedro Ponds Improvement Project, Coyote Valley Recharge Pond, and Madrone Channel Expansion.	Increase recharge capacity and maximize use of existing infrastructure to help improve water supply reliability for South County. Increase operational flexibility in South County, help South County groundwater levels rebound from drought more efficiently.	May require landowner support. In preliminary planning phase.	2030

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Attachment 2
2050 Conservation Goal
Santa Clara Valley Water District

File No.: 24-0448

Agenda Date: 5/17/2024
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:
Review Potential Water Conservation Targets for Inclusion in the 2050 Water Supply Master Plan; and Recommend to the Santa Clara Valley Water District Board the 126,000 Acre Feet per Year (AFY) (Option B) Water Conservation Goal by 2050 for Inclusion in the Water Supply Master Plan 2050.

RECOMMENDATION:
Recommend to Santa Clara Valley Water District Board the 126,000 Acre Feet per Year (Option B) water conservation goal by 2050 for inclusion in the Water Supply Master Plan 2050.

SUMMARY:
Santa Clara Valley Water District (Valley Water) is the primary water resources agency in Santa Clara County, California, and serves about 2 million residents, primarily through 13 water retailers. Valley Water has been providing water conservation programs to its retail agencies' customers since 1992 and offers over 20 programs to reach all customer sectors to achieve the Valley Water Board of Directors (Board) long-term 2030 and 2040 water conservation goals. The Water Supply and Demand Management Committee (formed by merging the Water Conservation and Demand Management Committee and Water Storage Exploratory Committee (Committee)) and the Board monitor progress on achieving conservation goals. Additionally, the Water Supply Master Plan (Master Plan) which includes the conservation goals is updated every five (5) years and has an annual Monitoring and Assessment Program (MAP) report that presents progress on meeting the conservation goal. Through the Master Plan and MAP updates, the Committee and Board can modify the goals as new technologies, regulations, and trends become available or enacted.

Valley Water is currently developing its Master Plan 2050 and seeks to identify new 2050 conservation goals for inclusion in the Master Plan. Staff are presenting three options to achieve additional savings beyond Valley Water's 2040 conservation goal of 110 thousand acre-feet a year (TAFY). Three (3) potential 2050 Conservation Goals (2050 Goals), the menu of conservation programs, and the cost-effectiveness of achieving the portfolios being considered were presented at the December 2023 and January 2024 Committee meetings. At the January 2024 meeting, the

Committee requested a report back with additional comprehensive rationale presented for Board analysis including further details of comparisons with other similar agencies, current water conservation performance indicators, and the implementation of option strategies. This memorandum includes these additional details.

Goal Development Approach

Valley Water developed three 2050 Goals by evaluating its current program, potential future programs, and peer agency programs. The evaluation of current and potential future program offerings included estimated water savings, estimated community interest, implementability, cost effectiveness, and support for retailers in achieving State regulations. Staff also reviewed peer agency programs to see if there are applicable programs that Valley Water has not yet evaluated. In general, staff found that the number and variety of Valley Water's programs are equal or exceed our peer agency programs, but plan on completing a more detailed benchmarking study of the conservation programs at peer agencies over the next year.

Valley Water offers a comprehensive set of over 20 programs that help all sectors (e.g., residential, agricultural, commercial, industrial, and institutional) reduce their water use and most are cost effective and/or provide important community education about water use and conservation. The current conservation program costs approximately $600/AF. However, certain programs could be expanded or added in the future if Valley Water increases investment in conservation.

The three 2050 Goals summarized in the next section offer different options for investing in water conservation through 2050. As the conservation goal increases, the cost increases, staffing needs increase, and implementability will likely become more difficult. Implementability may become more difficult because Santa Clara County is relatively efficient, so it may be necessary to engage new customers and install new water-saving technology. Our retail customer average residential gallons per capita per day (GPCD) in the county during non-drought conditions (using years 2018-2020) ranges between approximately 71-74. In comparison, average statewide residential GPCD during the same period was between 85-93. Therefore, Santa Clara County is approximately 20% more efficient than the State of California on average and is in the top 10 of most efficient counties. During drought, additional water use reduction calls may also become more challenging as our community becomes more efficient which could impact meeting Valley Water's Level of Service goal.

Valley Water also considered expected future water use regulations when designing the 2050 Goal options. Per Senate Bill 1157 (SB 1157), the State developed indoor residential water use limits of 42 GPCD starting in 2030. Valley Water estimates that indoor residential water use accounts for approximately 50% of all residential water use. Most of our retailers' customers already achieve the SB 1157 water use limits, although some retailers will need to work with their customers to reduce their water use to meet SB 1157. Each of the three 2050 Goals presented in the next section will help all of Santa Clara County to meet or continue meeting the SB 1157 water use limits.

Potential Conservation Savings Goals

The potential 2050 Goals would be fulfilled by leaning into Valley Water's existing program while still providing flexibility to enhance existing and add new programs. Three (3) potential 2050 Goals and

unit costs have been identified and are described below:

1. *Option A Savings Goal* - 119 TAFY by 2050. This goal increases annual water savings by 10 TAFY above the 2040 goal. To achieve the increased savings, Valley Water would continue to offer the existing suite of programs but expand the reach of the programs to access more customers. This option acknowledges that current Valley Water programs are cost effective and provide water saving options to a wide range of users. This goal will cost the least, at approximately $1,230/acre-foot in 2023 dollars, while still providing additional conservation. However, this goal will not capitalize on proposed new cost-effective programs or incentives.

2. *Option B Savings Goal* - 126 TAFY by 2050. This goal increases annual water savings by 17 TAFY above the 2040 goal. To achieve the increased savings, Valley Water would need to significantly expand the reach of its current programs and add a leak assistance program. This would require additional conservation investment and increased staffing. To achieve this goal, Valley Water will need to increase annual average active water savings to 14 TAFY from 11 TAFY, which is equivalent to the water savings rate achieved during droughts when messaging and public awareness is at its greatest. Expanding the reach of existing programs and adding new programs will result in a total cost of $1,338/acre-foot in 2023 dollars. While this goal will require more investment than Option A, it does allow Valley Water to stay at the forefront of conservation by offering new innovative programs and technologies to Santa Clara County residents. With sufficient investment and retail agency outreach support, Valley Water could likely achieve Option B by 2050.

3. *Option C Savings Goal* - 133 TAFY by 2050. This goal increases annual water savings by 24 TAFY above the 2040 goal. To achieve the increased savings, Valley Water would need to do everything proposed in Option B while also reducing outdoor water use by an additional 25% compared to the 2020 estimated outdoor water use, expanding program offerings, and increasing staffing beyond that needed in Option B. While this option is technically feasible, its implementation would require significant expansion of our landscape rebate program and strong support from our retailers to encourage customer participation. Local ordinances that outlaw watering front yard lawns could help support this savings goal option, but Valley Water understands the significant difficulty and uncertainty involved in working with cities to implement such ordinances. Valley Water estimates that the effort involved to achieve Option C would cost $1,690/acre-foot.

Figure 1 summarizes the: (1) passive savings achieved as of 2020 within the Valley Water service area, (2) the active savings from past implementation as of 2020, (3) projected additional passive savings estimated to occur in the future, and (4) the additional active savings to be achieved from program implementation that would be required to achieve the potential 2050 Goals.

Figure 1. Potential 2050 Conservation Savings Goals - Active and Passive Savings

Staff Recommendation

Staff recommends the Committee recommend Option B as the 2050 Water Conservation Goal for Board adoption. Option B provides Valley Water an ambitious but implementable goal that will ensure Santa Clara County is a leader in conservation, ensure we use our water supplies wisely, and balances affordability concerns.

While Option A is the lowest cost alternative, based on the committee feedback so far, staff recommends choosing a more aggressive goal. By going with Option A, Valley Water may have to invest in additional expensive supply and storage projects in lieu of the additional savings that could be achieved with Option B. While Option B would require increasing participation by approximately 200%, which in turn will require additional staffing and funding resources, staff are confident that Valley Water can achieve Option B.

Option C would require significant investment to expand staff resources and program offerings. Even with the expanded funding, achieving Option C would still be very difficult and require significant support from our partner agencies. While technically feasible, there is uncertainty as to whether it could be achieved by 2050. If Valley Water chooses Option C, it may risk under-investing in other new supplies and storage if meeting the goal gets delayed and will also affect revenues.

To summarize, selecting Option B:

1) Is feasible

2) Balances costs with benefits
3) Reduces need to invest in additional new supplies and/or storage
4) Makes “Conservation a Way of Life” in Santa Clara County
5) Allows Valley Water to stay at the forefront of conservation

The long-term water conservation goals (i.e., 2030, 2040, and 2050) are monitored annually by the Committee and the Board as part of the long-term water conservation progress update and the Master Plan Monitoring and Assessment Program (MAP) update. Additionally, the Master Plan, including conservation goals, is updated every five (5) years. Through MAP and the Master Plan updates, the Committee and Board can modify the goals as new technologies, regulations, and trends become available or enacted. Therefore, staff think that Option B is an aggressive, achievable and productive goal, and that Valley Water has processes in place that can allow the Board to increase the goal if new technologies or regulations become available.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:
Environmental justice and equity impact on EJ population are expected/likely to result from the implementation of the water conservation program to achieve 2050 Goals. The recommendation of Option B was selected to balance cost and benefit; the benefits and the impact/mitigation strategies on disadvantaged communities are discussed in greater detail below.

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
Attachment 2: 2050 Master Plan Potential Savings Goal Memo.
Attachment 3: 2050 Mstr. Pln. Conserv. Measure Dtls. & Portfolios
Attachment 4: Link to 2021 Water Conservation Strategic Plan

UNCLASSIFIED MANAGER:
Kirsten Struve, 408-630-3138

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Attachment 3
Potable Reuse Goal
Santa Clara Valley Water District

File No.: 24-0740

Agenda Date: 8/28/2024
Item No.: 4.3.

COMMITTEE AGENDA MEMORANDUM
Recycled Water Committee

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

SUBJECT:
Discuss the Recycled Water Goal for the Water Supply Master Plan (WSMP); and Recommend to the Valley Water Board a Potable Reuse Goal of 24,000 Acre Feet per Year (AFY) by 2035, and a Long-Term Vision to Maximize Water Reuse in the County up to 32,000 AFY, (Including Additional Potable and Non-Potable Reuse, Desalination, Stormwater Capture, and Other Alternative Water Supply Sources) for Inclusion in the WSMP 2050.

RECOMMENDATION:
Recommend to the Valley Water Board a potable reuse goal of 24,000 AFY by 2035 and a long-term vision to maximize water reuse in the county up to 32,000 AFY, (including additional potable and non-potable reuse, desalination, stormwater capture, and other alternative water supply sources) for inclusion in the WSMP 2050.

SUMMARY:
Valley Water's Water Supply Master Plan (WSMP) is a guiding document for long-term water supply investments to ensure water supply reliability for the county. The WSMP is regularly updated to evaluate anticipated water demands and water supply and infrastructure projects. As one of the WSMP project options, water reuse is a locally controlled and drought resilient supply that will help ensure our county's water supply in the face of climate change. Valley Water's Board of Directors (Board) have set a goal to promote, protect, and expand potable and non-potable reuse within the county. At the July 31, 2024 Recycled Water Committee (Committee) meeting, the Committee asked staff to include a higher aspirational goal as part of the WSMP 2050, in addition to the 24,000 AFY potable reuse goal by 2035. Maintaining 24,000 AFY as the goal for portfolio modeling will provide the Board with flexibility to consider storage and supply projects in addition to potable reuse.

The following options for a higher aspirational goal were evaluated. The goal could be met with any combination of potable reuse and desalination, however, the options were developed based on actual potential projects and potential wastewater availability.

Option 1 45,000 AFY is based on potential available wastewater for potable reuse in Palo Alto, San

José and Sunnyvale. This analysis was previously presented to the Committee on December 6, 2023 and is summarized in the following table. This would be a high-cost option and would require amending the existing water transfer agreement with Palo Alto to allow for additional time for implementation and negotiating agreements with Sunnyvale in addition to San José.

Partner Agency	**Potential Future Wastewater Availability (AFY)**	**Potential Purified Water Production (AFY)**
Palo Alto	10,000	8,000
Sunnyvale	5,600	4,800
San José / Santa Clara	est. 40,000	24,000 - 32,000
SCRWA	Fully Utilized in the Summer	--
Countywide Total:	55,600	36,800 - 44,800

Option 2 48,000 AFY is based on a 24,000 AFY potable reuse project and a 24,000 AFY desalination project. Desalination feasibility is currently being studied as a back up to potable reuse. The cost of this option is estimated to be about $5.4 billion. Desalination could have higher greenhouse gas emissions and will face challenges with brine disposal. Some environmental stakeholders have expressed concern about desalination. The feasibility study approved by the Board on July 9, 2024 will provide additional information as to whether such a project would be feasible.

Option 3 32,000 AFY based on a Palo Alto and San José potable reuse project. The cost of this option would be $4.9 billion. The Palo Alto purified water project is currently being modeled as a Direct Potable Reuse project in the WSMP portfolio analysis.

Several of these options are already included in WSMP portfolios that were presented to the Board in July. The Local Control theme included one portfolio which included Option 2 and another portfolio that included Option 3. Option 1 has not been modeled specifically, but since it is close to the Option 2 amount it can be extrapolated that it would model in a similar manner. Based on WSMP modeling, if these portfolios were able to be implemented, no additional storage or supply projects would be needed except a smaller amount of groundwater banking. These Local Control portfolio costs range from $4.6 billion to $5.9 billion. In addition to being high-cost options, the portfolios with maximized potable reuse are more risky as they do not diversify storage and supply which is inconsistent with Valley Water's long-term planning goals.

At this time, with our current water supply system, a 24,000 AFY project is facing utilization issues, meaning that there is not sufficient demand, conveyance or storage during normal and wet years to utilize all of the water that would be produced, which is the majority of the time. A larger facility does not necessarily result in reduced per acre foot costs, if the water cannot be utilized in the system and risks overinvestment and stranded assets if the facility must be idled. Ultimately, the investment decision on potable reuse should be driven by the county's needs for water and considered along

with other projects being evaluated in the WSMP to meet the Board's goal of affordable water rates. Therefore, a phased approach, with a realistic starting goal and flexibility to increase later as deemed needed towards an aspirational goal, is recommended given the risk and uncertainty associated with future demand, wastewater availability, and social/economic conditions.

Valley Water has supported non-potable reuse by our wastewater partners. Currently our wastewater partners recycle eleven percent of wastewater countywide.

Facility	2023 Wastewater Treated (AF)[1]	2023 Recycled Water Produced (AF)[2]	Recycled Water: Wastewater
Palo Alto	23,000	1,800	8%
Sunnyvale	15,000	0[3]	0%
San José/ Santa Clara	112,000	12,500	11%
South County	8,000	2,500	31%
Total:	158,000	16,800	11%

1. eSMR data, accessed 7/10/2024. Sum of daily average influent values.
2. SCVWD Water Tracker. Voluntary survey data provided by respective agency staff.
3. Sunnyvale's recycled water system is currently impacted by ongoing capital improvements at the water pollution control plant.

Our wastewater partners have plans to increase non-potable recycling per their Urban Water Management Plans (UWMP).

Facility	2023 Nonpotable Recycled Water Produced (AF) [1]	2045 Nonpotable Recycled Water Projections[2] (AF)
Palo Alto	1,800	800
Sunnyvale	0[2]	1,700
San José/ Santa Clara	12,500	21,700
South County	2,500	4,100

1. SCVWD Water Tracker. Voluntary survey data provided by respective agency staff.
2. 2020 Urban Water Management Plan. Valley Water. June 2021 (attachment 4)
3. Sunnyvale's recycled water system is currently impacted by ongoing capital improvements at the water pollution control plant.

Non-potable recycling, in some cases, might be a cost-effective way to use the right quality water for the right use, including irrigation, cooling towers, and data centers. Recognizing the increases in non -potable uses, staff recommendation is for Option 3 to be included as the aspirational goal with a review at the next WSMP update to determine if there is a water supply need for a larger project.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

There are no environmental justice and equity impacts associated with this agenda item. This action is unlikely to or will not result in adverse impacts and is not associated with an equity opportunity.

ATTACHMENTS:
Attachment 1: Alternative Water Supply Project Costs.
Attachment 2: Water Supply Master Plan 2050 Portfolios
Attachment 3: PowerPoint
Attachment 4: Link to 2020 Urban Water Management Plan

UNCLASSIFIED MANAGER:
Kirsten Struve, 408-630-3138

Attachment 4 – Additional Portfolios that Meet Water Supply Needs

	Portfolios						
Project	**Lower Cost**		**Local Control**		**Diversified**		
Palo Alto Potable Reuse					X		
San José Direct Potable Reuse	X		X	X	X	X	X
Local Seawater Desalination				X			
Refinery Recycled Water Exchange	X	X				X	
Delta Conveyance Project		X					X
Sites Reservoir						X	X
Pacheco Reservoir Expansion		With Partners	No Partners			With Partners	
Los Vaqueros Expansion		X					
B.F. Sisk Dam Raise		X			X	X	X
Groundwater Banking (Thousand Acre-Feet)	350	350	350	150	250	150	250
South County Recharge Projects	X	X	X	X	X	X	X
Portfolio Cost ($Billion)	**3.4**	**3.4**	**4.6**	**5.4**	**4.9**	**4.8**	**4.2**

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Water Supply Master Plan 2050 Development Update

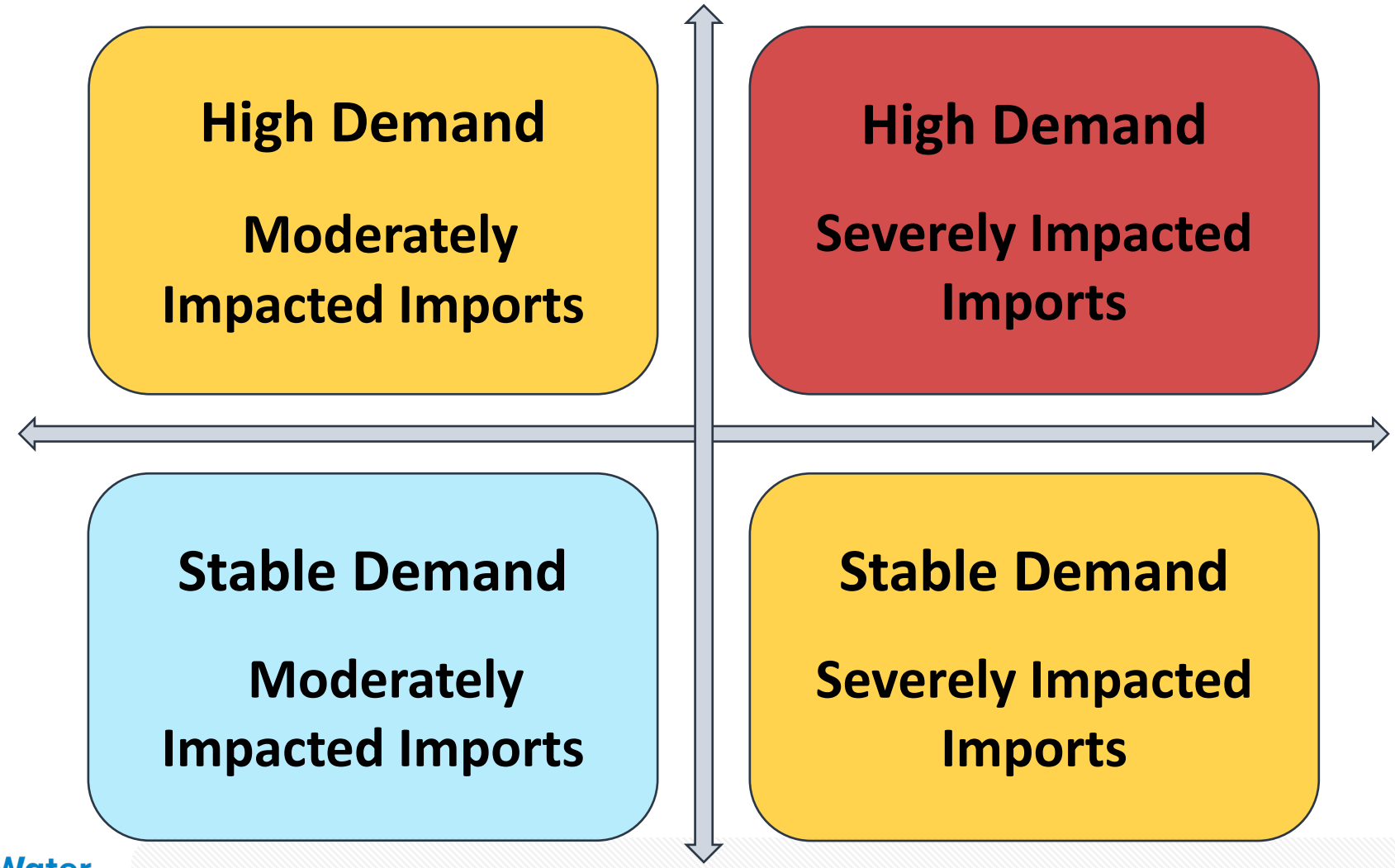
Santa Clara Valley Water Commission

October 23, 2024

WSMP 2050 Updates

- Goals
- Planning horizon
- Wider range of values
- Portfolio approach
- Recognition of uncertainty

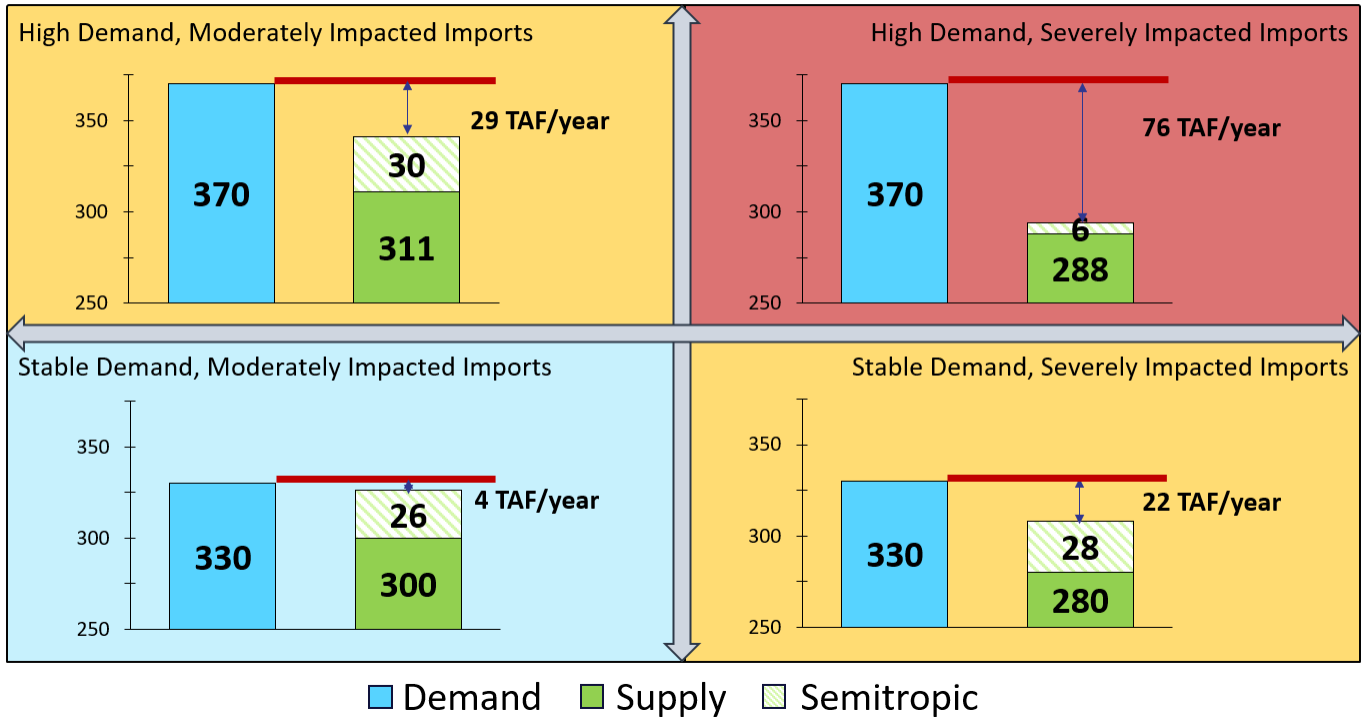
Planning for Multiple Future Conditions



Water Supply Needs and Challenges

- Multi-year droughts
- Climate change impact
- Aging infrastructure
- Affordability

Annual Shortage in Six-year Drought in 2050



Project List Grouped by Primary Benefits

Alternative Supply

Palo Alto Potable Reuse

San José Direct Potable Reuse

Refinery Recycled Water Exchange

Local Seawater Desalination

Surface Supply

Delta Conveyance Project

Sites Reservoir

Stormwater – Agricultural Land Recharge (FloodMAR)

Stormwater Capture

Storage

Pacheco Reservoir Expansion

Los Vaqueros Expansion

Groundwater Banking

B.F. Sisk Dam Raise

Recharge and Pipelines

Coyote Valley Recharge Pond

Lexington Pipeline

Lexington-Montevina Water Treatment Plant Connection

Butterfield Channel Managed Aquifer Recharge

Madrone Channel Expansion

San Pedro Ponds Improvement Project

Project Evaluation

- Water supply benefits
- Cost

- Reliability
- Likelihood of success
- Environmental impacts
- Jurisdiction and partnership
- Public acceptance

Benefits of Major Projects

- Drought supply
- Storage diversification
- Increased system reliability and flexibility
- Emergency storage
- Ability to capture excess CVP and SWP water
- Environmental benefits

Project Risks and Challenges

- Affordability
- Environmental impacts
- Contingent on agreement with other agencies
- Implementation complexity
- Operational and institutional complexity
- Public acceptance

Cost Analysis

- Project cost estimates
  - Total lifecycle cost
  - Unit cost
- Cost of portfolios
- Impact on water rate
- Cost of shortage

Cost of Major Supply Projects

All costs are in 2023 dollars

Project	Average Annual Supply (AF)	Capital Cost (Millions)	Annual O&M (Millions)	Present Value Lifecycle Cost* (Millions)	Lifecycle Cost PV/ Yield PV ($/AF)	Annualized Unit cost ($/AF)
Palo Alto Potable Reuse	8,000	$780	$13	$1,570	$10,200	$9,000
San José Direct Potable Reuse	24,000	$2,140	$30	$2,610	$6,400	$5,000
Local Seawater Desalination	24,000	$2,140	$30	$2,610	$6,400	$5,000
Refinery Recycled Water Exchange	8,000	$250	$9	$430	$2,800	$2,500
Delta Conveyance Project	14,000	$650	$2	$720	$2,700	$1,800
Sites Reservoir	5,000	$140	$0.6	$130	$1,200	$1,000

* Project lifecycles vary

Cost of Major Storage Projects

All costs are in 2023 dollars

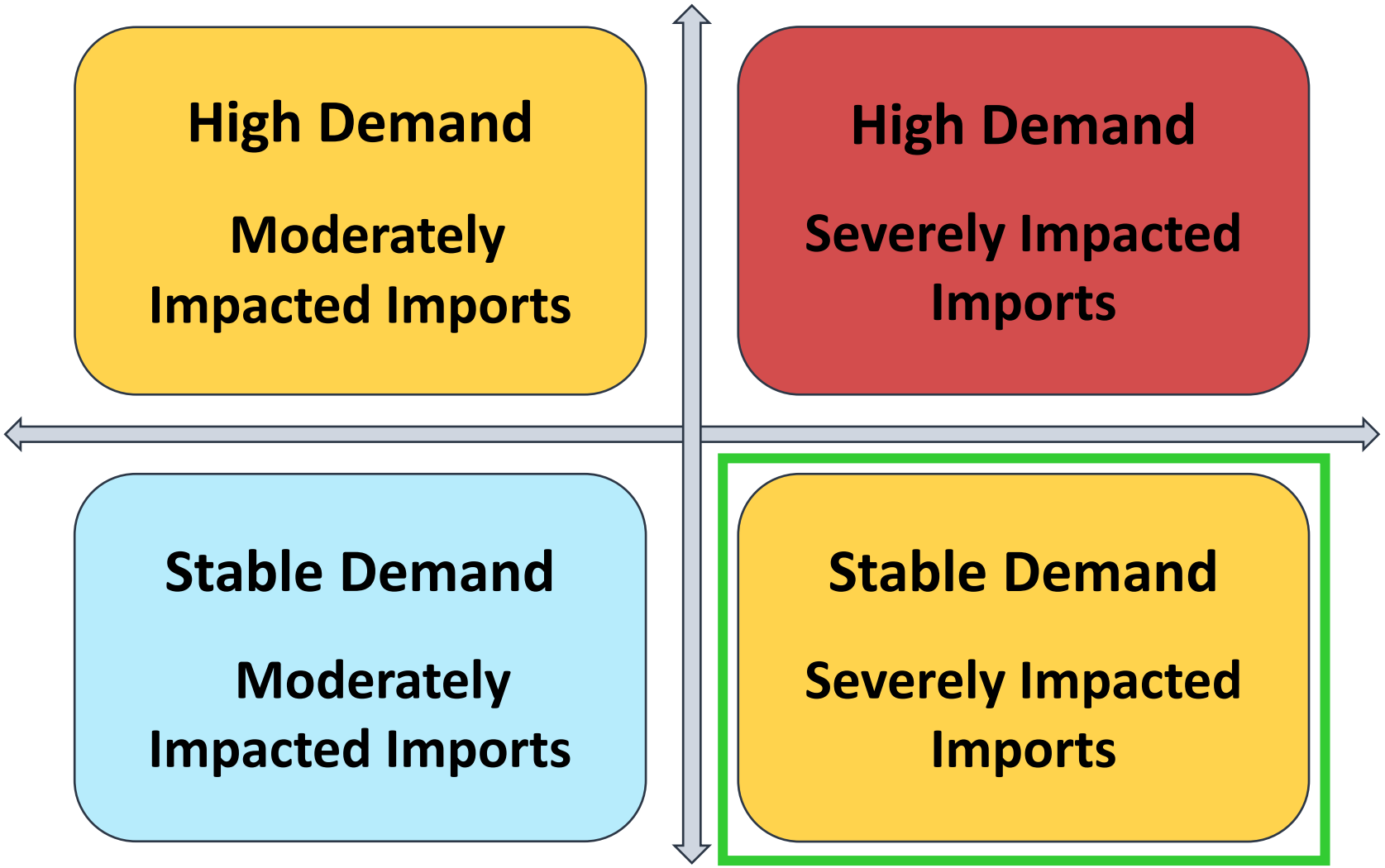
Project	Storage (AF)	Capital Cost (Millions)	Annual O&M (Millions)	Present Value Lifecycle Cost (Millions)	Lifecycle Cost PV /Storage Capacity ($/AF)
Pacheco	140,000	$2,210	$2.5	$1,590	$11,400
B.F. Sisk Dam Raise	60,000	$440	$1.8	$470	$7,900
Los Vaqueros Expansion	30,000	$260	$3.2	$350	$11,700
Groundwater Banking	350,000	$280	$2.8	$350	$1,000

Conservation and Potable Reuse Goals

- Board adopted water conservation goal
  - 126,000 AFY by 2050

- Recycled Water Committee recommended potable reuse goal
  - 24,000 AFY by 2035
  - Long-term vision to maximize water reuse

Focusing on Middle-of-Road Condition



Portfolio Analysis

- Developed three themes to outline options and tradeoffs
  - Lower cost
  - Local control
  - Diversified
- Multiple feasible portfolios under each theme

Strategies for Water Supply Reliability

Lower Cost ($4 Billion)

Local Control ($5.9 Billion)

Diversified ($5.5 Billion)

Total cost represents Present Value of lifecycle cost in 2023 dollars

Rate Impact of Water Supply Strategies

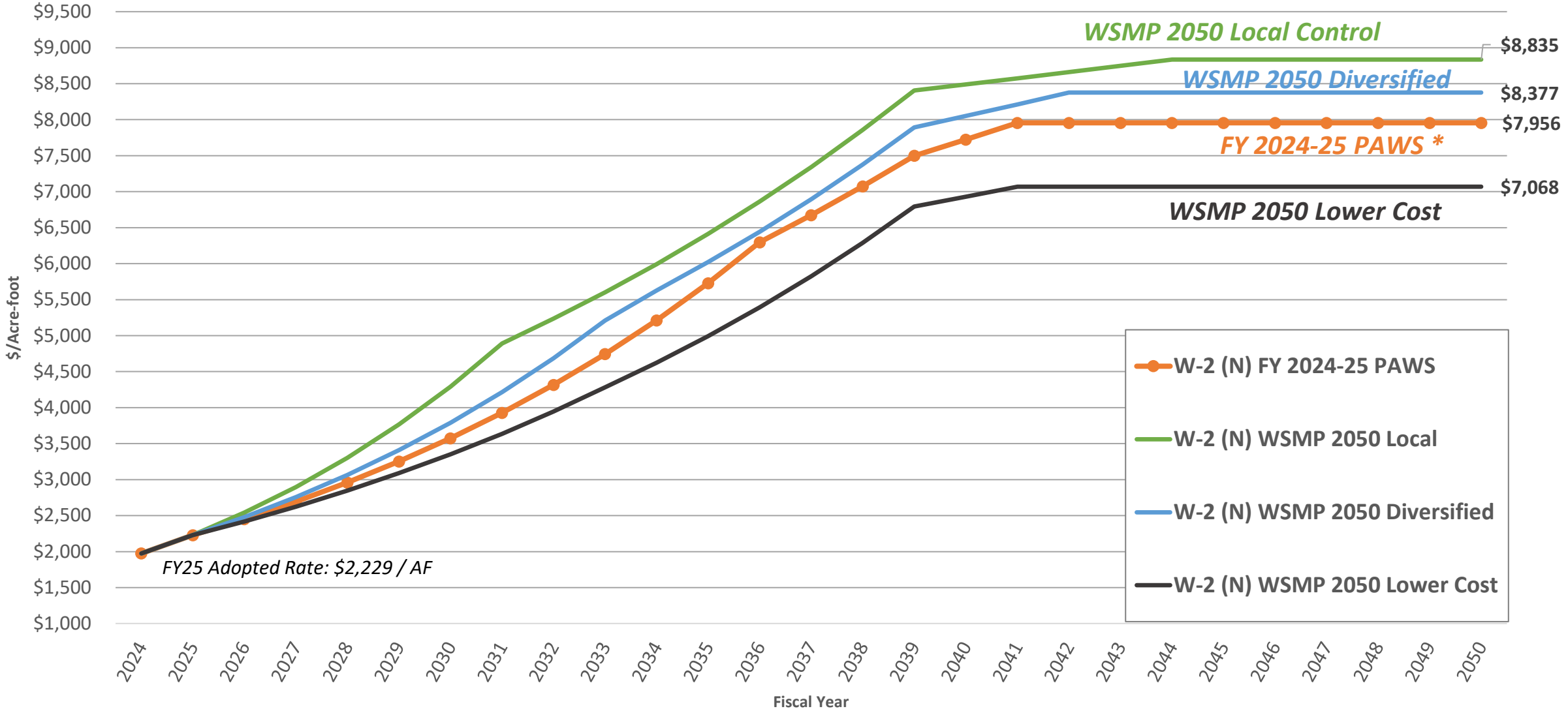
Strategy *	FY 26 to FY 30	FY 31 to FY 35	FY 36 to FY 40	FY 41 to FY 45	FY 46 to FY 50
FY 2024-25 Adopted Rates & PAWS Report	*$2,985 / AF or $102.81 / month*	*$4,786 / AF or $164.82 / month*	*$7,385 / AF or $254.35 / month*	*$7,956 / AF or $273.99 / month*	*$7,956 / AF or $273.99 / month*
Lower Cost	**$2,866 / AF or $98.71 / month**	**$4,296 / AF or $147.96 / month**	**$6,581 / AF or $226.65 / month**	**$7,068 / AF or $243.42 / month**	**$7,068 / AF or $243.42 / month**
Local Control	**$3,359 / AF or $115.70 / month**	**$5,627 / AF or $193.80 / month**	**$8,134 / AF or $280.14 / month**	**$8,731 / AF or $300.69 / month**	**$8,835 / AF or $304.28 / month**
Diversified	**$3,100 / AF or $106.75 / month**	**$5,153 / AF or $177.45 / month**	**$7,686 / AF or $264.71 / month**	**$8,344 / AF or $287.37 / month**	**$8,377 / AF or $288.51 / month**

Valley Water

** Translation of portfolio costs to North County Zone W-2 Municipal & Industrial rate ($/AF), or average monthly impact to an average household (15 hundred cubic feet for purposes of this analysis). The FY 2024-25 PAWS Report can be found online at www.valleywater.org.*

WSMP 2050 Strategies

North County Groundwater Production Charge Projection M&I ($/Acre-Foot)



Valley Water

** FY 2024-25 PAWS represents long-range rate projections as presented to the Board March 26, 2024, and is equivalent to Diversified portfolio excluding Groundwater Banking (350,000 AF) and increased DCP costs.*

Portfolio Evaluation Summary

- No single project can address all future needs
- Different strategies to achieve water supply reliability, with tradeoffs
- Importance of drought resilient supplies and diversifying storage

Adaptive Management Framework

- Planning under deep uncertainty
  - Projects still evolving
  - Uncertainty with forecasted future supply and demand

- Adaptive management framework to provide flexibility for making incremental investment decisions

Projects	Estimated Decision Points					Project Online Date
	2024	2025	2026	2027	2028	
San José Direct Potable Reuse						**2033**
Los Vaqueros Expansion		Final Funding Decision				**2033**
B.F. Sisk Dam Raise	Planning Funding Decision	Final Construction Funding				**2032**
Pacheco			Final EIR/EIS Certification	Final Partnership Negotiations		**2035**
Sites Reservoir		Final Funding Decision				**2032**
Delta Conveyance Project	Funding Decision			Final Contract Decision		**2045**

Sisk negotiation
San José agreement
Project decisions

Triggers

Now

- Prioritize DPR
- Secure storage
- Continue planning for other projects

Near-term (2-3 years)

- Make project decisions based on triggers
- Continue planning for other projects

Mid-term (5 years)

- Project implementation
- Update WSMP

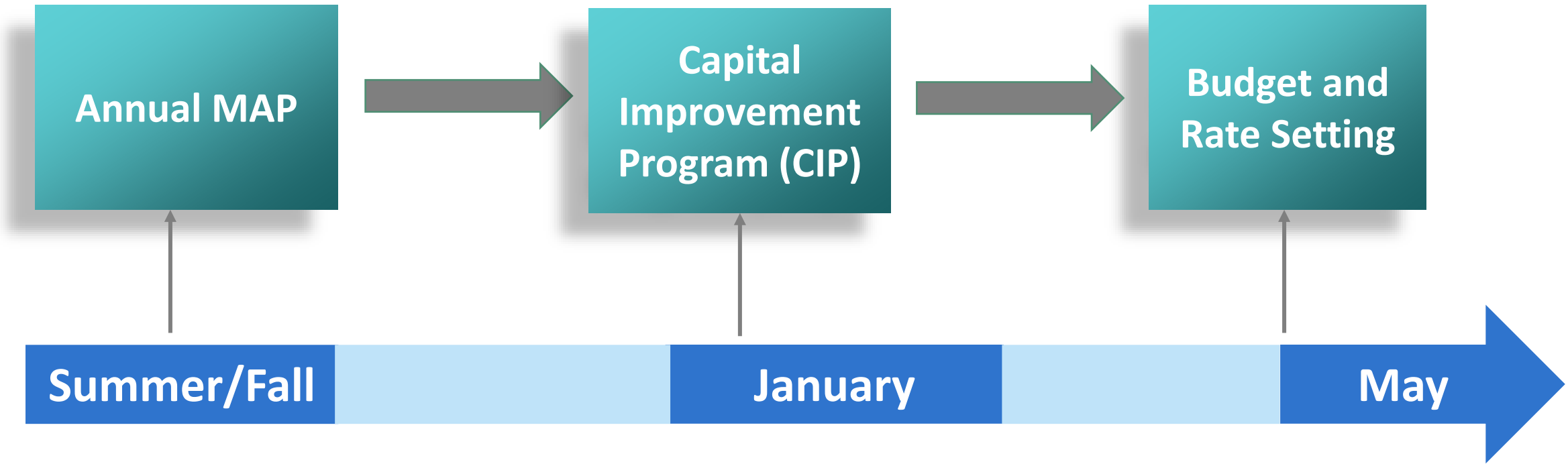
Annual MAP to report progress, triggers, metrics

Example Triggers and Metrics to Track

- **Key triggers**
  - Sisk negotiation
  - San José agreement
  - Upcoming project decisions
  - Groundwater Bank negotiation

- **Metrics to track**
  - Annual supply
  - Annual water use
  - Conservation progress
  - Growth trend/demand

Annual MAP to Support Decision-Making

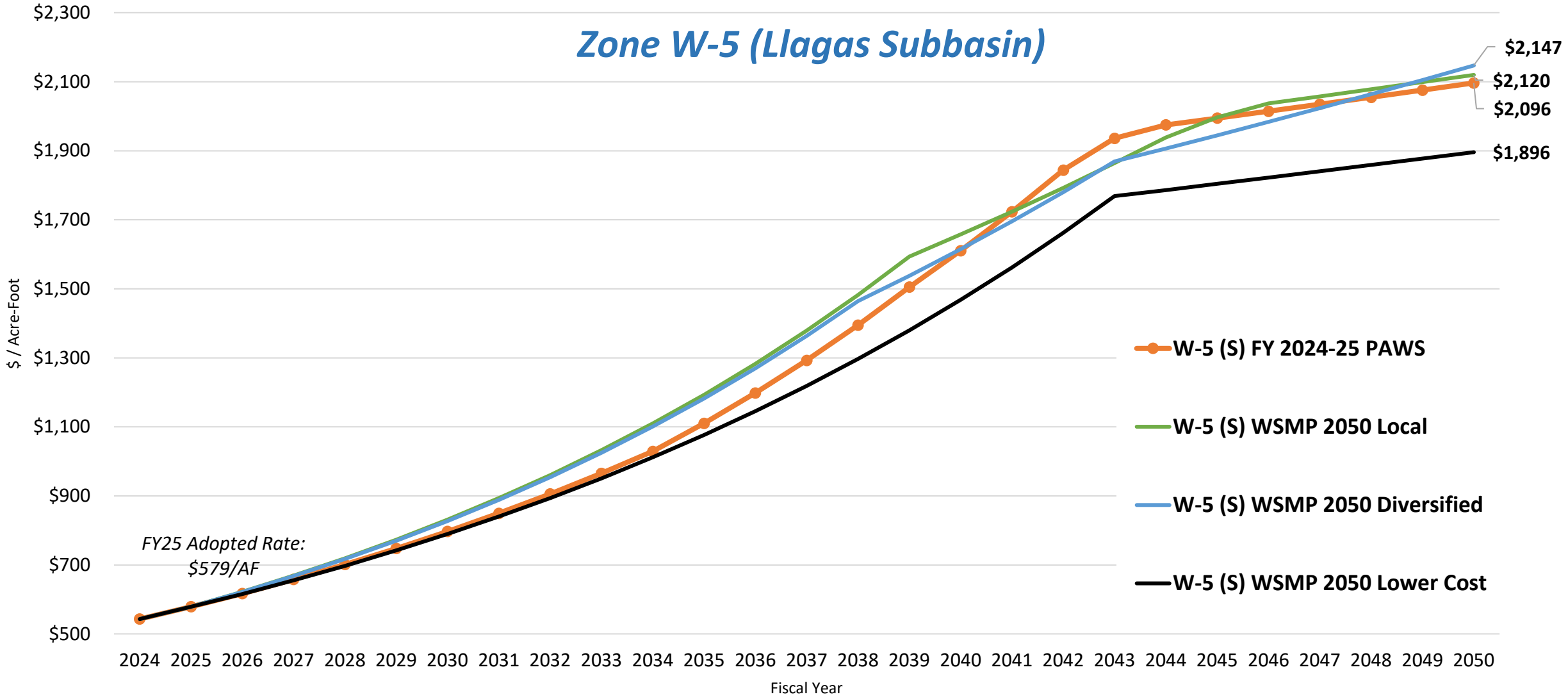


Next Steps

- Roadmap and recommendations
- Plan development
- Stakeholder outreach
- Plan adoption

Backup

WSMP 2050 Strategies
South County Groundwater Production Charge Projection M&I ($/Acre-Foot)



Valley Water

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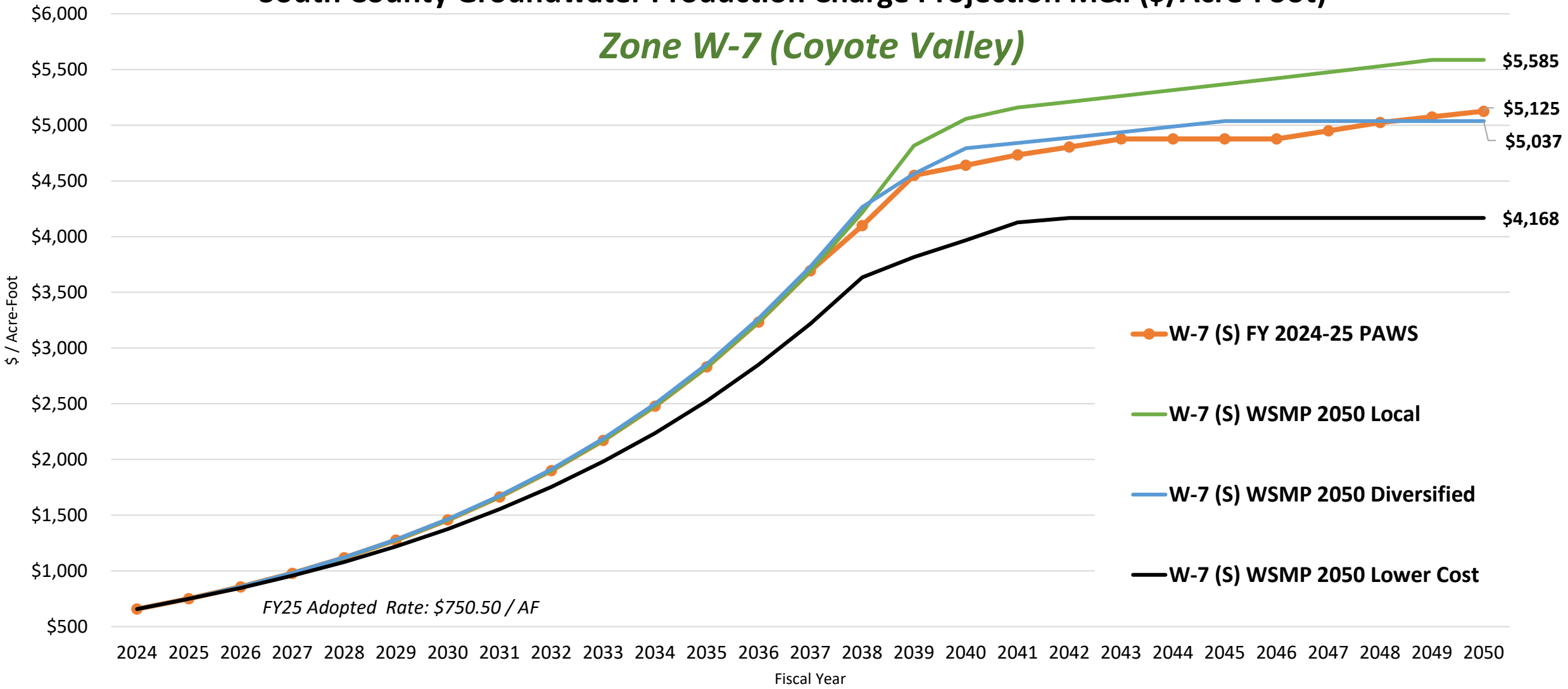
WSMP 2050 Strategies

South County Groundwater Production Charge Projection M&I ($/Acre-Foot)



Valley Water

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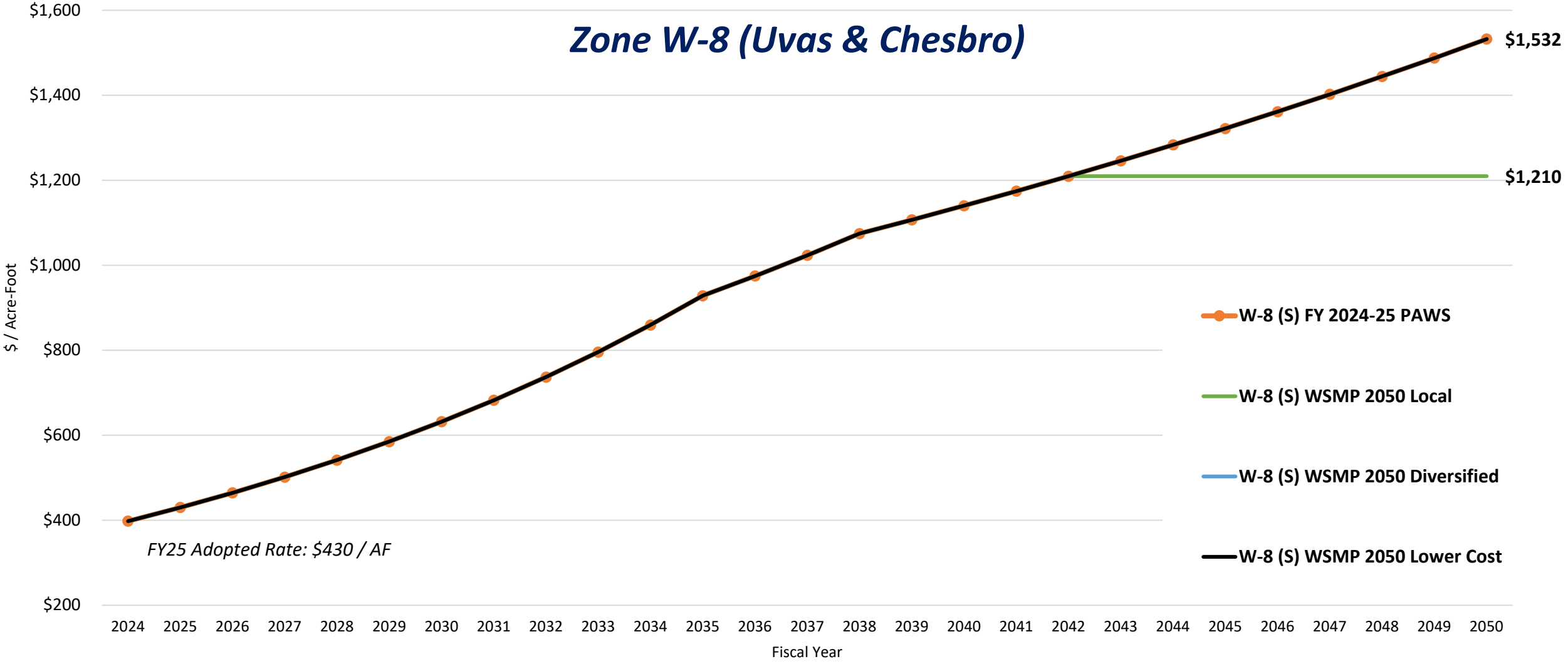
WSMP 2050 Strategies
South County Groundwater Production Charge Projection M&I ($/Acre-Foot)



Valley Water

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Santa Clara Valley Water District

File No.: 24-0936

Agenda Date: 10/23/2024
Item No.: 4.2.

COMMITTEE AGENDA MEMORANDUM
Santa Clara Valley Water Commission

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

SUBJECT:
Review Santa Clara Valley Water Commission Work Plan, the Outcomes of Board Action of Commission Requests; and the Commission's Next Meeting Agenda.

RECOMMENDATION:
Review the Commission work plan to guide the commission's discussions regarding policy alternatives and implications for Board deliberation.

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

BACKGROUND:

Governance Process Policy-8:

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

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

Further, in accordance with Governance Process Policy-3, when requested by the Board, the

Advisory Committees may help the Board produce the link between the District and the public through information sharing to the communities they represent.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:
The review of the Commission's Work Plan is not subject to environmental justice analysis.

ATTACHMENTS:
Attachment 1: 102324 Water Commission Work Plan

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

2024 Work Plan: Santa Clara Valley Water Commission

Update: October 2024

The annual work plan establishes a framework for committee discussion and action during the annual meeting schedule. The Committee work plan is a dynamic document, subject to change as external and internal issues impacting the District occur and are recommended for committee discussion. Subsequently, an annual committee accomplishments report is developed based on the work plan and presented to the District Board of Directors.

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

3	**Review and Comment to the Board on the Fiscal Year 2024 – 2025 Preliminary Groundwater Production Charges**	January 24 April 10	•Review and comment to the Board on the Fiscal Year 2024-2025 Preliminary Groundwater Production Charges. **(Action)** •Submit requests to the Board, as appropriate.	**Accomplished January 24, 2024:** The Committee received information and provided feedback on the Fiscal Year 2024-2025 Preliminary Groundwater Production Charges and took no action. **Accomplished April 10, 2024:** It was moved by Hon. Gino Borgioli and subsequently seconded by Hon. Domingo Candelas, (original second withdrawn) and the motion was carried by majority vote that the Committee approved to endorse the recommendation to the Board for the proposed Fiscal Year 2024-25 groundwater production charges with the amendment for Valley Water to continue to explore options to reduce water rates.
4	**Receive Information and Provide Feedback on the Development of Valley Water's Water Supply Master Plan 2050**	January 24 July 24 October 23	• Receive Information and Provide Feedback on the Development of Valley Water's Water Supply Master Plan 2050. **(Action)**	**Accomplished January 24, 2024:** The Committee received information and provided feedback on the Fiscal Year 2024-2025 Preliminary Groundwater Production Charges and took no action.
5	**Review of Santa Clara Valley Water Commission Work Plan, the Outcomes of Board Action of Committee Requests and the Commission's Next Meeting Agenda**	January 24 April 10 July 24 October 23	•Receive and review the 2024 Board-approved Committee work plan**. (Action)** •Submit requests to the Board, as appropriate.	**Accomplished January 24, 2024:** It was moved by Hon. Lucas Ramirez and seconded by Hon. Chuck Page and unanimously approved for the review the Santa Clara Valley Water Commission Work Plan on the Consent Calendar under one motion and by roll call vote. **Accomplished April 10, 2024:** The Commission received the information, noted Rachael Gibson as the Board assigned staff support contact, and took no formal action.

6	**Unhoused Discussion with AB1469 update**	January 24	•Have a discussion on the unhoused with an update on AB1469. •Submit requests to the Board, as appropriate.	**Accomplished January 24, 2024:** The Committee received information and provided feedback on the AB 1469 Update and took no action.
7	**Standing Items Report Fiscal Year 2024 Goals and Strategies:**	January 24 October 23	•Receive quarterly reports on standing items, FY2024. **(Information)**	**Accomplished January 24, 2024:** The Committee received the quarterly report on standing items for FY 2024 and took no action.

BOARD WORK PLAN GOALS:

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

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

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

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

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

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

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

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Santa Clara Valley Water District

File No.: 24-0928

Agenda Date: 10/23/2024
Item No.: 5.1.

COMMITTEE AGENDA MEMORANDUM
Santa Clara Valley Water Commission

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

SUBJECT:
Standing Items Report.

RECOMMENDATION:
Standing Items Report
This item allows the Santa Clara Valley Water Commission to receive verbal or written updates and discuss the Board's Fiscal Year 2023-2024 Work Plan Strategies. These items are generally informational; however, the Committee may request additional information and/or provide collective input to the assigned Board Committee.

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

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

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

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:
The Standing Items Report is not subject to environmental justice analysis.

ATTACHMENTS:
Attachment 1: Board Work Plan Standing Items Report

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

FY2023-2024 BOARD WORK PLAN – STANDING ITEMS REPORT

June 2024

INTEGRATED WATER RESOURCES MANAGEMENT GOAL: Efficiently manage water resources across business areas.	
Objective 1:	**Protect and maintain existing assets and infrastructure and advance new projects.**
Updates:	• On January 9, 2024, the Board received an informational update on the Draft Fiscal Year 2025-2029 (FY25-29) Water Utility and Watersheds Operations & Maintenance and Asset Renewal Plans. The Five-Year Water Utility and Watersheds Operations & Maintenance and Asset Renewal Plans (Plans) identify and document the resources needed for operations and maintenance activities and asset replacements and rehabilitations for the next five fiscal years, 2025 to 2029. The Plans forecast the resources needed for operator labor, energy and supplies, preventive and corrective maintenance, and engineering and environmental staff support. Additionally, the Plans forecast asset renewal projects that involve the replacement or rehabilitation of equipment or systems to extend their service life. • On May 13, 2024 the Board approved the Fiscal Year (FY) 2026-2030 Five-Year Capital Improvement Program (CIP). The CIP Five-Year Plan describes Valley Water's capital investment priorities. Valley Water's CIP Final FY 2026-30 Five-Year Plan includes 73 capital projects to be funded, which are categorized as follows: 37 Water Supply, 15 Flood Protection, 13 Water Resources Stewardship, 3 Buildings and Grounds, and 5 Information Technology, for a total cost of $9.570 billion.
Objective 2:	**Improve internal capacity to negotiate and acquire regulatory permits.**
Updates:	• In September 2023, Valley Water hosted an environmentally-focused stakeholders Meeting of a diverse cross-section of environmental leaders to discuss how we can best work together to better accomplish mutually beneficial projects and shared goals, including climate resiliency, environmental stewardship, and potential areas for partnership associated with Valley Water's key projects and priorities. • On June 12, 2024 Valley Water hosted an environmentally-focused stakeholders meeting and presented on Baylands restoration projects, which included updates to the San Francisco Bay Shoreline Project, the Calabazas/San Tomas Aquino Creek-Marsh Connection Project, and the Pond A4 Resilient Habitat Restoration efforts. Participants engaged Valley Water directors and staff with questions about the projects and provided feedback on discussion items for the next meeting.
Objective 3:	**Educate the community, elected officials and external stakeholders on our management of water resources in Santa Clara County.**
Updates:	• On April 15-17, 2024, Valley Water Board Chair Nai Hsueh led senior staff on Valley Water's annual spring trip to Washington, DC, to advocate for funding and policies that benefit Santa Clara County residents. Over the span of two and a half days, the group held more than 15 meetings with agency officials, Members of Congress, and key committee staff. The spring trip is timed to coincide with the release of the President's budget and the kickoff of the annual appropriations process. Key priorities included funding for critical projects like the Anderson Dam Seismic Retrofit and continued federal investment in the South San Francisco Bay Shoreline Project. • On April 30 and May 1, 2024, Valley Water Vice Chair Santos and Director Estremera led senior staff in a series of 19 meetings with state legislators and Newsom Administration officials. Several priority issues were discussed, including AB 2409 (Papan) Permitting Transparency, Valley Water's Climate Resilience Bond priorities, the

	FY 2024-25 State Budget, the Anderson Dam Seismic Retrofit Project, the South San Francisco Bay Shoreline Project, and numerous other state policy issues regarding water supply, flood protection, and environmental stewardship for the people of Santa Clara County. • On May 10, 2024, Valley Water hosted a news conference to highlight our progress on the Anderson Dam Tunnel Project, which included guiding media members and elected officials on a tour inside the tunnel. Director Varela provided remarks during the news conference, along with County Supervisors Sylvia Arenas and Cindy Chavez, Morgan Hill Mayor Mark Turner, and Jean Cohen, Executive Officer of the South Bay Labor Council. The event garnered widespread media attention, with KCBS radio, Morgan Hill Times, Morgan Hill Life, Mercury News, CBS, KTVU, NBC, ABC and Univision sending representatives. • Valley Water's Water 101 Academy program held a graduation ceremony on June 4, where 18 participants received certificates of completion and officially became Water Ambassadors. • In FY24, Valley Water's Education Outreach Program presented to: 9,813 students and 440 educators in 80 schools, and 900 members of the public.

WATER SUPPLY GOAL: Provide a reliable, safe, and affordable water supply for current and future generations in all communities served.	
Objective 1:	**Pursue new and diversified water supply and storage opportunities.**
Updates:	• In October 2023, Valley Water closed on a $92 million Water Infrastructure Finance and Innovation Act (WIFIA) planning and design loan with the U.S. Environmental Protection Agency (EPA) for the Pacheco Reservoir Expansion Project, at an interest rate of 5.08%. Total principal and interest cost for the loan is currently projected at $285.7 million. The WIFIA loan is projected to save Valley Water $45 million over the life of the loan, as compared to issuing long-term debt in the capital markets. Execution of the loan does not commit the Board to take any definitive action with regard to the project. No interest costs will be incurred until the loan is drawn upon, which is not anticipated to occur in Fiscal Year's 2024 or 2025. • On December 8, 2023, the California Department of Water Resources (DWR) reached a significant milestone by releasing the final Environmental Impact Report (EIR) for the Delta Conveyance Project, the State of California's proposed plan to improve the infrastructure that carries water through the Sacramento-San Joaquin Delta. Valley Water will review the final EIR and use it as one of many pieces of information to help inform decisions regarding the project. • On June 25, 2024, staff provided the Board an update on the Delta Conveyance Project including updated project costs and benefit-cost analysis.
Objective 2:	**Secure existing water supplies and water supply infrastructure**
Updates:	• On April 10, 2024, the U.S. Environmental Protection Agency (EPA) established Maximum Contaminant Levels (MCLs) for six per- and polyfluoroalkyl substances (PFAS). Valley Water conducted voluntary quarterly monitoring from 2020 to 2021, at its three drinking water treatment plants, which serve seven local water retailers. None of the six PFAS regulated under the new EPA rule were detected in Valley Water's treated water. Water supplied by Valley Water continues to meet all federal and state regulatory requirements, including the new PFAS drinking water limits, and is safe to drink. Currently, Valley Water does not anticipate a significant impact to its treatment plant operations.

	• On June 25, 2024, the Board was given an update on Valley Water's Water Supply Master Plan 2050, Valley Water's guiding document for long-term water supply investments to ensure water supply reliability for Santa Clara County. Updated approximately every five years, this long-range plan assesses projected future county-wide demands and evaluates and recommends water supply and infrastructure projects to meet those demands to achieve Valley Water's level of service goal through the planning horizon.
Objective 3:	**Lead purified water efforts with committed partners.**
Updates:	• Valley Water secured $680,429 in grant awards from the U.S. Bureau of Reclamation (USBR) Water Recycling and Desalination Planning Fund. $299,180 in grant funding will support the South County Water Reuse Program Feasibility Study Project and $381, 249 will support the San José-Santa Clara Purified Water Program Feasibility Study. • On October 4, 2023 Valley Water hosted a ribbon cutting for the South County Recycled Water Pipeline Project at the South County Regional Wastewater Authority. • For the past five years Valley Water and the cities of Palo Alto and Mountain View have successfully collaborated on the expansion of potable reuse in Santa Clara County, starting with the execution of the 2019 Agreement. Due to affordability issues related to Capital Improvement Program (CIP) cost increases and declining wastewater flows, Valley Water's Board decided on February 27, 2024, to move the Palo Alto Purified Water Project to the unfunded list. The efforts with our city partners as well as regulatory agencies will be helpful as Valley Water moves forward with a Direct Potable Reuse (DPR) project with the Cities of San Jose and Santa Clara. • On March 23, 2024, Valley Water received final approval from the California Department of Public Health, after receiving approval from the California Division of Drinking Water in February 2024, allowing for distribution of 16,000 bottles of purified water for education and outreach purposes. Valley Water is the first agency to bottle purified water for outreach purposes under new regulations established in 2017 and would be the second agency in the State of California and third in the nation to bottle purified water as part of their comprehensive outreach and education program.
Objective 4:	**Complete the Anderson Dam Seismic Retrofit Project.**
Updates:	• On February 20, 2024, the Anderson Dam Seismic Retrofit Project (ADSRP) reached a major regulatory milestone with submittal of an application to surrender the Anderson Dam Hydroelectric Project No. 5737 exemption (surrender petition) to the Federal Energy Regulatory Commission (FERC). • The construction of the Diversion Outlet Structure slabs and walls was successfully completed in April 2024 and the construction of the Diversion Outlet Structure roofs was completed in June 2024. • In February 2024, Valley Water achieved a signification project construction milestone with the completion of the excavation of the 24-foot diameter Low-Level Outlet Tunnel. In August 2024, an 8-foot diameter Micro-Tunnel Boring Machine was launched to advance the lake tap for the stage 1 diversion, completing the tunneling operations for the Anderson Dam Tunnel Project.

Objective 5:	Making water conservation a California way of life in Santa Clara County.
Updates:	• In October 2023, Valley Water was awarded WaterSense Partner of the Year by the U.S. Environmental Protection Agency. This is a competitive national award recognizing agencies that have gone above and beyond to promote an ethic of water efficiency to conserve water resources for future generations. As a first-time applicant, Valley Water won the award thanks to our outstanding water conservation programs and the collaboration and outreach efforts with our partners in the community to save water during our record-breaking drought in 2022. • In January 2024, Valley Water's Conservation Team launched the Landscape Design Assistance Program to provide residential Landscape Conversion Rebate applicants with input from a professional Valley Water-approved landscape designer during a one-to-two-hour on-site consultation for proposed front yard lawn conversion projects. It is anticipated that this program will increase overall participation in the Landscape Rebate Program. • Valley Water's Water Conservation team hosted its 8th annual Landscape Summit (Summit) on February 29, 2024, offered as a hybrid in-person and virtual event. The annual Summit, launched in 2017 in collaboration with Valley Water's Landscape Committee, is a forum for landscape professionals to learn about water issues in the county and California as a whole, and how water conservation relates to the landscaping industry. It is also an opportunity for Valley Water to get valuable feedback from the landscape community, and for attendees to collaborate and exchange ideas. This year's summit, themed "A Changing Landscape," hosted nearly 170 attendees, 90 of whom attended in person.

NATURAL FLOOD PROTECTION GOAL: Provide Natural Flood Protection to reduce risk and improve health and safety.	
Objective 1:	**Protect people and property from flooding by applying a comprehensive, integrated watershed management approach that balances environmental quality, sustainability, and cost.**
Updates:	• In September 2023, Valley Water completed emergency construction on Regnart Creek in Cupertino to help stabilize the creekside so stormwater could safely flow downstream and away from the surrounding neighborhood in preparation for the upcoming rainy season. • On April 9, 2024, the Board held a formal public hearing approving changes to projects under the Safe, Clean Water Program that will result in additional funding being allocated to the Sunnyvale East and West Channels Project. With this additional funding, Valley Water can construct both phases of the project without delay. • Through FY24 Q3, Valley Water completed 2,053.63 acres of in-stream vegetation management to reduce flood risk along 155.77 miles of streams throughout the county using an integrated combination of mechanical, hand labor, and herbicide methods, and removed approximately 54,452 cubic yards of sediment on 22 projects from various creeks throughout the county to maintain design capacity.
Objective 2:	**Provide flood protection equitably in all regions of the County, prioritizing disadvantaged communities.**
Updates:	• On October 25, 2023, Valley Water hosted a news conference for California Flood Preparedness Week to promote our Stream Maintenance Program and Get Flood Ready campaign and highlight our partnerships with the City of San José and other agencies. • On November 13, 2023, Valley Water and the City of San José held a joint news conference to outline storm emergency plans, the partnership between the two agencies, and our collaboration on the Coyote Creek Flood Measures Management Project. A

	toolkit with flood preparedness resources was shared with partner agencies and government officials. • On November 16, 2023, Valley Water provided a Winter Preparedness Workshop to the Santa Clara County Operational Area Council that acknowledges efforts to support flood readiness throughout the year. Valley Water will continue to work with regional partners to support storm-related response as needed. • Valley Water's annual Flood Awareness Campaign was launched with the delivery of the flood mailer to 48,000 homes and businesses in the Federal Emergency Management Agency's Special Flood Hazard Area. • In January 2024, Valley Water concluded a successful 2023 work season under its Stream Maintenance Program (SMP) for sediment removal, bank protection, animal damage management, vegetation management, and mitigation. In total, Valley Water completed 11 bank stabilization projects, 23 sediment removal projects, 1 animal damage management project, 1 minor maintenance project, 117 vegetation management projects, and 6 mitigation projects (5 of which were carried over from the previous year). Management of SMP mitigation sites, vegetation management, including Invasive Plant Management and Revegetation mitigation projects, continue along various creeks throughout the county.

ENVIRONMENTAL STEWARDSHIP GOAL: Sustain ecosystem health while managing local water resources for flood protection and water supply.	
Objective 1:	**Plan and design projects with multiple benefits, including protecting ecosystem functions, enhancing habitat, and improving connectivity, equitably in all regions of the county.**
Updates:	• On February 15, 2024, the State Coastal Conservancy (SCC) Board approved $5 Million in grant funding to cover a portion of construction costs for the Pond A4 Resilient Habitat Restoration Project (Pond A4 RHR Project). In April 2023, Valley Water's Board approved the inclusion of Phase 1 of Pond A4 RHR Project in the Capitol Improvement Program's (CIP's) FY2024-28 Five-Year Plan. The Pond A4 RHR Project will convert open water to ecologically valuable mudflats and shallow water habitats for shorebirds at Pond A4, a former salt production pond acquired by Valley Water in 2000. The Pond A4 RHR Project will beneficially re-use sediment removed from local creeks by Valley Water's Stream Maintenance Program (SMP) to build an enhanced shoreline habitat, thereby also supporting intent of Safe Clean Water Project D3, which is to increase SMP sediment reuse to support restoration projects. Grant funding of $5 Million from the State Coastal Conservancy would cover Phase 1 construction costs for access road and staging area improvements and the initial three-year (FY2026 to FY2028) costs of Phase 2 habitat construction, which is expected to last 15 yrs. • On March 26, 2024, the U. S. Army Corps of Engineers (USACE) provided an update to the Board on USACE partnership projects for FY2024. USACE is currently partnering with Valley Water on planning, design, and/or construction of six flood protection projects that aim to protect homes, schools, and businesses in Santa Clara County including: South San Francisco Bay Shoreline Phase I Construction, South San Francisco Bay Shoreline Phase II Study, South San Francisco Bay Shoreline (Sunnyvale) Study, Upper Guadalupe River Re-Evaluation Study, Berryessa Creek Construction, and San Francisquito Creek Contributed Authorities Program Section 205 Study. • On April 9, 2024, the Board Adopted the One Water Guadalupe Watershed Plan and the One Water Upper Pajaro Watershed Plan. One Water is Valley Water's public planning process to identify watershed management needs and identify actions to address them. Watershed actions are then combined with water supply actions into a comprehensive 30-year plan through an extensive public engagement process.

	• On May 15, 2024, Valley Water's Bolsa Road Fish Passage Improvements Project was awarded the 2024 Project of the Year Award from the American Public Works Association (APWA) Silicon Valley Chapter. The APWA Silicon Valley Chapter recognized the Bolsa Road Fish Passage Improvements Project as a public works project that demonstrated excellence in its design and construction. It was noted for its excellence in restoring the passage for endangered steelhead trout, in addition to restoring the geomorphic functions and stability, following decades long incision of Uvas creek.
Objective 2:	**Protect creeks, bay, and other aquatic ecosystems from threats of pollution and degradation.**
Updates:	• Through Valley Water's Adopt-A-Creek cleanup program, total Cleanup Numbers in FY24: 1,908 Volunteers, 164 miles cleaned and 55,459 pounds of trash & recyclables removed. • On May 18, 2024, Valley Water, in partnership with the Creek Connections Action Group, coordinated another successful cleanup event as part of the 32nd Annual National River Cleanup Day. There were 42 cleanup sites throughout the county where 690 volunteers cleaned 66 miles of creeks, shoreline, and natural areas, removing approximately 17,255 pounds of litter. Valley Water Youth Commissioners and staff hosted a cleanup site at the Guadalupe River behind Valley Water Headquarters.
Objective 3:	**Complete and implement the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) agreement.**
Updates:	• On August 8, 2023, Valley Water's Board of Directors certified the Final Environmental Impact Report (EIR) for the Fish and Aquatic Habitat Collaborative Effort (FAHCE). The EIR details how Valley Water proposes to release water from our reservoirs to balance water supply needs while also providing habitat for steelhead in Stevens Creek and both steelhead and Chinook salmon in the Guadalupe watershed. The document also details how plants, wildlife, fisheries and water supply will be affected under different scenarios for operations and what we can do to enhance the various benefits. • On May 13, 2024, Valley Water's Stream Planning and Operations Committee conducted a tour of the fish barrier removal site at Singleton Road and the Percolation Pond Fish Ladder Installation Site.

ADDRESSING ENCAMPMENTS OF UNSHELTERED PEOPLE GOAL: Humanely assist in the permanent relocation of unsheltered people on Valley Water lands along waterways and at water supply and flood risk reduction facilities in order to address the human health, public safety, operational, and environmental challenges posed by encampments.	
Objective 1:	**Collaborate with agencies and other service providers to address the challenges posed by encampments and their impacts to waterways, water supply, and flood risk reduction facilities, including supporting the provision of outreach, counseling, transitional or affordable housing, or other services by these agencies and service providers.**
Updates:	• On August 22, 2023, the Valley Water Board of Directors adopted a framework to address the effects of homelessness along waterways and work toward achieving a "functional zero" level of encampments of unsheltered individuals and additional resources to support an enhanced level of service for Valley Water's encampment cleanup operations. • On September 26, 2023, the Valley Water Board of Directors adopted a new Board Ends Policy "E-6: Encampments of Unsheltered People" that provides a vision and framework for addressing the broad impact of unsheltered people living in encampments on Valley Water land. • In September 2023, CA Governor Newsom signed AB 1469 (Kalra) Valley Water Assisting Unsheltered People. The bill amended Valley Water's District Act to allow flexibility to use Valley Water land and the existing ad valorem property tax to assist

	unsheltered people, including contracting for services or providing low-barrier navigation centers, supportive housing, transitional housing, affordable housing, or other facilities. These facilities would be operated by a city, the County, or a non-profit with the appropriate expertise to provide shelter and services that can improve outcomes for unsheltered people and enable compliance with federal case law requiring a legitimate offer of shelter before relocating unsheltered people living on public lands. • In FY24 through Q3, Valley Water managed 2,886.96 acres and removed 751.58 tons of trash, debris, and hazardous pollutants generated from encampments to reduce the amount of these pollutants entering streams.
Objective 2:	**Collaborate with the County and municipal partners to secure the safety of unsheltered people living on Valley Water lands along waterways and at water supply and flood risk reduction facilities, as well as secure the safety of residential neighbors and Valley Water staff.**
Updates:	• On August 22, 2023, the Valley Water Board of Directors adopted a framework to address the effects of homelessness along waterways and work toward achieving a "functional zero" level of encampments of unsheltered individuals and additional resources to support an enhanced level of service for Valley Water's encampment cleanup operations. • On September 26, 2023, the Valley Water Board of Directors adopted a new Board Ends Policy "E-6: Encampments of Unsheltered People" that provides a vision and framework for addressing the broad impact of unsheltered people living in encampments on Valley Water land. • In September 2023, CA Governor Newsom signed AB 1469 (Kalra) Valley Water Assisting Unsheltered People. The bill amended Valley Water's District Act to allow flexibility to use Valley Water land and the existing ad valorem property tax to assist unsheltered people, including contracting for services or providing low-barrier navigation centers, supportive housing, transitional housing, affordable housing, or other facilities. These facilities would be operated by a city, the County, or a non-profit with the appropriate expertise to provide shelter and services that can improve outcomes for unsheltered people and enable compliance with federal case law requiring a legitimate offer of shelter before relocating unsheltered people living on public lands. • In FY24, through Q3, Valley Water provided $124,250 to San José Police's Secondary Employment Program to support staff safety during encampment cleanups.

CLIMATE CHANGE GOAL: Mitigate carbon emissions and adapt Valley Water operations to climate change impacts.	
Objective:	**Address future impacts of climate change to Valley Water's mission and operations.**
Updates:	• On September 7, 2023, the Valley Water Board Policy and Planning Committee received an update on Valley Water's Climate Change Action Plan including information on the Greenhouse Gas Reduction Plan and implementation of climate change adaptation actions. • In October 2023, Valley Water released a Climate Change Action Plan (CCAP) annual implementation update, the first progress update and summary of actions since the initial adoption of the CCAP by Valley Water's Board of Directors in 2021.

BUSINESS MANAGEMENT GOAL: Promote effective management of water supply, flood protection, and environmental stewardship through responsive and socially responsible business services.	
Objective 1:	**Incorporate racial equity, diversity, and inclusion throughout Valley Water as a core value.**
Updates:	• In October 2023, Valley Water was the recipient of the first-ever Environmental Justice Award from the Association of Metropolitan Water Agencies (AMWA), an organization of the largest publicly-owned drinking water systems nationwide. The Environmental Justice Award was created to recognize member utilities that commit to advancing equity and justice in their communities. The award is recognition of the work Valley, Water has done over the years to incorporate environmental justice and equity into its work both internally as an organization and in the greater community. • On October 10, 2023, the Valley Water Board of Directors approved updates to the guidelines for naming/renaming district-owned lands, facilities and amenities. • On January 9, 2024, the Board adopted a resolution to declare Valley Water's 2024 Monthly Cultural Observances Calendar, which includes 25 cultural month observances for 2024. This approach allows Valley Water to further streamline the acknowledgment process and facilitate efforts to honor cultural months beyond the adoption of a resolution. • On March 19, 2024, Chairwoman Quirina Geary of Tamien Nation, conducted training for 12 staff members from the U.S. Army Corps of Engineers, State Coastal Conservancy, and Valley Water for the South San Francisco Bay Shoreline Phase 1 Project (Project). The cultural sensitivity training provided insight into Tamien Nation traditional cultural practices and what to look for during construction/excavation on the Project, and procedures to be taken when potential tribal cultural resources/remains are discovered. No cultural artifacts have been found at the site since start of construction. • On April 2, 2024, Valley Water's Board of Directors participated in a Board Governance and Diversity Training. Specifically, the training focused on understanding best practices of diversity, equity, inclusion and belonging (DEIB), implicit/explicit bias, implementing DEIB best practices in Board leadership, developing a shared understanding of Board governance, and strengthening Board communication. The desired outcomes of the training included: a better understanding of diversity, equity, inclusion and belonging, as well as agreeing on strategies for improved Board operations.
Objective 2:	**Maintain appropriate staffing levels and expertise while prioritizing the safety of our staff.**
Updates:	• On February 16, 2024, Valley Water's Security Office hosted a meeting of the Association of Threat Assessment Professionals (ATAP) Northern California chapter at Valley Water's headquarters. This gathering brought together ATAP members from across the Greater Bay Area, including those assigned to Valley Water's own Security team. The meeting's attendees represented a diverse group of professionals, including law enforcement officers, prosecutors, mental health experts, corporate security specialists, and others engaged in threat and violence risk assessment. This event demonstrates the commitment for continued development of threat assessment capabilities, and the ongoing effort to protect Valley Water employees and facilities. • In the Spring of 2024, Valley Water has launched a first-of-its-kind apprenticeship program for Instrumentation and Controls Technicians (I&C Techs) in the water industry. This program is designed to create a pipeline of qualified, skilled I&C Technicians by taking individuals with no prior experience and training them to journey-level workers. Thanks to a partnership with BAYWORK, a network of water and wastewater agencies in the San Francisco Bay Area, this apprenticeship is registered with the U.S. Department of Labor, making it one of the only registered I&C Tech apprenticeships in the Bay Area.

Objective 3:	Provide affordable and cost-effective level of services.
Updates:	• In September 2023, CA Governor Newsom signed AB 939 (Pellerin) Smart Financing for Valley Water Infrastructure. The bill amends the District Act to add the financial flexibility needed to help Valley Water adapt to climate change by fixing the revenue bond authority and authorizing general obligation bonds. • The Government Finance Officers Association of the United States and Canada (GFOA) has awarded the Certificate of Achievement for Excellence in Financial Reporting to Santa Clara Valley Water District for its annual comprehensive financial report for the fiscal year ended June 30, 2022. The report has been judged by an impartial panel to meet the high standards of the program. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. • On January 9, 2024, the Board accepted the Santa Clara Valley Water District Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023. • On March 26, 2024 staff presented to the Board long-range financial planning models for the Water Utility Enterprise Fund, the Watersheds Stream Stewardship Fund, and the Safe, Clean Water Fund. The long range financial forecasts ranged from 30 to 45 years, in part to demonstrate the long-term impact of various capital investment funding methods. • On May 30, 2024, Valley Water hosted a Procurement Open House (Open House) at the Valley Water Headquarters to provide diverse area businesses an opportunity to connect with Valley Water staff, discuss upcoming procurement opportunities, and learn about Valley Water's Small Business Enterprise (SBE) ordinance, that was adopted by the Board in September 2023. Close to 200 diverse businesses actively participated in the Open House.

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