

To: Board of Directors
From: Norma J. Camacho, CEO

Chief Executive Officer Bulletin Week of June 28 – July 4, 2019

Board Executive Limitation Policy EL-7:

The Board Appointed Officers shall inform and support the Board in its work. Further, a BAO shall 1) inform the Board of relevant trends, anticipated adverse media coverage, or material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established and 2) report in a timely manner an actual or anticipated noncompliance with any policy of the Board.

| Item | IN THIS ISSUE |
|--------------------------|---|
| <u>1</u> | Water Supply Master Plan Stakeholder Outreach |
| <u>2</u> | <u>Varela</u> Response to Gavilan College Water Resources Management I-19-0010 |
| <u>3</u> | <u>Varela</u> Please Provide a 20-Year Projection of the Discretionary Portion of the Open Space Credit, Which Will Need to be Replaced by a New Alternative Revenue Source Beginning in Fiscal Year 2021-2022 I-19-0012 |

Water Supply Master Plan Stakeholder Outreach

Valley Water is in the process of updating its Water Supply Master Plan (Master Plan), which is Valley Water's strategy for providing a reliable and sustainable water supply in a cost-effective manner consistent with Board Policy E-2 – "There is a reliable, clean water supply for current and future generations".

Valley Water has completed a draft Master Plan and is currently scheduled to present the draft to the following stakeholder groups:

- Agriculture Water Advisory Committee – July 1, 2019
- Public Stakeholder Meeting – July 8, 2019
- Environmental and Water Resources Committee – July 15, 2019
- Retailer, City, and County Stakeholder Meeting – July 16, 2019
- Quarterly Water Retailers Meeting – July 17, 2019
- Santa Clara Valley Water Commission – July 24, 2019

Additionally, the draft Master Plan has been uploaded to Valley Water's website.

A final Master Plan will be presented to the Board in September 2019, at a Board of Directors meeting.

For further information, please contact Jerry De La Piedra at (408) 630-2257.

Varela

**Response to Gavilan College Water Resources Management
I-19-0010**

In June 2019, Director Varela initiated an Informal Board Member Request (IBMR 1-19-0010) requesting that Valley Water investigate providing continued support to Gavilan College's Water Resource Management Program, through scholarships, lecturer support, use of Valley Water equipment, etc., and following up with Director Varela and Dean of Career Education, Sherrean Carr.

Valley Water met with Director Varela on June 20, 2019, to discuss Gavilan College's Water Resource Management Program. It has been confirmed that Valley Water cannot provide scholarships, but discussed opportunities under Valley Water's Grants Program. Valley Water is continuing to research use of equipment and interest in lecturing support before contacting Ms. Carr.

For further information, please contact Anna Noriega at (408) 630-3089.

Varela

**Please Provide a 20-Year Projection of the Discretionary Portion of the Open Space Credit,
Which Will Need to be Replaced by a New Alternative Revenue Source Beginning in Fiscal
Year 2021-2022
I-19-0012**

Valley Water submitted a memorandum to the Board of Directors in the July 5, 2019, Non-Agenda Packet that shows the 20-year projection of Open Space Credit savings for each year beginning in Fiscal Year (FY) 2021-2022 based on setting the agricultural groundwater charge at the maximum of 25% of the South County Municipal and Industrial (M&I) groundwater charge. The Open Space Credits savings in this scenario represents the amount of revenue that would need to be replaced by a new alternative revenue source in order to continue setting the agricultural groundwater charge at 6% of the South County M&I charge in FY 2021-2022 and beyond. The annual Open Space Credit savings ranges from \$2.8 million in FY 2021-2022 to \$8.1 million by FY 2041-2042.

For further information, please contact Darin Taylor at (408) 630-3068.
