Agreement No. A5792A with AQC Environmental Brokerage Services

Anderson Dam Seismic Retrofit Project

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Valley Water

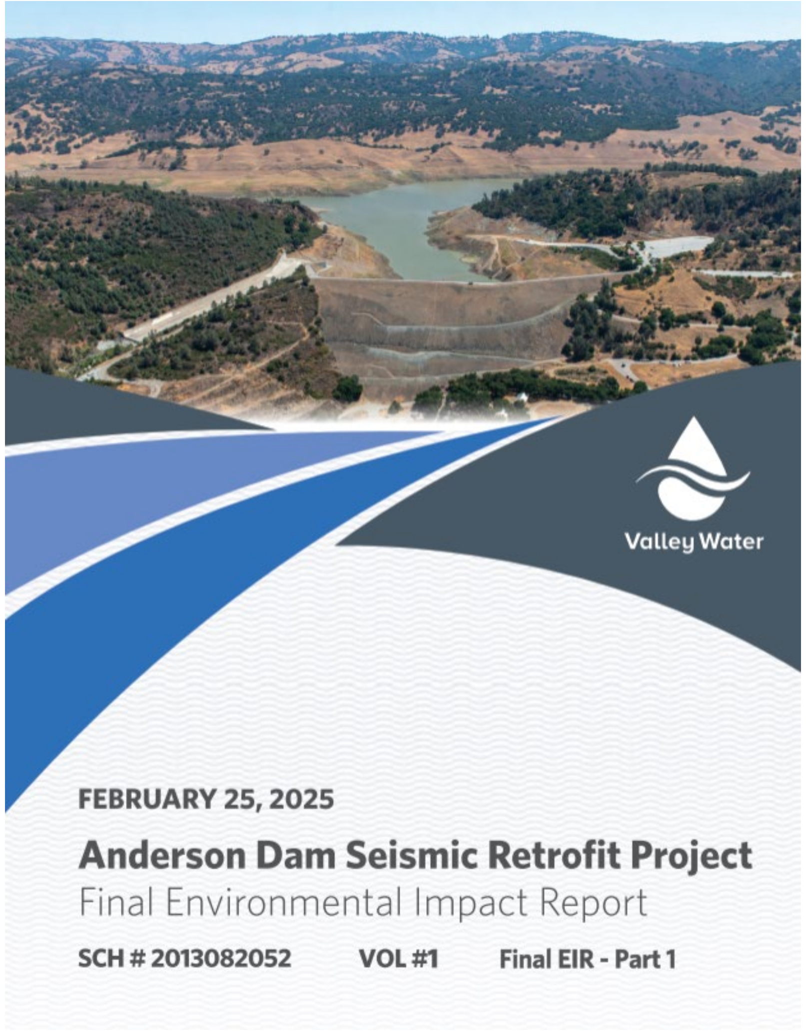
Anderson Dam Seismic Retrofit Project

Greenhouse Gas (GHG) Mitigation Requirements

- Final Environmental Impact Report (EIR) applies net-zero GHG significance threshold to project construction emissions

- EIR includes mitigation to reduce construction emissions to net-zero

- Mitigation Measures GHG-1 & GHG-2



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Mitigation Measure GHG-2

- Requires Valley Water to purchase carbon offsets equivalent to unavoidable construction emissions
- Carbon Offset: Derived from off-site action that avoids or sequesters emissions
  - Examples: Reforestation, wetland restoration, methane capture
  - Measured in Metric Tons of carbon dioxide equivalents (MT CO_2e)

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Mitigation Measure GHG-2

Offset Requirements

- Valley Water must purchase offsets annually prior to the upcoming construction year
- Offsets must be real, additional, quantifiable, permanent, verifiable, and enforceable
- Eligible offsets prioritized with geographic hierarchy: San Francisco Bay Area, California, other states with offset laws at least as strict
- No offsets from outside U.S.
- Actual project emissions tracked against estimates

ADSRP Estimates Construction GHG Emissions

Construction Year	Construction Emissions (MT CO_2e)
Year 1	5,075
Year 2	27,571
Year 3	26,735
Year 4	34,594
Year 5	29,279
Year 6	44,856
Year 7	13,939
Year 8	3,876
Total	**185,925**

From ADSRP EIR Table 3.9-7

Agreement A5792A

Offset Procurement

- AQC Environmental Brokerage Services selected as highest ranked proposing firm from competitive procurement
- Agreement A5792A enables AQC to purchase and retire carbon offsets on Valley Water's behalf for ADSRP
- Not-to-exceed amount of $5 million, inclusive of offset price and brokerage fees
- Three-year term, with potential for extension

AQC ENVIRONMENTAL BROKERAGE SERVICES AIR QUALITY CONSULTANTS

Next Steps

August 2026
Board Considers Agreement A5792A

Fall 2026

Review available carbon offsets consistent with EIR requirements

By December 2026

First carbon offset purchases, at Valley Water's direction

Future Construction Years

Track actual project emissions, review available carbon credits, purchase and retire additional credits

QUESTIONS

Valley Water

Clean Water • Healthy Environment • Flood Protection