



**MEMORANDUM**  
FC 14 (01-02-07)

**TO:** Board of Directors  
**FRO:** Agricultural Water Advisory Committee  
**SUBJECT:** Agricultural Water Advisory Committee Meeting Summary for October 4, 2021  
**DATE:** October 12, 2021

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This memorandum summarizes agenda items from the regular meeting of the Agricultural Water Advisory Committee held on October 4, 2021.

**Attendees:**

Committee members in attendance were: Mitchell Mariani (District 1), William Cilker and David Vanni (District 3), Sheila Barry and Brent Bonino (District 4), Jan Garrod and Michael Miller (District 5), Tim Chiala and Robert (Bob) Long (District 6), and Peter Van Dyke (Loma Prieta Resource Conservation District).

Board members in attendance were: Director Nai Hsueh (District 5), Board Alternate, Director Richard P. Santos (District 3), and Director John L. Varela (District 1), Board Representatives.

Staff members in attendance were: Aaron Baker, Neeta Bijoor, Glenna Brambill, Justin Burks, Vincent Gin, Chris Hakes, Katrina Holden, Ryan McCarter, Metra Richert, Kirsten Struve, and Darin Taylor.

Guest in attendance were: Michael Johnson (California H<sub>2</sub>Corticulture Services).

Public in attendance was: Director Linda J. LeZotte (Valley Water Board Member, District 4).

**4. ACTION ITEMS**

**4.1 DROUGHT RESPONSE UPDATE**

Ms. Neeta Bijoor reported on the following:

**Summary from Meeting Agenda Memo:**

On June 9, 2021, the Valley Water Board of Directors declared a water shortage emergency condition pursuant to California Water Code §350, called for water use restrictions of 15% compared to 2019, and urged the County of Santa Clara to proclaim a local emergency. The County of Santa Clara proclaimed a local emergency on June 15, which was ratified by the Board of Supervisors on June 22.

The U.S. Drought Monitor Report from August 17, 2021, indicates that the majority of the County is in extreme drought, and the northeastern portion of the County is in exceptional drought. The Sierra Nevada snowpack, a primary source of imported water, is at 0% of average as of August 30, 2021, and 0% of average statewide.

Reflecting critically dry conditions across the state, the Central Valley Project and State Water Project have drastically reduced imported water allocations, which comprise half of Valley Water's typical annual water supply. Valley Water has been negotiating purchases of emergency transfer water supplies; however, potential state regulatory actions pose significant uncertainty to water transfers. Of the 71,500 AF Central Valley Project Municipal and Industrial allocation, about 28,500 AF was conditionally approved Public Health & Safety water from Reclamation with deliveries of this water planned for July through October. To date in 2021, Valley Water has secured agreements for about 50,000 AF of transfer supplies (not taking into account conveyance losses across the Delta).

Furthermore, Valley Water is impacted by the unavailability of Anderson Reservoir as a surface water storage facility for the duration of the Anderson Dam Seismic Retrofit Project, which is expected to last 10 years. The loss of Anderson, lower imported water supplies, and uncertainty over emergency water transfers could result in rapid and significant drops in our groundwater levels and resulting in the potential for subsidence and dry wells. In South County, groundwater is the only drinking water supply. Consequently, water conservation is an important strategy to help alleviate these negative impacts.

### **Water Conservation Programs**

Valley Water continues to conduct public outreach to encourage water conservation and participation in Valley Water's conservation programs. Participation in these programs has increased dramatically in 2021.

Valley Water is also conducting monthly meetings with the Farm Bureau to highlight Valley Water's conservation programs. Director Santos and Director Varela are participating in these meetings. The first meeting was held on August 27, 2021.

As part of Resolution 21-68 adopted on June 9, 2021, Valley Water commits to aggressively promote water conservation programs to all water users including agriculture and urges Santa Clara County farmers to consider the water shortage emergency condition in planting and irrigation practices. Valley Water mailed letters to agricultural groundwater pumpers in July 2021 to inform them of the call for water use reduction and encourage participation in Valley Water's conservation programs. Valley Water has several conservation programs for agriculture, such as the Mobile Irrigation Lab, and is currently developing an agricultural water use baseline study.

### **Countywide Water Use Reduction**

Valley Water is engaging with local government officials to encourage drought response actions. As of August 31, 2021, 11 of 15 cities in Santa Clara County have acted in response to the extreme drought conditions and to Valley Water's call to reduce water use by 15% compared to 2019 levels. These actions ranged from adopting local emergency resolutions to encouraging residents and businesses to use less water. Many jurisdictions also activated their citywide Water Shortage Contingency Plans to immediately implement mandatory water-use restrictions and other conservation measures.

Countywide, the percent change of water used compared to 2019 has been steadily decreasing since March 2021, showing that retailers, cities, and our communities are responding to the call for conservation. In March 2021, water use in Santa Clara County was 25% higher when compared to March 2019. In July 2021, Santa Clara County used 6% less water compared to July 2019. Valley Water anticipated that reducing water use countywide by 15% would be a gradual process, however it is encouraging to see the numbers trending in the right direction.

The Agricultural Water Advisory Committee (Mr. Peter Van Dyke and Mr. Jan Garrod) discussed the following: waste water, irrigating fields, recycling water runoff, and imported/semitropic water.

Ms. Kirsten Struve, Mr. Justin Burks, and Mr. Vincent Gin were available to answer questions.

The Agricultural Water Advisory Committee took no action.

## **4.2 AGRICULTURAL MOBILE IRRIGATION LAB AND AGRICULTURAL WATER USE BASELINE STUDY UPDATE**

Ms. Metra Richert and Mr. Michael Johnson (California Horticulture Services) reported on the following:

### **Summary from Meeting Agenda Memo:**

The Agricultural Water Use Baseline Study (Study) was initiated in April 2019 based on a recommendation from the Water Conservation and Demand Management Committee (WCaDMC) meeting to better understand current agricultural water use practices and identify opportunities for additional water conservation. The Study is making progress after a delay caused by the original contractor pulling out of the project. Through a new agreement with the UC Regents, their team has made progress using a remote-sensing based data approach to determine patterns in crop distribution and irrigation technology verification. The team will continue their analysis and the Study is on track to be completed by the end of 2023. A local subject matter expert has also been added to assist the team in

determining if potential water efficiency program and projects make sense for the Santa Clara County agricultural community. Staff will keep the Committee updated on the progress of the Study.

Additionally, under this agenda item, Santa Clara Valley Water District's Agricultural Mobile Irrigation Lab (Mobile Lab) contractor, Michael Johnson of California H2orticulture will present an overview of the program to the Committee. The Mobile Lab provides technical services for growers in Santa Clara County including:

- Irrigation system evaluations,
- Seasonal irrigation and soil moisture monitoring,
- Irrigation system design consultation,
- Irrigation scheduling decision support, and
- Connecting growers to network of agency resources.

The presentation will include an overview of the program, benefits of participation, and examples of the evaluations performed.

The Agricultural Water Advisory Committee discussed the following: SME for study, study will show whether 80% efficiency is realistic, crop water usage, and the soil's efficiency.

Mr. Vincent Gin was available to answer questions.

The Agricultural Water Advisory Committee took no action.

### **4.3 PACHECO RESERVOIR EXPANSION PROJECT UPDATE**

Mr. Ryan McCarter reported on the following:

#### **Summary from Meeting Agenda Memo:**

As the PREP Team completes the project planning phase, significant progress is being made on the draft Environmental Impact Report (EIR) and engineering design. Updates to the project development, funding, and financing are provided below.

#### ***Project Development***

Staff has received a draft Staff Recommended Alternative (SRA) Report summarizing the alternatives analysis and planning activities. A Planning Study Report (PSR) will be prepared and submitted to the Board of Directors once the SRA Report is finalized. Staff anticipates the PSR will be complete and submitted in November 2021. This will substantially complete the PREP Planning Phase.

Staff is currently reviewing the administrative draft of the Draft Environmental Impact Report (DEIR) that is due to be released for public review and comment in November 2021. A public meeting is being planned for January 2022 to present a summary of the DEIR content and the California Environmental Quality Act (CEQA) process.

The 30% design level plans, specifications, and construction cost estimate are being prepared. Staff has been working with the consultant team to develop the basis of design for several different project elements to be compiled into the 30% design package.

#### ***Water Storage Investment Program (WSIP)***

On July 24, 2018, the California Water Commission (CWC) awarded Valley Water \$484.6 million of Maximum Conditional Eligibility Determination (MCED) funding for PREP under the State's Water Storage Investment Program (WSIP) program. The MCED was increased to \$496.7 million on February 3, 2021, to reflect an inflation adjustment of approximately 1%. Valley Water executed an Early Funding Agreement with the State on December 10, 2018 for \$24.2 million to fund a portion of certain eligible project costs, including costs related to permitting oversight and coordination, environmental documentation and permit support, data review and problem definition, alternatives analysis, staff-recommended alternative, planning study report and state feasibility report, environmental documentation and regulatory compliance, geotechnical data collection and investigations and 30% basis of design report.

To remain eligible for the \$496.7 million MCED, Valley Water is statutorily required to meet the following milestones prior to January 1, 2022:

1. All feasibility studies are complete – The State Feasibility Report is being updated with the most current project information.
2. Draft environmental documentation is available for public review – The draft EIR is targeted for release in November 2021.
3. The Director of the Department of Water Resources (DWR) receives commitments for not less than 75 percent of the non-public benefit cost shares of the project – Board approval of a Resolution will be recommended in November 2021.

Staff presented a project update and timeline for the milestones above to the CWC at a regular meeting on August 18, 2021. The CWC will make a determination whether the project is feasible and eligible for the MCED at their December 15, 2021, meeting prior to the January 1, 2022, deadline.

### ***Water Infrastructure Finance and Innovation Act (WIFIA)***

The WIFIA loan program is a low-cost federal loan program that is subject to annual Congressional budget appropriations. Staff anticipates the WIFIA loan will save Valley Water \$1 million in debt service cost for every \$100 million in loan principal. Should Valley Water be successful in obtaining the full \$1.2 billion WIFIA loan for the PREP, the potential cost saving is approximately \$12 million per year, up to \$420 million in total debt service savings over a 35-year loan repayment period.

In April 2021, the Environmental Protection Agency (EPA) accepted Valley Water's Letter of Interest (LOI) submitted in October 2020 for \$660 million for the PREP, which was approximately 49% of the then estimated project cost of \$1.3 billion based on the FY 2021 Capital Improvement Plan (CIP). The EPA provided guidance for Valley Water to submit a second LOI in 2021 to secure an additional \$575 million in WIFIA loan to ensure Valley Water will receive the full \$1.2B WIFIA loan to fund 49% of the current project cost. The 2021 LOI was submitted to the EPA in July 2021 and an announcement from the EPA on project selection is expected in October/November 2021. Staff anticipates the full loan application will be submitted by April 2022 with loan closing for the full \$1.2B loan amount by Dec 2022. Staff anticipates that the draft loan agreement will be presented for Board approval in the fall of 2022, prior to final loan closing.

### ***Partnerships***

Project partnership discussions have progressed with one interested agency which has initiated specific analysis of storage, transfer, and exchange scenarios. The team continues modeling of different operations to provide storage and exchange benefits to other potential partners. The PREP Team is engaging with consultants specializing in water marketing and economics to develop a scope of work for assistance with partnership opportunities, negotiations, and further analysis.

The Agricultural Water Advisory Committee (Mr. Dave Vanni, Mr. Peter Van Dyke, Ms. Sheila Barry, Mr. Jan Garrod, Mr. Tim Chiala, and Mr. Mitchell Mariani) discussed the following: dam's total depth, foundational concerns, environmental studies, Henry Coe State Park, organized opposition, pushing the project through, water being pumped, funding, and writing support letters.

The Agricultural Water Advisory Committee took no action.

## **5. INFORMATION ITEM**

### **5.1 WORKING GROUP REPORT UPDATE**

Mr. Peter Van Dyke reported on the following:

#### **Summary from Meeting Agenda Memo:**

At the Agricultural Water Advisory Committee's July 12, 2021, meeting, the committee voted to approve forming a working group to research and find solutions on water supply concerns (cofferdams).

The Working Group volunteers are: Ms. Sheila Barry, Mr. Tim Chiala, Mr. Jan Garrod, Mr. Robert (Bob) Long and Mr. Peter Van Dyke.

The Agricultural Water Advisory Committee Working Group reported on discussing the following: drought, conservation, fallowing ground, regulatory agencies, treated water, writing support letters, catch basins and stormwater capture.

The Board Representatives encouraged the Committee Members to become more active in getting the message out about the importance of agriculture and more so during the drought and partnering with the Farm Bureau and Association of California Water Agencies (ACWA).

Ms. Kirsten Struve was available to answer questions.

The Agricultural Water Advisory Committee took no action.

The Agricultural Water Advisory Committee adjourned the meeting in memory of Mr. Alfred (Fred) Angelino a former Committee Member who passed at age 104, September 17, 2021, and was the consummate farmer.

The next regularly scheduled meeting is Monday, January 3, 2022, 1:30 p.m., to be called to order in compliance with the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-08-21.

If you have any questions or concerns, you may contact me at, [gbrambill@valleywater.org](mailto:gbrambill@valleywater.org) or 1.408.630.2408.

Thank you!

Glenna Brambill, Management Analyst II,  
Board Committee Liaison  
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