

To: Board of Directors
From: Rick L. Callender, CEO

Weeks of May 24 – June 6, 2024

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.

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1. 2024 National River Cleanup Day

In support of the 32nd Annual National River Cleanup Day (NRCD), Valley Water, in partnership with the Creek Connections Action Group (CCAG), coordinated another successful cleanup event in Santa Clara County on Saturday, May 18, 2024, from 9 a.m. to noon.

This year, there were a total of 42 cleanup sites throughout the county. A total of 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. There were 24 volunteers at this site. Director Jim Beall attended two creek cleanup locations in District 4 including the Youth Commission-hosted site. Board Chair Nai Hsueh participated at a creek cleanup in Cupertino and Director Richard Santos visited all creek cleanup locations in District 3.

Some of the most interesting items volunteers picked up included: flip-flops, a water heater tank, a bed frame, golf balls, an iPhone, bicycles, a flat screen TV, a mini fridge, sinks, mattress, shopping carts, underwear, a Christmas tree, medication, a laundry basket, a bar jack, folding chair, a wheel chair, piano parts, car headlights, a beach ball, a desk, a hookah, and a pool floatie.

Valley Water will leverage the momentum from the event to encourage volunteers to sign up for the Adopt-A-Creek Program and other Valley Water volunteer efforts, including Coastal Cleanup Day, which will take place later this year on Saturday, September 21, 2024.

The CCAG is a consortium of public agencies that share the goal of protecting Santa Clara County's waterways. These agencies include Valley Water (Chair), Santa Clara County Parks and Recreation Department, West Valley Clean Water Program Authority (Campbell, Monte Sereno, Saratoga, and the Town of Los Gatos), and the cities of Santa Clara, Milpitas, Sunnyvale, Cupertino, Palo Alto, Morgan Hill, Gilroy, and San José.

For further information, please contact Marta Lugo at (408) 630-2237.

2. Direct Potable Reuse (DPR) Workshop at Valley Water

On May 10, 2024 Valley Water hosted a Direct Potable Reuse (DPR) Workshop. The purpose of the workshop was to provide an opportunity to discuss Valley Water's collaborative efforts to develop a regional DPR project in light of the new regulations being finalized, and to explore anticipated challenges and potential solutions. The workshop included a prestigious lineup of local stakeholders, subject matter experts, regulators and scientists. Over 80 attendees participated in the event including wastewater partners, water retailers, regulators from the Regional Water Board, Division of Drinking Water, experts from the National Water Research Institute, WateReuse, and Valley Water staff.

Valley Water Director Tony Estremera welcomed guests and provided opening remarks highlighting the importance of water reuse and DPR in meeting our region's future water supply needs. Keynote guest speaker Professor David Sedlak, University of California Berkley, spoke of the evolution of water reuse, from non-potable reuse projects for agriculture and irrigation to current and future projects seeking to directly augment local drinking water supplies. Valley Water Chief Operating Officer Aaron Baker and City of San José's Jeff Provenzano, Assistant Director of Environmental Services, discussed perspectives on local water supply challenges and working collaboratively to develop a regional DPR project.

The workshop also included a panel discussion on the recently approved DPR regulations, including challenges and opportunities for prospective DPR projects, a presentation on the medical community's role in addressing public concerns, as well as a presentation on managing reverse osmosis concentrate in an environmentally responsible manner.

Thomas Mumley, Assistant Executive Officer of SF Bay Regional Water Quality Control Board, and Brenley McKenna, Managing Director of WateReuse California were also present virtually and expressed support of Valley Water's efforts in pursuing this regional project. This event was the start of a productive dialogue and efforts to facilitate collaboration among regional stakeholders to help move DPR projects forward.

For further information, please contact Kirsten Struve at (408) 630-3138.

3. FAHCE Water Rights Change Petition Update

On May 7th, 2024, Valley Water submitted to the California State Water Resources Control Board (SWRCB) 10 updated Petitions for Change for Valley Water's water rights in the Stevens Creek and Guadalupe River watersheds. The Petitions were originally filed in 2015, as directed by the Board on September 23, 2014. The Petitions address the technical aspects of the water rights subject to the Fish and Aquatic Habitat Collaborative Effort (FAHCE) Settlement Agreement and formally request a water rights order to amend the place of use, and purpose of use to reflect current and future beneficial uses of the water, including Fish and Wildlife Enhancement, and to correctly reflect current operations. Following certification of the FAHCE Environmental Impact Report on August 8, 2023, the Petitions were updated to also include the Fish Habitat Restoration Plan (FHRP) that is part of the FAHCE Environmental Impact Report. Inclusion of the FHRP in Valley Water's licenses is a condition of the FAHCE settlement agreement and allows for adaptive management during implementation of the FAHCE program. The SWRCB officially noticed the Petitions for Change on May 23, 2024, beginning the 30-day public review process.

For further information, please contact Aaron Baker at (408) 630-2135.

4. Santos

Director Santos asked if we own any land that is currently zoned or can be zoned for residential apartments.

I-24-0004

Valley Water currently owns 3,734 parcels in fee title, with a total area of over 12,000 acres. A small number of parcels are currently zoned for higher density residential development according to city zoning maps. However, these maps provide general land use guidance only, as they may not accurately reflect adopted planning documents for the jurisdiction, nor exclude land subject to specific development restrictions. For example, within the City of San Jose, approximately 50 Valley Water-owned parcels have moderate to high-density residential or multi-family residential zoning. However, preliminary analysis determined many or all such parcels occur in undevelopable areas such as where utilities, services, amenities are non-existent, or lie along streams/creeks where development is restricted. Furthermore, Valley Water fee title properties have a direct nexus to current or planned operations and are therefore not considered excess land per California government code.

In-depth analysis of any parcels that may be considered excess, as well as consultation with the planning department of the appropriate land-use authority, is necessary to determine development potential of any properties found to be surplus by the Board of Directors. Valley Water staff estimates this analysis and consultation to require additional effort as estimated below:

1. Identify parcels with residential zoning considered to be potential surplus lands and evaluate current and future operational needs (up to 80 hours)
2. For any parcels without an identified operational purpose, determine potential for high density residential development or re-development based on general criteria (40 hours)
3. For any parcels identified in step 2, consult with appropriate land-use authority to verify, and identify those currently zoned for high-density residential or with potential for rezoning as such (staff time to be determined)

For further information, please contact John Bourgeois at (408) 630-2618.

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