



MEMORANDUM

FC 14 (01-02-07)

TO: Board of Directors

FROM: Nai Hsueh, Board Chair

SUBJECT: Comments on Water Supply Master Plan

DATE: 07/05/2024

BACKGROUND

In this memorandum, I'm summarizing my comments on the 2050 Water Supply Master Plan (WSMP) for the Board's consideration. I planned to provide these comments at the 6/25/24 Board Meeting but did not do a complete job due to the time constraint.

The following points are already included in 6/25/24 staff report. I'm listing them here to help with my comments on the WSMP:

1. Current Valley Water's level of service goal of "meet 100 percent of annual water demand during non-drought years and at least 80 percent of demand in drought years" is assumed to continue into the future.
2. With continued and enhanced conservation efforts (126,000 AF/year) implemented, during a six-year drought in 2050, the community would endure a water shortage ranging from 4,000 AF/year to 76,000 AF/year.
3. The 6/25/24 updates were focused on portfolio analysis and potential investment strategies under "middle-of-road" condition (shortage of 22,000 AF/year—29,000AF/year) with three investment themes: Lower Cost, Local Control and Diversified.

COMMENTS

- I. For future Board updates on WSMP, I believe we should include discussion of "acceptable level of service" and how we engage our community in this discussion. In order to do that, I think we need to bring our current analyses to a more layman's level for better understanding. For example, what does a water shortage ranging from 4,000 AF/year to 76,000 AF/year during a multi-year drought mean?
 - a. Does it mean lower level of service during drought (lower than 80%)? What would the level of service be?
 - b. What are the potential impacts of lower level of service to residents' and business' daily lives?
 - c. What are the potential impacts to Valley Water's operation; or costs of managing water?
 - d. Is it feasible to have a "reduced level of service" theme? What would it be and what are the trade-off? How do we engage our communities in these discussions?
- II. I support the Adaptive Management Framework and continued studies and partnership negotiations of all potential portfolio projects.

Thank you for your consideration.

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