

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

## Weeks of July 8 – July 21, 2022

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>	DWR completes South Bay Aqueduct Asset Management Plan
<u>2</u>	Increased recharge in Creeks and Percolation Ponds from June to October 2022
<u>3</u>	Valley Water hosts top officials at U.S. Army Corps of Engineers for tours of priority projects.
<u>4</u>	Water Management Agreements Executed in June 2022
<u>5</u>	<u>Varela</u> Staff to follow up with Mr. Dean Stanford on his public comment made at the 6/28/2022 board meeting regarding his South Bay Shoreline Project Park proposal. R-22-0006

### 1. DWR completes South Bay Aqueduct Asset Management Plan

The California Department of Water Resources (DWR) completed an Asset Management Plan (AMP) for its South Bay Aqueduct (SBA) facilities in June 2022. The AMP is part of DWR's ongoing work to improve SBA reliability. The SBA conveys State Water Project supplies to three agencies, the SBA Contractors: Valley Water, Zone 7 Water Agency, and the Alameda County Water District.

The AMP shows that SBA failures have significantly increased over time with 33 failures over the last 12 years from 2010 to present, compared with only 24 failures for the preceding 30-year period from 1980-2009. 32 of the total 57 failures have occurred on the Santa Clara Pipeline, which is the southern portion of the SBA that provides water to Valley Water downstream of the other SBA contractors. The Santa Clara Pipeline runs through several landslide areas which cause the pipeline to be prone to leaks due to joint separation.

The AMP recommends several strategies to monitor and mitigate risk of failure, which DWR will implement and track over time. The strategy for addressing risk of failure for the Santa Clara Pipeline includes continuing landslide monitoring through the end of this calendar year, and in parallel, developing alternatives for a permanent solution which could include retrofitting, replacing, or moving the Santa Clara Pipeline, or stabilizing the landslide areas around the Santa Clara Pipeline. DWR expects to have more information on the recommended alternative and associated timeline and costs by early next calendar year.

DWR has completed several other projects to improve SBA reliability over the past 3 years including pipeline inspections, installation of joint seals to prevent further leaks, geotechnical studies and monitoring, and many other operations and maintenance improvements. DWR continues to meet bi-monthly with the three SBA contractor agencies to inform them of progress on these important SBA reliability improvement efforts.

For further information, please contact Melanie Richardson at (408) 630-2035.

---

### **2. Increased Recharge in Creeks and Percolation Ponds from June to October 2022**

On May 18, 2022, the US Bureau of Reclamation approved Valley Water's request for Public Health and Safety (PHS) water allocation for calendar year 2022. Valley Water has started putting the additional imported water to beneficial use by increasing the release of water to managed groundwater recharge facilities.

In the winter and first part of the spring, Valley Water was operating merely 26 percolation ponds out its 102 ponds around the county. However, after receiving the news of PHS water allocation, Valley Water started to fill out additional ponds, especially in the northern parts of the county where managed recharge operations had been kept at a minimum during the third year of this severe drought. Currently Valley Water has filled out 55 ponds with water and plans to add about 10 more in the next few weeks. Filling up around two-thirds of the ponds is being solely done for water supply purposes, albeit it has incidental benefits for the wildlife and a recreational aspect for the community that enjoys walking on trails around some of these ponds. Recharge activities will be interrupted on November 1st at most ponds in North County since the South Bay Aqueduct water would be dedicated to the water treatment plants during the three-month shutdown on the Santa Clara Conduit for an inspection and rehabilitation capital project.

Release of imported water to Coyote Creek increased in June 2022 and will increase further in August 2022 as Coyote Valley heavily depends on groundwater pumping for water supply. In the northern part of the county, Valley Water has started releasing imported water for recharge in the following creeks on the west side: Saratoga Creek, Ross Creek, Wildcat Creek, Regnant Creek, Rodeo Creek, and Calabazas Creek.

The positive news of expanded managed recharge program this summer is not, unfortunately, a sign of the end of the drought. The drought continues to be severe locally and across California. Valley Water continues to ask the community to conserve water.

For further information, please contact Greg Williams (408) 630-2067.

---

### **3. Valley Water hosts top officials at U.S. Army Corps of Engineers for tours of priority projects.**

Over the course of two weeks, Valley Water hosted the top two officials with the U.S. Army Corps of Engineers (Corps) in Washington, D.C., for site visits at priority projects: the top military official, Lieutenant General (LTG) Scott Spellmon, Chief of Engineers and Commanding General for the Corps; and the top civilian with the Army overseeing civil works, Assistant Secretary of the Army (ASA) (Civil Works), Michael Connor.

On June 13, 2022, Valley Water hosted LTG Spellmon for a tour of different spots along the Upper Guadalupe River Project. He was joined by officials from the South Pacific Division and San Francisco District, and Valley Water was represented by Director Barbara Keegan, members of the executive leadership team, and staff. LTG Spellmon visited the Upper Guadalupe Project as part of his tour of projects that are scheduled to produce a Chief's Report or construction milestone within the next 12 months. The Upper Guadalupe Project is currently undergoing a General Reevaluation Report (GRR) to examine ways to complete the project that will address the engineering challenges and reduce costs. Prior to receiving funding for the GRR in Fiscal Year 2020, the project had not received federal funding since 2013. The design team had encountered engineering challenges in two reaches that were adding significant costs to the project. Valley Water advocated for a GRR to look at different project alternatives that could lower the cost or increase benefits in the hope of moving the project forward to construction. While the project will not produce a Chief's Report within the next 12 months, LTG Spellmon wanted to visit due to the project's potential to be a model for how the Corps can advance environmental justice and nature-based solutions, even when those projects do not have a high benefit-to-cost ratio. He is very eager to move the project forward.

Following the tour, staff spoke with LTG Spellmon about the current financing challenges with the South San Francisco Bay Shoreline Phase I Project. He was very receptive to the concerns and committed to speak with ASA Connor about coming out to visit the Shoreline Project. Within days of the tour, Valley Water learned that ASA Connor would be coming to visit the Shoreline Project on June 28, 2022. That visit was the direct result of Valley Water's advocacy with LTG Spellmon and our continued advocacy with the Corps to keep the Shoreline Project moving forward.

On June 28, 2022, Valley Water hosted ASA Connor on site at the Shoreline Phase I Project. He was joined by officials from the San Francisco District and the State Coastal Conservancy, and Valley Water was represented by Director Richard Santos, members of the executive leadership team, and staff. Director Santos, CEO Rick Callender, and members of the executive leadership spoke about the importance of the project for Alviso and the history of flooding in his community, and staff spoke about the project history and the current funding challenges. ASA Connor was engaged and asked a lot of questions related to the project, and staff is now following up with congressional staff to continue advocating with ASA Connor and the Office of Management and Budget to solve the funding challenges.

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

---

#### **4. Water Management Agreements Executed in June 2022**

Pursuant to EL-5.1.6 and EL-5.3.3, the CEO is required to inform the Board on a timely basis when imported water management agreements are executed. The imported water management agreement executed in June 2022 is listed below:

- June 21, 2022 - Water Transfer Agreement (#A4660W) for 2022 water transfer between the City of Sacramento, Carmichael Water District and San Juan Water District (sellers) to Valley Water: San Juan Water District is making 16,101 acre feet of water available through groundwater substitution for purchase by both Valley Water and the State Water Contractor's Dry Year Transfer Program. Valley Water anticipates the purchase of up to 8,051 acre feet of that supply.

For further information, please contact Vincent Gin (408) 630-2633.

---

5. Varela

**Staff to follow up with Mr. Dean Stanford on his public comment made at the 6/28/2022 board meeting regarding his South Bay Shoreline Project Park proposal.  
R-22-0006**

Through BMR R-22-0006, Chair Pro Tem Varela requested staff follow up with Mr. Dean Stanford on the public comment he made at the June 28, 2022, Board Meeting.

On July 18, 2022, staff responded to Mr. Stanford via the email address that was provided during the Board meeting. This response will be included in the July 22, 2022, Non-Agenda Package.

For further information, please contact Bhavani Yerrapotu (408) 630-2735.

---