



Santa Clara Valley Water District Board of Directors Meeting

HQ. Bldg. Boardroom, 5700 Almaden Expressway, San Jose, California
Join Zoom Meeting: <https://valleywater.zoom.us/j/84454515597>

***AMENDED/APPENDED CLOSED SESSION AND REGULAR MEETING AGENDA**

**Tuesday, January 14, 2025
11:00 AM**

***ITEMS AMENDED AND/OR APPENDED SINCE THE ORIGINAL PUBLICATION OF THIS AGENDA
ARE IDENTIFIED BY AN ASTERISK (*) HEREIN**

District Mission: Provide Silicon Valley safe, clean water for a healthy life, environment and economy.

DISTRICT BOARD OF DIRECTORS

Tony Estremera, Chair-District 6
Richard P. Santos, Vice Chair-District 3
John L. Varela-District 1
Shiloh Ballard-District 2
Jim Beall-District 4
Nai Hsueh-District 5
Rebecca Eisenberg-District 7

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body, will be available to the public through the legislative body agenda web page at the same time that the public records are distributed or made available to the legislative body. Santa Clara Valley Water District will make reasonable efforts to accommodate persons with disabilities wishing to participate in the legislative body's meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 265-2600.

TINA YOKE
Acting Chief Executive
Officer

MAX OVERLAND, CMC
Interim Clerk of the Board
(408) 265-2600
Fax (408) 266-0271
www.valleywater.org

Note: The finalized Board Agenda, exception items and supplemental items will be posted prior to the meeting in accordance with the Brown Act.

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Santa Clara Valley Water District Board of Directors

***AMENDED/APPEDED AGENDA**

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Expressway, San Jose, California**

Join Zoom Meeting:

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*****IMPORTANT NOTICES AND PARTICIPATION INSTRUCTIONS*****

Santa Clara Valley Water District (Valley Water) Board of Directors/Board Committee meetings are held as a “hybrid” meetings, conducted in-person as well as by telecommunication, and is compliant with the provisions of the Ralph M. Brown Act.

To maximize public safety while still maintaining transparency and public access, members of the public have an option to participate by teleconference/video conference or attend in-person. To observe and participate in the meeting by teleconference/video conference, please see the meeting link located at the top of the agenda. If attending in-person, you are required to comply with Ordinance 22-03 - AN ORDINANCE OF THE SANTA CLARA VALLEY WATER DISTRICT SPECIFYING RULES OF DECORUM FOR PARTICIPATION IN BOARD AND COMMITTEE MEETINGS located at <https://s3.us-west-2.amazonaws.com/valleywater.org.if-us-west-2/f2-live/s3fs-public/Ord.pdf>

In accordance with the requirements of Gov. Code Section 54954.3(a), members of the public wishing to address the Board/Committee during public comment or on any item listed on the agenda, may do so by filling out a Speaker Card and submitting it to the Clerk or using the “Raise Hand” tool located in the Zoom meeting application to identify yourself in order to speak, at the time the item is called. Speakers will be acknowledged by the Board/Committee Chair in the order requests are received and granted speaking access to address the Board. Written comments on any item on the agenda may be submitted to clerkoftheboard@valleywater.org or board@valleywater.org.

- Members of the Public may test their connection to Zoom Meetings at: <https://zoom.us/test>
- Members of the Public are encouraged to review our overview on joining Valley Water Board Meetings at: <https://www.youtube.com/watch?v=ToJpYCxXm0>

Valley Water, in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in Valley Water Board of Directors/Board Committee meetings to please contact the Clerk of the Board’s office at (408) 630-2711, at least 3 business days before the scheduled meeting to ensure that Valley Water may assist you.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Sections 54950 et. seq. and has not been prepared with a view to informing an investment decision in any of Valley Water’s bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of Valley Water’s bonds, notes or other obligations and investors and potential investors should rely only on information filed by Valley Water on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for municipal securities

disclosures and Valley Water's Investor Relations website, maintained on the World Wide Web at <https://emmam.srb.org/> and <https://www.valleywater.org/how-we-operate/financebudget/investor-relations>, respectively.

Under the Brown Act, members of the public are not required to provide identifying information in order to attend public meetings. Through the link below, the Zoom webinar program requests entry of a name and email address, and Valley Water is unable to modify this requirement. Members of the public not wishing to provide such identifying information are encouraged to enter "Anonymous" or some other reference under name and to enter a fictional email address (e.g., attendee@valleywater.org) in lieu of their actual address. Inputting such values will not impact your ability to access the meeting through Zoom.

Join Zoom Meeting:

<https://valleywater.zoom.us/j/84454515597>

Meeting ID: 844 5451 5597

Join by Phone:

1 (669) 900-9128, 84454515597#

1. CALL TO ORDER/ROLL CALL:

1.1. Roll Call.

2. 11:00 AM - CLOSED SESSION:

Notice to the Public: The Board of Directors meets in Closed Session in accordance with the Ralph M. Brown Act. Following the conclusion of Closed Session discussion, the Board will return for the remaining items on the regular meeting agenda.

2.1. CLOSED SESSION

PUBLIC EMPLOYMENT

Pursuant to Government Code Section 54957(b)(1)

Title: Clerk of the Board

[25-0039](#)

2.2. CLOSED SESSION

PUBLIC EMPLOYEE APPOINTMENT

Pursuant to Govt. Code Sec. 54957(b)(1)

Title: Acting CEO and Interim CEO

[25-0077](#)

2.3. District Counsel Report on Closed Session.

3. 1:00 PM - TIME CERTAIN:

3.1. Pledge of Allegiance/National Anthem.

3.2. Orders of the Day.

A. Approximate Discussion Time (Board); and

B. Adjustments to the Order of Agenda Items.

3.3. Time Open for Public Comment on any Item not on the Agenda.

Notice to the public: Members of the public who wish to address the Board/Committee on any item not listed on the agenda may do so by filling out a Speaker Card and submitting it to the Clerk or using the "Raise Hand" tool

located in the Zoom meeting application to identify yourself to speak. Speakers will be acknowledged by the Board/Committee Chair in the order requests are received and granted speaking access to address the Board/Committee. Speakers' comments should be limited to three minutes or as set by the Chair. The law does not permit Board/Committee action on, or extended discussion of, any item not on the agenda except under special circumstances. If Board/Committee action is requested, the matter may be placed on a future agenda. All comments that require a response will be referred to staff for a reply in writing. The Board/Committee may take action on any item of business appearing on the posted agenda.

3.4. Recognition of Outgoing Chair.

- *3.5. Approve Funding of Planning and Pre-Construction Work for the Delta Conveyance Project for Calendar Years 2026 and 2027 in an Amount Not-To-Exceed \$9,690,000 and Adopt a Resolution Making Responsible Agency Findings Under the California Environmental Quality Act. [24-1058](#)

Recommendation:

- A. Receive an update on the Delta Conveyance Project;
- B. Adopt the Resolution CONSIDERING THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE DELTA CONVEYANCE PROJECT AND MAKING CEQA RESPONSIBLE AGENCY FINDINGS FOR PRE-CONSTRUCTION WORK; APPROVING FUNDING OF PLANNING AND PRE-CONSTRUCTION WORK FOR CALENDAR YEARS 2026 AND 2027 IN AN AMOUNT NOT TO EXCEED \$9,690,000; and
- C. Delegate authority to the Chief Executive Officer to sign the CEQA Notice of Determination for the Pre-Construction Work and Execute Funding Letter Agreement.

Manager: Vincent Gin, 408-630-2633

Attachments: [Attachment 1: SCVWD Resolution No. 19-69](#)
[Attachment 2: Additional Project Information](#)
[Attachment 3: Resolution](#)
[Attachment 4: Draft Funding Letter](#)
[Attachment 5: PowerPoint, Staff](#)
[Attachment 6: PowerPoint, DWR](#)
[*Handout 3.5-A: Public Comments](#)
[*Handout 3.5-B: Sierra Club](#)
[*Handout 3.5-C: Delta Counties Coalition](#)

Est. Staff Time: 20 Minutes.

- *3.6. Work Study Session on the Capital Improvement Program Preliminary Fiscal Year 2026-2030 Five-Year Plan and Preliminary Fiscal Year [25-0109](#)

2025-2026 Groundwater Production Charges.

- Recommendation:
- A. Review the Capital Improvement Program Evaluation Team's recommended funding scenarios for the CIP Preliminary Fiscal Year 2026-2030 (FY 2026-30) Five-Year Plan and approve the recommendations for the Water Utility Enterprise Fund (Fund 61) and the inclusion of three projects in the CIP Draft FY 2026-30 Five-Year Plan;
 - B. Review proposed adjustments and modifications to the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) Fund (Fund 26);
 - C. Set the time and place for a Public Hearing for modifications to the Safe, Clean Water Program for February 11, 2025; and
 - D. Discuss and provide direction on the preliminary FY 2025-26 (FY 26) Groundwater Production Charge analysis.

Manager: Luz Penilla, 408-630-2228
Darin Taylor, 408-630-3068

Attachments: [Attachment 1: Project Plan Updates](#)
[Attachment 2: Baseline CIP Preliminary FY 2026-30 5-Year Plan](#)
[Attachment 3: Capital Project Funding Categories](#)
[Attachment 4: Initially Validated/Unfunded Recommendations](#)
[Attachment 5: Proposed Adjustments and Modifications](#)
[Attachment 6: Draft Notice of Public Hearing](#)
[Attachment 7: SCVWD Resolution No. 99-21](#)
[Attachment 8: SCVWD Resolution No. 12-10](#)
[Attachment 9: PowerPoint](#)
[*Supplemental Board Agenda Memo](#)
[*Supplemental Attachment 1: CIP Projects with Federal Funding](#)

Est. Staff Time: 20 Minutes.

REGULAR AGENDA:

4. **CONSENT CALENDAR: (4.1 - *4.6) (Est. Time: 5 Minutes)**

Notice to the public: There is no separate discussion of individual consent calendar items. Recommended actions are voted on in one motion. If an item is approved on the consent vote, the specific action recommended by staff is adopted. Items listed in this section of the agenda are considered to be routine by the Board, or delegated to the Board Appointed Officers (BAOs) yet required by law or contract to be Board approved (EL-7.10). Any item may be removed for separate consideration at the request of a Board member. Whenever a resolution is on the consent calendar, a roll call vote will be taken on the entire calendar. Members of the public wishing to address the Board on any consent items may do so by filling out a Speaker Card and submitting it to the Clerk or using the "Raise Hand" tool located in the Zoom meeting application to identify

themselves to speak.

- 4.1. Adopt a Resolution Authorizing Exchange of Real Property Rights with Apple Inc. at APN 316-06-064, Real Estate File Nos. 2010-209.1 and 2010-226 (Cupertino, District 5). [24-0937](#)

Recommendation: Adopt the Resolution AUTHORIZING EXCHANGE OF REAL PROPERTY RIGHTS WITH APPLE INC., adjacent to Calabazas Creek, APN 316-06-064, Real Estate File Nos. 2010-209.1 and 2010-226, which does the following:

- A. Authorize the Chief Executive Officer to accept the Easement Deed from Apple Inc., Valley Water Real Estate File No. 2010-226; and
- B. Authorize the Chief Executive Officer to execute the Quitclaim Deed to Apple Inc., Valley Water Real Estate File No. 2010-209.1

Manager: Lisa Bankosh, 408-630-2618

Attachments: [Attachment A: Gov. Code 84308](#)
[Attachment 1: Location Map](#)
[Attachment 2: Easement Deed](#)
[Attachment 3: Quit Claim Deed](#)
[Attachment 4: Resolution](#)

- 4.2. Adopt a Resolution Authorizing the Chief Executive Officer, or Their Designee, to Sign the Equity in Infrastructure Projects Pledge on Behalf of the Santa Clara Valley Water District. [25-0044](#)

Recommendation: Adopt the Resolution AUTHORIZING THE CHIEF EXECUTIVE OFFICER OR THEIR DESIGNEE TO SIGN THE EQUITY IN INFRASTRUCTURE PROJECT PLEDGE ON BEHALF OF THE SANTA CLARA VALLEY WATER DISTRICT and join the other 74 private and public agencies already in the EIP coalition.

Manager: Marta Lugo, 408-630-2237

Attachments: [Attachment 1: Resolution](#)

- 4.3. Accept the Santa Clara Valley Water District Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024, and Other Independent Auditor's Reports. [24-1057](#)

Recommendation: Accept the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024, and other independent auditor's reports.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: FY 2023-24 ACFR](#)
[Attachment 2: Investment Policy Compliance](#)
[Attachment 3: Article XIII-B Appropriations Procedure](#)
[Attachment 4: Debt Issuance Compliance](#)
[Attachment 5: Travel Expense Compliance](#)

- 4.4. Declaration of November 5, 2024, General Election and Official Results for Board of Directors District 2, and Appointment of Directors to Represent Districts 3 and 5. [24-1005](#)

Recommendation: A. Accept the County of Santa Clara Registrar of Voters' Certificate of Election Results and Statement of Votes for District 2, declaring the totals to be the final results of the election, and declaring elected the person having received the highest number of votes for this office; and
B. Accept the Santa Clara County Registrar of Voters' Certificate of Election Facts and Request to Fill Elective Office by Appointment for Districts 3 and District 5.

Manager: Max Overland, 408-630-2749

Attachments: [Attachment 1: Certificates of Election Results, District 2](#)
[Attachment 2: Certificate of Election, Districts 3 and 5](#)

- *4.5. Accept the CEO Bulletins for the Weeks of December 19 through January 9, 2024. [25-0072](#)

Recommendation: Accept the CEO Bulletin.

Manager: Rick Callender, 408-630-2017

Attachments: [*Attachment 1: 12192024 CEO Bulletin](#)
[*Attachment 2: 01092025 CEO Bulletin](#)

- *4.6. Approval of Minutes. [25-0068](#)

Recommendation: Approve the minutes.

Manager: Max Overland, 408-630-2749

Attachments: [*Attachment 1: 11122024 CS and Regular Meeting Minutes](#)
[*Attachment 2: 11192024 Special CS Meeting Minutes](#)
[*Attachment 3: 11262024 CS and Regular Meeting Minutes](#)
[*Attachment 4: 12102024 CS and Regular Meeting Minutes](#)

5. BOARD OF DIRECTORS:

- 5.1. Adopt a Resolution Setting the Time and Place of Regular Meetings of the Santa Clara Valley Water District Board of Directors. [24-1042](#)

Recommendation: A. Consider the schedule for the regular meetings of the

Board, currently held on the second and fourth Tuesday of each month, beginning at 1:00 p.m. respectively, or as designated by the Clerk of the Board to accommodate closed session subject matter;

- B. Discuss and identify, if necessary, 2025 Board meeting recess dates; and
- C. If a new regular Board meeting schedule is approved, adopt the Resolution SETTING THE TIME AND PLACE OF MEETINGS OF THE BOARD OF DIRECTORS OF THE SANTA CLARA VALLEY WATER DISTRICT AND RESCINDING RESOLUTION NO. 24-02.

Manager: Max Overland, 408-630-2749

Attachments: [Attachment 1: SCVWD Resolution No. 24-02](#)
[Attachment 2: Draft Resolution](#)

Est. Staff Time: 5 Minutes.

- 5.2. Adopt a Resolution Amending Santa Clara Valley Water District's Conflict of Interest Code. [25-0060](#)

Recommendation: Adopt the Resolution AMENDING THE SANTA CLARA VALLEY WATER DISTRICT CONFLICT OF INTEREST CODE.

Manager: Anna Lee, 408-630-3634
Patrice McElroy, 408-630-3286

Attachments: [Attachment 1: Resolution](#)

Est. Staff Time: 5 Minutes.

- 5.3. Authorize Executive-Level Discussion of the San Francisquito Creek Flood Protection Project Funding Guiding Principles. [25-0076](#)

Recommendation: Authorize the Chief Executive Officer, or their designee, to discuss guiding principles for funding the San Francisquito Creek Flood Protection Project with executive staff from the San Francisquito Creek Joint Powers Authority Member Agencies.

Manager: Bhavani Yerrapotu, 408-630-2735

Attachments: [Attachment 1: Item 4.1, BPMC](#)

Est. Staff Time: 10 Minutes.

- *5.4. Review the Board Committees and Approve the 2025 Board Committee Appointments. [25-0110](#)

Recommendation:

- A. Review, revise if necessary, and approve individual Board Committee purpose descriptions;
- B. Create or disband Board Committee(s), as necessary;
- C. Review and approve the proposed 2025 Board Committee appointments as submitted by the 2025

- Board Chair; and
D. Appoint new Board Committee Representatives, as necessary.

Manager: Max Overland, 408-630-2749

Attachments: [*Supplemental Board Agenda Memo](#)
[*Supplemental Attachment 1: 2025 Board Committee Appointment](#)

Est. Staff Time: 5 Minutes.

- 5.5. Set the Time and Place of a Public Hearing for the Santa Clara Valley Water District Board of Directors to Determine the Necessity for Directors to be Compensated for up to Fifteen Days per Calendar Month and to Consider Directors' Compensation for Calendar Year 2025. [24-1007](#)

Recommendation: A. Set the time and place for a Public Hearing at 1:00 p.m., on February 11, 2025, at the Santa Clara Valley Water District, 5700 Almaden Expressway, San Jose, California, for the Board of Directors to:

- i. Consider the evidence and determine if there is an operational need for Directors to be compensated for up to fifteen (15) days per calendar month; and
- ii. Consider Directors' compensation for the calendar year 2025, pursuant to Chapter 2, Division 10 of the California Water Code; and

B. Direct the Clerk of the Board to publish notice of Public Hearing in a newspaper of general circulation within Santa Clara County.

Manager: Max Overland, 408-630-2749

Attachments: [Attachment 1: Notice of Public Hearing](#)

- *5.6. Board Committee Reports. [25-0073](#)

Attachments: [*Handout 5.6-A: 11012024 CIP, Summary](#)
[*Handout 5.6-B: 11202024 BAC, Summary](#)
[*Handout 5.6-C: 12062024 BPMC, Summary](#)
[*Handout 5.6-D: 01152025 BAC, Agenda](#)

Est. Staff Time: 5 Minutes.

- *5.7. Consider the November 20, 2024, Board Audit Committee Recommendation of Including Performance Audits for the 2025 Annual Audit Plan and Provide Further Guidance as Needed. [25-0049](#)

Recommendation: Consider recommendations resulting from the November 20, 2024, Board Audit Committee meeting to:

- A. Approve the inclusion of Performance Audits for the 2025 Annual Audit Plan; and
- B. Provide further guidance as needed.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: 2023 Risk Assessment Final Report](#)
[Attachment 2: Audit Scope, Capital Projects](#)
[Attachment 3: Audit Scope, Contracting](#)
[Attachment 4: Audit Scope, Conservation Strategies](#)
[Attachment 5: Audit Scope, Forecasting](#)

Est. Staff Time: 10 Minutes.

6. WATER UTILITY ENTERPRISE:

7. WATERSHEDS:

- 7.1. Accept the Corrected Fiscal Year 2024-25 Safe, Clean Water and Natural Flood Protection Special Tax Summary Report and Adopt a Corrected Resolution Providing for Levy of the Special Tax Rates and Authorizing a Procedure for Correcting Special Tax Amounts for Fiscal Year 2024-2025. [24-1009](#)

Recommendation:

- A. Accept the Corrected Fiscal Year 2024-25 Safe, Clean Water and Natural Flood Protection Special Tax Summary Report; and
- B. Adopt the Resolution PROVIDING FOR CORRECTED LEVY OF THE SPECIAL TAX PURSUANT TO THE SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION MEASURE IN THE COMBINED FLOOD CONTROL ZONE OF THE SANTA CLARA VALLEY WATER DISTRICT AND AUTHORIZING A PROCEDURE FOR CORRECTING SPECIAL TAX AMOUNTS FOR FISCAL YEAR 2024-2025.

Manager: Christopher Hakes, 408-630-3796

Attachments: [Attachment 1: Corrected Staff Report](#)
[Attachment 2: Resolution](#)

Est. Staff Time: 5 Minutes.

8. ASSISTANT CHIEF EXECUTIVE OFFICER:

- 8.1. Approve a Budget Adjustment in the Amount of \$409,018.18, Accept the Work as Complete and Direct the Clerk to File the Notice of Completion of Contract and Acceptance of Work for the Cross Valley Pipeline Extension Project, as Part of the Anderson Dam Federal Energy Regulatory Commission Order Compliance Project, Garney Pacific Construction, Inc., Contractor, Project No. 91864010, Contract No. C0676 (Morgan Hill, District 1). [24-0990](#)

Recommendation: A. Approve a Fiscal Year 2025 budget adjustment in the amount of \$409,018.18;
 B. Accept the work on the Cross Valley Pipeline Extension Project, as part of the Anderson Dam Federal Energy Regulatory Commission Order Compliance Project, Project No. 91864010, Contract No. C0676 as complete; and
 C. Direct the Clerk of the Board to sign the Notice of Completion of Contract and Acceptance of Work and submit for recording to the Santa Clara County Clerk-Recorder

Manager: Ryan McCarter, 408-630-2983

Attachments: [Attachment 1: Notice of Completion and Acceptance of Work](#)
 [Attachment 2: Construction Contract Acceptance](#)
 [Attachment 3: Project Completion Letter](#)
 [Attachment 4: Construction Summary](#)
 [Attachment 5: Project Delivery Process Chart](#)

Est. Staff Time: 5 Minutes.

- 8.2. Approve a Budget Adjustment in the Amount of \$5,000,000 and Approve an Increase of \$4,500,000 to the Construction Contract Contingency Sum for the Anderson Dam Federal Energy Regulatory Commission Order Compliance Project, Coyote Creek Stream Augmentation Fish Project Measure: Chillers Plant Project, Project No. 91864008, Contract No. C0701 (Morgan Hill, District 1). [25-0017](#)

Recommendation: A. Approve a Fiscal Year 2025 budget adjustment in the amount of \$5,000,000 to the Coyote Creek Stream Augmentation Fish Protection Measure: Chillers Plant Project; and
 B. Approve an increase of \$4,500,000 to the construction contract contingency sum, bringing the total contingency sum to \$5,304,592 for the Coyote Creek Stream Augmentation Fish Project Measure: Chillers Plant Project.

Manager: Ryan McCarter, 408-630-2983

Attachments: [Attachment 1: Map](#)

Est. Staff Time: 5 Minutes.

- 8.3. Receive an Informational Update on the Draft Fiscal Year 2026-2030 Water Utility Enterprise and Watersheds Asset Renewal Plans. [24-1071](#)

Recommendation: Receive information on the Draft Fiscal Year 2026-2030 Water Utility Enterprise and Watersheds Asset Renewal Plans.

Manager: Luz Penilla, 408-630-2228

Attachments: [Attachment 1: PowerPoint](#)

[Attachment 2: Draft FY 2026-30 Asset Renewal Plan, WUE](#)

[Attachment 3: Draft FY 2026-30 Asset Renewal Plan, Watersheds](#)

Est. Staff Time: 20 Minutes.

9. EXTERNAL AFFAIRS:

10. CHIEF EXECUTIVE OFFICER:

- 10.1. Approve Amendment No. 4 to Agreement No. A4296A with Vena Solutions USA, Inc., for On-Call Enhancements and Support Services for the Capital Improvement Program Development and Biennial Budget Process, Increasing the fee by \$404,000 for a Revised Total Not-to-Exceed fee of \$1,086,000. [24-1044](#)

Recommendation: Approve Amendment No. 4 to Agreement No. A4296A with Vena Solutions USA, Inc., for On-Call Enhancements and Support Services for the Capital Improvement Program Development and Biennial Budget process, increasing the fee by \$404,000 for a total revised not-to-exceed fee of \$1,086,000, extend the term from January 31, 2025, to January 31, 2029, and to implement administrative updates.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment A: Gov. Code 84308](#)

[Attachment 1: Amendment No. 4](#)

[Attachment 2: Amendment No. 3](#)

[Attachment 3: Amendment No. 2](#)

[Attachment 4: Amendment No. 1](#)

[Attachment 5: Agreement](#)

Est. Staff Time: 5 Minutes.

- *10.2. CEO and Chiefs' Reports. [25-0074](#)

Attachments: [*Handout 10.2-A: OCE, Update](#)

11. ADMINISTRATION:

12. DISTRICT COUNSEL:

13. BOARD POLICY PLANNING CALENDAR/PROPOSED FUTURE BOARD AGENDA ITEMS:

- *13.1. Review the Fiscal Year 2024-2025 Board Policy Planning Calendar. [25-0048](#)

Recommendation: Review the Fiscal Year 2024-2025 Board Policy Planning Calendar.

Manager: Max Overland, 408-630-2749

Attachments: [Attachment 1: FY 24-25 Board Calendar](#)
[*Attachment 2: FY 24-25 Board Policy Planning Calendar, revised](#)

14. BOARD MEMBER REPORTS/ANNOUNCEMENTS:

15. CLERK REVIEW AND CLARIFICATION OF BOARD REQUESTS:

16. ADJOURN:

- 16.1 Adjourn to the 1:00 p.m. Regular meeting on January 28, 2025, in the Santa Clara Valley Water District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California, and via Zoom teleconference.



Santa Clara Valley Water District

File No.: 25-0039

Agenda Date: 1/14/2025
Item No.: 2.1.

NON-EXHIBIT/CLOSED SESSION ITEM

SUBJECT:

CLOSED SESSION

PUBLIC EMPLOYMENT

Pursuant to Government Code Section 54957(b)(1)

Title: Clerk of the Board

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Santa Clara Valley Water District

File No.: 25-0077

Agenda Date: 1/14/2025
Item No.: 2.2.

NON-EXHIBIT/CLOSED SESSION ITEM

SUBJECT:

CLOSED SESSION

PUBLIC EMPLOYEE APPOINTMENT

Pursuant to Govt. Code Sec. 54957(b)(1)

Title: Acting CEO and Interim CEO

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Santa Clara Valley Water District

File No.: 24-1058

Agenda Date: 1/14/2025

Item No.: *3.5.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Approve Funding of Planning and Pre-Construction Work for the Delta Conveyance Project for Calendar Years 2026 and 2027 in an Amount Not-To-Exceed \$9,690,000 and Adopt a Resolution Making Responsible Agency Findings Under the California Environmental Quality Act.

RECOMMENDATION:

- A. Receive an update on the Delta Conveyance Project;
- B. Adopt the Resolution CONSIDERING THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE DELTA CONVEYANCE PROJECT AND MAKING CEQA RESPONSIBLE AGENCY FINDINGS FOR PRE-CONSTRUCTION WORK; APPROVING FUNDING OF PLANNING AND PRE-CONSTRUCTION WORK FOR CALENDAR YEARS 2026 AND 2027 IN AN AMOUNT NOT TO EXCEED \$9,690,000; and
- C. Delegate authority to the Chief Executive Officer to sign the CEQA Notice of Determination for the Pre-Construction Work and Execute Funding Letter Agreement.

SUMMARY:

On September 24, 2019, Valley Water's Board of Directors declared support for Governor Newsom's single tunnel project and provided direction on proceeding with the Delta Conveyance Project (DCP) by adopting Guiding Principles (Resolution 19-69, Attachment 1). Then, Valley Water committed \$11,006,349 for planning and permitting activities for the DCP from January 1, 2021, through December 31, 2024 (Resolution 20-91, Resolution 22-22). Attachment 2 describes the milestones achieved since 2021, as well as information that staff used to evaluate the DCP. The previously committed funding will support DCP planning costs through 2025, but additional funding is needed for continued planning and pre-construction work in calendar years 2026 and 2027 to be used by the Department of Water Resources (DWR) and Delta Conveyance Design and Construction Authority (DCA) to cover these activities:

- General administration and program management support
- Community engagement and outreach
- Property and easements
- Permitting: Water rights, Delta Stewardship Council Certification of Consistency, Clean Water

Act

- Mitigation
- Engineering
- Geotechnical field investigations and other field surveys

DWR and DCA estimated the cost of the 2026-27 planning and pre-construction work to be \$300,000,000; at our current participation level of 3.23 percent, Valley Water's share would be \$9,690,000. Pursuant to Section 5 of the previously approved Funding Agreement (January 21 Agreement), Valley Water may provide additional funds to the DWR by providing a letter and a copy of a resolution authorizing such additional funding; in return, Valley Water would continue to reserve a portion of conveyance capacity in the DCP proportional to its financial contributions.

The recommended Board action would approve a Resolution to authorize this expenditure and comply with CEQA (Attachment 3).

BACKGROUND

The State Water Project (SWP) is an important source of water and provides critical access to supplemental supplies for Valley Water, as well as for the entire State. A recent economic study found that the SWP is one of the most affordable sources of water in California and is one of the most cost-effective sources when compared to alternative sources. The conveyance of SWP water through the Sacramento-San Joaquin Delta (Delta) is increasingly challenged by climatic factors, including more frequent extremes in hydrology (i.e., severe droughts immediately followed by extreme wet periods), as well as regulations to protect Delta fisheries and water quality. Recent modeling by the DWR projects up to a 22 percent decline in SWP supplies due to climate change alone if no action is taken. In cooperation with the participating SWP Public Water Agencies (PWAs), DWR has been developing the DCP to modernize the SWP by safely capturing water through screened intakes and conveying it underground to existing SWP infrastructure in the South Delta. The DCP objectives are to restore declining water supplies while protecting the SWP from the potential effects of regulatory pressures, earthquakes, and climate change.

The most recent models show that the long-term average annual SWP exports with DCP would be about 403 thousand acre-feet (TAF) higher than the no DCP scenario in 2070. Valley Water's portion, at our current participation level, would be 13 TAF on average, with significantly greater amounts delivered in wet years and significantly lower quantities delivered in dry years. The DCP would also mitigate risks associated with sea-level rise and levee failures that could lead to saltwater intrusion into the South Delta, where the current SWP and Central Valley Project (CVP) diversion points are located. Additionally, the DCP would create flexibility for water transfers, potentially when water is less expensive, and complement water storage projects, such as the B.F. Sisk Dam Raise, Sites Reservoir, and groundwater banking. For these reasons, staff recommends the continued funding of planning and pre-construction work, including geotechnical studies that are described in the Final Environmental Impact Report (EIR).

Before funding pre-construction work, Valley Water must consider the DWR's Final EIR, make Responsible Agency Findings, adopt DWR's CEQA Findings of Fact, and adopt a Statement of

Overriding Considerations for the Pre-Construction Work.

<https://water.ca.gov/-/media/DWR-Website/Web-Pages/News/Files/FINAL-12-14-2023---The-Economy-of-the-State-Water-Project.pdf>

PROJECT PROGRESS

The following are key milestones that DWR and DCA completed using the funding to date:

- Conceptual design and preliminary geotechnical studies, which supported the development of the EIR project descriptions and alternatives analyses.
- Certification of the DCP Final EIR and approval of the easternmost tunnel alignment with two intakes, a capacity of 6,000 cubic feet per second, and a tunnel that terminates near the existing Bethany Reservoir (Bethany Alternative).
- Updated cost estimate to reflect the Bethany Alternative, which totaled \$20.1 billion (2023 dollars).
- Statewide benefit-cost analysis was completed resulting in a benefit-cost ratio of 2.2, meaning the monetary value of benefits are two times greater than the costs.
- Submittal of environmental permit applications.
- Development of the Community Benefits Program's Draft Implementation Plan and Guidelines, which is currently available for public review.

Additional details are provided in Attachment 2.

PROJECT COSTS

An updated cost estimate was prepared by the DCA in May 2024 (Table 1). The project cost is estimated to be \$20.1B in real 2023 (undiscounted) dollars and includes construction, soft costs, environmental mitigation, a \$200 million Community Benefits Program, and a 30 percent contingency. If DCP is approved and implemented, Valley Water's previously committed planning, design, and Pre-Construction funds will be reimbursed or applied to Valley Water's share of implementation costs.

Table 1. Project Implementation Costs

	Cost (2023 \$)
Total Project Implementation Costs	\$20,120,000,000
Valley Water's Share (3.23%)	\$649,876,000

UPCOMING ACTIVITIES

In 2025, DWR will prioritize the completion of state and federal permitting for the DCP, including a change in point of diversion for its water rights permits with the State Water Resources Control Board (SWRCB). Additionally, DWR will continue engagement efforts to develop the Community Benefits Program. DWR's finance plan and draft SWP contract amendments are also expected in 2025.

In 2026-2027, the DCA will advance design to approximately 30 percent. Permitting support tasks and engineering studies to evaluate conceptual design refinements will be ongoing. DWR anticipates completing the SWRCB and the DSC processes by the end of 2026. Refined costs and benefits, informed by final permit conditions, will be provided in 2027 prior to final participation decisions in

2027.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

Approximately 27 million people receive water from the SWP, including millions of people in disadvantaged communities. One of the objectives of the Project is to protect the reliability of these relatively affordable supplies.

DWR has continued to engage with Environmental Justice Communities, including Tribal community members, in-Delta communities, and historically underrepresented populations, initially as part of the EIR process, which shaped the development of the Community Benefits Program. The Community Benefits Program was approved when the Final EIR was adopted and will offer \$200 million through grants to benefit the Delta communities most impacted by construction activities.

FINANCIAL IMPACT:

The financial impact for Valley Water's share of the DCP planning and pre-construction work for calendar years 2026-2027, which spans the next three fiscal years (FY), is \$9,690,000.

Valley Water's planned expenditures were included in the Delta Conveyance Project, Project No. 91601001, in the Long-Term Operations forecast and FY 2025-2026 and FY 2026-2027 Proposed Rolling Biennial Budget, with appropriations of approximately \$1.9 million and \$4.9 million, respectively. The balance of the obligation, approximately \$2.9 million, would be included in the FY 2027-2028 budget, for further Board consideration.

CEQA:

Under CEQA and the State CEQA Guidelines, DWR, acting as Lead Agency, prepared and processed a Final EIR for the DCP. The DCP consists of the construction, operation, and maintenance of new SWP water diversion and conveyance facilities in the Delta that would be operated in coordination with existing SWP facilities. The DCP includes the following key components and actions:

- Two intake facilities along the Sacramento River in the north Delta near the community of Hood with on-bank intake structures that would include fish screens.
- A concrete-lined tunnel, and associated vertical tunnel shafts, to convey flow for 45 miles to the Bethany Reservoir Pumping Plant and Surge Basin at a location south of the existing SWP Clifton Court Forebay.
- A Bethany Reservoir Pumping Plant to lift the water from inside the tunnel below ground into the Bethany Reservoir Aqueduct for conveyance to the Bethany Reservoir Discharge Structure and into the existing Bethany Reservoir.
- Other ancillary facilities to support construction and operation of the conveyance

facilities including, but not limited to, access roads, concrete batch plants, fuel stations, and power transmission and/or distribution lines.

- Efforts to identify geotechnical, hydrogeologic, agronomic, and other field conditions that will guide appropriate construction methods and monitoring programs for final engineering design and construction data collection and field work investigations, including ground-disturbing geotechnical work, water quality and hydrogeologic investigations, agronomic testing, the installation of monitoring equipment, construction test projects, pre-construction design work, and engineering work (pre-construction work).

DWR certified the Final EIR and approved the DCP on December 21, 2023. DWR also adopted CEQA Findings of Fact (Findings), a Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Program (MMRP) and filed a Notice of Determination (NOD) under CEQA.

The EIR identifies the State Water Contractor member agencies as responsible agencies, including Valley Water, for actions related to the DCP. DWR's Final EIR, Findings, Statement of Overriding Considerations, MMRP, and NOD can be found at the official DWR website at:

<https://www.deltaconveyanceproject.com/planning-processes/california-environmental-quality-act/final-eir/final-eir-document>. These documents are also available at the Valley Water's website.

Although DWR has approved the Delta Conveyance Project, **Valley Water is not approving or committing to the Delta Conveyance Project at this time**. Instead, the narrow approval action before the Board today is to provide, at DWR's request, continued funding for DCP planning and design costs which will allow DWR and the DCA to continue pre-construction work.

This pre-construction work has been evaluated as part of the EIR; thus, prior to the Board approving funding of this pre-construction work, staff recommends that the Board take actions under CEQA as a Responsible Agency, including by adopting the Lead Agency' CEQA Findings and a Statement of Overriding Considerations regarding the potentially significant and unavoidable impacts that may result from the pre-construction work. A Resolution that would take these CEQA actions, approve this additional funding, and authorize the CEO to execute a further funding letter agreement with DWR is included for the Board's consideration (Attachments 3 and 4).

ATTACHMENTS:

Attachment 1: SCVWD Resolution No. 19-69

Attachment 2: Additional Project Information

Attachment 3: Resolution

Attachment 4: Draft Funding Letter

Attachment 5: PowerPoint, Staff

Attachment 6: PowerPoint, DWR

*Handout 3.5-A: Public Comments

*Handout 3.5-B: Sierra Club

*Handout 3.5-C: Delta Counties Coalition

UNCLASSIFIED MANAGER:

Vincent Gin, 408-630-2633

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**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 19 – 69

**SUPPORT OF GOVERNOR NEWSOM'S
PROPOSED DELTA CONVEYANCE
("GOVERNOR'S PROPOSED PROJECT")**

WHEREAS, our mission at the Santa Clara Valley Water District (Valley Water) is to provide Silicon Valley with safe, clean water to support healthy lives, the environment, and economy; and

WHEREAS, the Board of Directors endeavor through our policies and actions to affirm to the residents of Silicon Valley that we are dependable stewards and that Valley Water can be trusted to provide clean, safe, affordable water, and guarantee our water supply for the future; and

WHEREAS, Santa Clara County relies on State Water Project (SWP) and Central Valley Project (CVP) water conveyed through the Sacramento-San Joaquin Bay-Delta (Delta) for 40 percent of its water supply on average; and

WHEREAS, imported water from the Delta and its watershed has played a significant role in recharging the County's groundwater basin, protecting against further land subsidence, and providing for the well-being of the citizens of Santa Clara County; and

WHEREAS, substantial local investments in water use efficiency and conservation, recycled water and groundwater management are essential but cannot cost-effectively replace imported water; and

WHEREAS, Valley Water has long been committed to sustained reliable water supplies as well as environmental stewardship; and

WHEREAS, if no action is taken, Valley Water's SWP and CVP supplies will be vulnerable to risks from declining ecosystem conditions, increasing regulatory restrictions, seismic risks, climate change and sea level rise, resulting in reduced water supply reliability for Santa Clara County; and

WHEREAS, the "Bay-Delta Plan" as proposed by the State Water Resources Control Board may materially cut water deliveries to the San Francisco Public Utility Commission served areas of Santa Clara County, potentially creating more demand upon Valley Water; and

WHEREAS, Governor Newsom, through the California Department of Water Resources (DWR) proposes to develop a single tunnel Delta Conveyance Project; and

WHEREAS, the Delta Conveyance Project is a critical component of the Governor's "balanced portfolio approach" to water, the State of California's blueprint for a "sustainable and resilient future"; and

WHEREAS, the Governor's Proposed Project has the potential to protect Valley Water's water supply reliability by upgrading aging infrastructure, thereby reducing the vulnerability of SWP and CVP water supplies to seismic events in the Delta and climate change impacts; and

Support of Governor Newsom's Proposed Delta Conveyance ("Governor's Proposed Project")
Resolution No. 19-69

WHEREAS, the Governor's Proposed Project has the potential to improve access to transfer supplies and increase storage project yield while conveying water across the Delta in a way that is safer for the environment; and

WHEREAS, Valley Water supports the use of unionized labor and Project Labor Agreements (PLAs) to participate in the construction of the Governor's Proposed Project.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Santa Clara Valley Water District does hereby find, determine, and order as follows:

1. Valley Water hereby declares its support for Governor Newsom in his development of a single tunnel Delta Conveyance Project (the Governor's Proposed Project) and adopts the Guiding Principles, attached hereto as Attachment 1, for Participation in the Governor's Proposed Project; and
2. Valley Water Directors and staff will use these Guiding Principles to shape Valley Water's participation in the Governor's Proposed Project, including evaluating the Governor's Proposed Project, identifying ways to meet Valley Water's goals, and shaping the project development and any agreements necessary to secure the conditions needed for Valley Water's continued participation and support.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on September 24, 2019:

AYES: Directors T. Estremera, J. Varela, N. Hsueh, B. Keegan, G. Kremen,
R. Santos, L. LeZotte

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: 

LINDA J. LEZOTTE
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC


Clerk, Board of Directors

ATTACHMENT 1

Guiding Principles for Participation in Governor Newsom's Proposed Delta Conveyance Project ("Governor's Proposed Project")

Guiding Principle #1 - Santa Clara County needs are the primary drivers in all our decisions involving the Governor's Proposed Project.

Fresno, Huron, Southern California, Discovery Bay, Rio Vista and other places in California have important desires, but providing safe, clean, affordable water for the people, businesses, wildlife and habitat of *Santa Clara County* is our primary focus.

Guiding Principle #2 - We will not allow Silicon Valley values and priorities to be placed at a disadvantage relative to Central Valley Agriculture or Southern California.

We support the Governor's Proposed Project in which all parties pay their fair share and avoid cost shifting to urban users.

Santa Clara County rate payers and / or taxpayers should *pay no subsidies* to Central Valley Agriculture or Southern California water users. If anyone pays less than Valley Water on a per acre-foot basis, their benefit from the Governor's Proposed Project should be less than Valley Water's benefit.

Guiding Principle #3 - We are advocating for a flexible approach that addresses Silicon Valley stakeholder and community input.

We take public input seriously, having had over 60 agenda items at properly noticed, public meetings on Delta Conveyance and Valley Water's water master supply plan alone (see Appendix A for a partial list of such meetings).

We support the Governor's Proposed Project that provides for environmental protections for the Delta, that is part of an overall State effort for a portfolio of science-based actions, and that takes into account climate change.

To quote from the recent *Baykeeper Issue Brief on the Delta Tunnels*:

"With a portfolio of science-based actions we can stabilize the Delta ecosystem to prevent fish extinctions while permitting sustainable water exports. Signs of hope and solutions include:

Reduction in tunnel scope to a single smaller tunnel. Several groups, including the Natural Resources Defense Council and the Public Policy Institute of California, have suggested that a single tunnel could help achieve the reliability and resiliency sought by water contractors while maintaining an engineered limit to diversions that would be less susceptible to over-extraction and abuse."

Additionally, to quote Governor: Newsom in his 2019 "State of the State" speech:

"That's why I do support a single tunnel."

"The status quo is not an option."

"We need to protect our water supply from earthquakes and rising sea levels, preserve delta fisheries and meet the needs of cities and farms."

"We have to get past the old binaries, like farmers versus environmentalists, or North versus South. Our approach can't be 'either/or.' It must be 'yes/and.'"

Given that Westlands Water District and certain other agriculture districts have declined to participate in the WaterFix project, we are supportive of a *lower-cost, scaled-down*, project relative to the previously planned California WaterFix. Other than one tunnel instead of two which is mandatory, we support considering an approach that incorporates the following objectives:

- a. A reduced intake volume from the original 9,000 cubic feet per second; and
- b. A reduced number of intakes on the Sacramento River; and
- c. A project that incorporates and ensures less impacts on fisheries and the environment relative to current operations; and
- d. Allows Valley Water elected officials to be actively involved as leaders in the governance of the Governor's Proposed Project to ensure the project is implemented appropriately and to prevent any Southern California or big agriculture water grab.

Any changes to the Governor's Proposed Project that diverge from this principle must be brought before the board before any final agreement is announced.

Guiding Principle #4 - As water is a human right, we must make investments to make sure our water supply meets future needs at a cost affordable by everyone.

Valley Water believes in an "all-of-the-above approach" to water supply. We have significant ongoing investments in water conservation. We are looking seriously at highly purified (drinkable) water, recycled water, storm water capture, rainwater capture, grey water usage, etc. We take into account the importance of local supplies and resiliency.

At the same time, the cost of water is an important consideration to our rate payers and we believe that water is a basic human right. Of the options that produce a significant quantity of supply, our imported supply is the lowest cost per unit source available to Valley Water, and the Governor's Proposed Project could help stabilize the increasing cost of our overall supply portfolio. The cost of water is a social justice issue; the Governor's Proposed Project would help keep down the cost of our water supply portfolio and make safe, clean water more affordable.

Consistent with this principle, our support of the Governor's Proposed Project is conditioned on the per acre-foot cost remaining similar to the prior estimates of per acre-foot cost for the California WaterFix, adjusted for the loss of scale inherent in one tunnel.

Guiding Principle #5 - Equity and costs are important.

Those communities and/or organizations that pay SWP property taxes (funds) and receive on average 85% of their water supply from sources other than Valley Water managed supplies will receive, directly or indirectly and not exceeding the amount of SWP property tax paid as estimated by Valley Water, those funds back in the form of additional, incremental, dedicated, segregated funds exclusively for water conservation programs, potable recycled water, non-potable recycled water (including salinity reductions), options to purchase wastewater, purified water, wastewater treatment plant environmental upgrades, Automatic Meter Infrastructure (AMI) updates, or dedicated environmental focused grants starting in FY 2019 until FY 2024. Upon Valley Water approval of award for a program within the FY 2019-2024 timeframe, the funds shall be reserved for the recipient, including interest earned, to reimburse eligible expenditures through FY 2033. To unlock these additional, incremental, dedicated funds, the communities and organizations will be required to make at least a 20% match of Valley Water's contribution (with no match required for facilities where Valley Water would have a long-term water supply contract or option for such). If an eligible agency has not gained Valley Water approval for a program by 6/30/2024, the dedicated, segregated funds go back to Valley Water by FY 2026.

Guiding Principle #6 - Any final arrangement must provide flexibility to acquire supplemental water by taking advantage of future wet years to ensure residents have a reliable water supply, no matter what extreme weather the changing climate brings.

Valley Water supports a participation approach, that would allocate the benefits and costs of the Governor's Proposed Project to Valley Water in proportion to its current 2.5% level of participation in the State Water Project ("SWP").

Given the uncertainty around Central Valley Project ("CVP") use of the facilities contemplated under the Governor's Proposed Project, Valley Water shall acquire an additional increment of SWP water supply benefit enabled by the Governor's Proposed Project that would offset projected declines in long-term CVP deliveries as well as strongly advocate for moving our current or future CVP supplies through the Governor's Proposed Project. This objective will lead to our participation in the Governor's Proposed Project for State Water Project deliveries at a higher percentage level than 2.5%.

Additionally, Valley Water shall commit to and/or purchase enough supplies from the Governor's Proposed Project to replace the projected deficit in current imported water supplies over time, and to ensure against future uncertainty. More specifically, we commit to securing sufficient supplemental water supplies if they become available at a reasonable price to avoid a deficit in our water supply, with potentially additional investments to provide insurance against future uncertainty. To optimize the benefits available through participation in the Governor's Proposed Project, we will also seek and evaluate additional storage opportunities.

If we do not act, given competition for limited water supplies in California, undoubtedly, water made available through improvements in the State Water Project and the Bay-Delta will instead go to Central Valley Agriculture and Southern California.

Guiding Principle #7 - Keep negotiating for the best deal for Santa Clara County.

Staff shall continue participating in planning discussions with State and federal agencies as well as other prospective Project participants to further define the project, and to develop agreements to secure the conditions needed for Valley Water's support.

Guiding Principle #8 – Public Engagement to be part of the Proposed Project.

Stakeholder engagement within the Delta as well as outside the Delta is paramount for the success of the proposed project; therefore public engagement throughout the duration of the project planning, design and construction is necessary by the Delta Conveyance Design and Construction Authority, Delta Conveyance Finance Authority as well as the California Department of Water Resources.

APPENDIX A
Valley Water Public Meetings Regarding Delta Conveyance

Board Agenda Items and Workshops

1. May 10, 2011 - Overview of Delta Issues
2. August 26, 2011 (Board Workshop)- Secretary of California Natural Resources Agency, John Laird, and several representatives of environmental groups discussed the ecosystem restoration goal of the BDCP.
3. October 14, 2011 (Board Workshop) - Deputy Secretary of the California Natural Resources Agency, Gerald Meral, and several general managers of California water agencies discussed the water supply reliability goal of the BDCP.
4. March 28, 2012 (Board Workshop) - Several elected officials and residents of Delta counties discussed the in-Delta perspective on BDCP, along with perspectives from Senior Policy Fellow at the Public Policy Institute of California, Ellen Hanak.
5. May 15, 2012 (Board Agenda Item)- Staff prepared a BDCP update following release of the preliminary administrative draft of the BDCP.
6. August 7, 2012 (Board Agenda Item) - Following the July 25th announcement by the Governor and Obama Administration on key elements of the BDCP proposed project, staff provided an update on the Bay Delta Conservation Plan and results of an opinion survey.
7. February 26, 2013 – (Board Agenda Item) Prior to the release of the second Administrative Draft of the BDCP, staff provided an update on the BDCP and established a Board Ad Hoc Committee to assist the Board with developing policies relating to the District's engagement in the BDCP.
8. October 11, 2013 (Board Workshop)- Director of California Department of Water Resources, Mark Cowin, Undersecretary of California Department of Food and Agriculture, Sandra Schubert, and Economist David Sunding provided an overview of BDCP in relation to other State planning efforts and discussed the statewide economic impacts and perspective on BDCP.
9. November 8, 2013 (Board Workshop) - California Department of Fish and Wildlife staff and several representatives of environmental and in-Delta interests discussed habitat restoration and conservation in the Delta and the perspectives of in-Delta users
10. November 13, 2013 (Board Workshop) - Director of Department of Fish and Wildlife Chuck Bonham, technical experts in Delta risks, and BDCP project managers discussed Delta risks, the relevance of BDCP to Delta fisheries, and plan components and analysis.

11. December 9, 2013 (Board Workshop) - Secretary of California Natural Resources Agency, John Laird and other invited guests provided perspectives on the importance of BDCP to the State, County and economy of Silicon Valley. Staff provided a preliminary analysis of BDCP benefits and costs to Santa Clara County
12. January 27, 2014 (Board Workshop) - Former Director of the San Francisco Public Utilities Commission's Water System Improvement Program, Julie Labonte, and President and CEO of Hallmark Group Capital Program Management, Chuck Gardner, described implementation of large water supply infrastructure construction projects.
13. May 27, 2014 (Board Agenda Item) - Following the five 2013–2014 District Board Workshops on BDCP, staff provided an update on Bay Delta Conservation Plan, a summary of the workshops, and responses to Board questions raised during and after the workshops
14. July 22, 2014 (Board Agenda Item) - Staff presented draft District comments on the Public Review Draft BDCP and its EIR/EIS and on the draft BDCP Implementing Agreement for Board review for consistency with Board Policy. Staff also presented an update on the BDCP and responses to additional Board questions.
15. September 23, 2014 (Board Agenda Item) - Staff responded to questions and concerns raised by Board Members and the League of Women Voters of California with various aspects of the BDCP
16. January 22, 2015 (Board Workshop) - Staff and a panel of invited guests described the BDCP adaptive management strategy and the current scientific understanding of habitat restoration in general as well as with respect to BDCP restoration actions.
17. May 26, 2015 (Board Agenda Item) - Staff provided an update on the BDCP and described the new approach proposed by the State to separately develop California WaterFix and EcoRestore.
18. October 27, 2015 (Board Agenda Item) - Staff provided an update on the BDCP and the re-circulated draft environmental documents including draft staff comments on the re-circulated documents.
19. January 26, 2016 (Workshop) - A panel of guests provided updated information and resource agency perspectives on the California WaterFix and California EcoRestore.
20. April 15, 2016 (Board Agenda Item) - Staff provided an overview of imported water and current issues
21. July 12, 2016 (Board Agenda Item) - Staff provided an updated business case analysis and a draft District policy statement for the State Water Board hearing on the petition to change the point of diversion for the SWP and CVP
22. September 27, 2016 (Board Agenda Item) - Update on Implementation of the 2012 Water Supply and Infrastructure Master Plan and Development of the 2017 Water Supply Master Plan (WSMP)

23. January 31, 2017 (Board Agenda Item) - Update on the 2017 Water Supply Master Plan and Potential Storage Options
24. March 14, 2017 (Board Agenda Item) – Review and confirm proposed Principles related to the Waterfix and receive WaterFix update
25. April 25, 2017 (Board Agenda Item) - Update on the 2017 Water Supply Master Plan and Alternative Water Supply Strategies
26. May 9, 2017(Board Agenda Item) – Updated information on the Delta Stewardship Council's Delta Plan, the District's CWF Principles relevant to the Delta Plan amendments
27. May 25, 2017 (Board Workshop) Guests Chuck Gardner, John Bednarski, Pat Pettiette, and Bob Goodfellow provide presentation on cost estimation, risk assessment and management, and cost control for the WaterFix
28. July 11, 2017 (Board Agenda Item) – Update on WaterFix and providing a schedule for future presentations through Fall 2017
29. August 22, 2017 – 1) Analysis of issues facing imported water supply reliability; 2) Update on WaterFix including proposed design and construction management and governance.
30. September 12, 2017 (Board Agenda Item) – California WaterFix water supply analysis, cost and water allocations, and financing.
31. October 17, 2017 (Board Workshop) – Conditional Support for California WaterFix
32. May 2, 2018 (Board Workshop) – Update on California WaterFix, Authorization to Execute Agreements, Designation of District Representative, and Adoption of CEQA Findings.
33. May 8, 2018 (Board Workshop) - Update on California WaterFix, Authorization to Execute Agreements, Designation of District Representative, and Adoption of CEQA Findings (Continued from May 2, 2018)
34. July 6, 2018 - (Board Agenda Item) Update on California WaterFix; Approve and Execute the Delta Conveyance Finance Authority Joint Powers Agreement; and Adopt a Resolution for approval of the Delta Conveyance Finance Authority Joint Powers Agreement.
35. August 14, 2018 (Board Agenda Item) - Update on California WaterFix to Execute agreement between the Department of Water Resources (DWR) and Santa Clara Valley Water District for the advance contribution of money to DWR for preconstruction planning costs for the California WaterFix.
36. January 22, 2019 (Board Agenda Item) – Receive an update on California WaterFix including updates on implementation and governance, regulatory processes, and various agreements.

37. August 13, 2019 (Board Agenda Item) -- Update on Delta Conveyance Project and Request for Board Direction on Participation in the Delta Conveyance Project

Ad Hoc and Advisory Committee Meetings

1. March 18, 2013 – BDCP – Initial meeting, discuss and define the BDCP Ad Hoc Committee's purpose and intended outcome
2. April 9, 2013 – BDCP – 1) Review scope and purpose of the Committee; 2) Discuss the Delta Stewardship Council's Delta Plan; 3) Overview of BDCP, Chapters 104; 4) Discuss the Natural Resource Defense Council's proposed portfolio-based BDCP alternative
3. April 22, 2013 - BDCP – 1) Overview of BDCP, Chapters 104 (continued from 4/9/13); 2) Overview of BDCP, Chapters 5-7; 3) Discuss the Natural Resource Defense Council's proposed portfolio-based BDCP alternative (continued from 4/9/13)
4. May 28, 2013 – BDCP – 1) Discussion of BDCP EIR/EIS alternatives; 2) Discussion of Conservation Measure 1 Construction Mgmt Structure; 3) delta Dialogues – Discussion Group; 4) BDCP Schedule and Board Workshops
5. June 25, 2013 – BDCP – 1) Overview and discussion of Chapters 8-10; 2) Discussion of Board member communication and outreach
6. August 22, 2013 – BDCP – 1) Overview of the role of science in Delta planning; 2) Schedule for Bay Delta issues and Board communication
7. October 9, 2013 – BDCP – 1) Overview of the Role of Science in Delta Planning (carryover from August 22, 2013 meeting); 2) Update on BDCP; 3) Schedule and future agendas
8. December 17, 2013 – BDCP – 1) Discuss 2013 Board Workshops on BDCP; 2) Discuss potential 2014 Board items; 3) Discuss next steps for public outreach and engagement
9. January 13, 2014 – BDCP – 1) Discuss 2013 Special Board Workshops on BDCP; 2) Report out by Committee members on BDCP and related issues
10. January 24, 2014 – BDCP - Discuss 2013 Special Board Workshops on BDCP (Continued from 1/13/14); 2) Report out by Committee members on BDCP and related issues
11. June 3, 2014 – BDCP – 1) Updates on the BDCP and BDCP EIR/EIS; 2) Report out by Committee members on BDCP and related issues
12. July 10, 2014 – BDCP - 1) Updates on the BDCP and BDCP EIR/EIS; 2) Report out by Committee members on BDCP and related issues
13. September 9, 2014 – BDCP – 1) Discuss staff responses to Board member questions on the BDCP; 2) Discuss staff responses to the BDCP comment letter from the League of Women Voters of CA; 3) Schedule for Board communication on BDCP
14. October 6, 2014 – Agricultural Water Advisory Committee (BDCP Update)

15. May 13, 2015 – BDCP – 1) Update on BDCP; 2) Election of Chair and Vice Chair; 3) Report out by Committee members on BDCP and related issues
16. October 5, 2015 – Agricultural Water Advisory Committee (BDCP Update)
17. October 13, 2015 – BDCP – 1) Update on BDCP and the recirculated draft environmental documents; 2) Report out by Committee members on BDCP and related issues
18. November 24, 2015 – BDCP 1) Update on WaterFix Business Case; 2) Report out by Committee members on BDCP and related issues
19. February 22, 2016 – BDCP 1) Update on Waterfix Business Case; 2) Update on the Design Construction Enterprise and related agreements; 3) Draft Policy Statement for State Water Resources Control Board proceedings
20. April 4, 2016 – Agricultural Water Advisory Committee (BDCP Update)
21. June 21, 2016 – BDCP – Update on WaterFix
22. October 3, 2016 – Agricultural Water Advisory Committee - Water Supply Update, including WSMP
23. October 17, 2016 – Environmental & Water Resources Committee - Water Supply Update, including WSMP
24. October 25, 2016 – BDCP – Update on WaterFix, EcoRestore and other Delta planning efforts
25. October 26, 2016 – Santa Clara Valley Water Commission - Water Supply Update, including WSMP
26. November 8, 2016 - BDCP disbanded
27. January 17, 2017 – Joint Board meeting with Open Space Authority - WSMP Update
28. April 12, 2017 – Santa Clara Valley Water Commission - 2017 WSMP Update
29. August 2, 2017 – Agricultural Water Advisory Committee – Update on California WaterFix
30. August 2, 2017 - Joint Water Resources Committee (South County) – Update on WaterFix
31. August 16, 2017 – Environmental & Water Resources Committee – Update on Cal WaterFix
32. August 25, 2017 – Santa Clara Valley Water Commission – Update on Cal WaterFix

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Attachment 2: Delta Conveyance Project

Additional Project Information

BACKGROUND

The Santa Clara Valley Water District (Valley Water) has been engaged in efforts to improve the conveyance of the State Water Project (SWP) and Central Valley Project (CVP) across the Sacramento-San Joaquin Delta (Delta) since 2006. Imported water from the SWP and CVP are an extremely critical source of water for Valley Water, making up about 40% of our total water supply. Statewide, the SWP is relied upon as one of the most affordable sources¹ of high-quality water.

Since the SWP was built, the deliveries have steadily declined by over 40 percent due to climate change and regulatory restrictions intended to help endangered and threatened species in the Delta. In response, the Department of Water Resources (DWR), in cooperation with the interested SWP Public Water Agencies (PWAs), has been developing the Delta Conveyance Project (DCP).

The DCP will allow the SWP to capture, move, and store water, when available, amidst the rapid swings between wet and dry conditions and a declining snowpack by adding two new intakes in the north Delta along the Sacramento River. This water would be conveyed underground through a 36-foot diameter, 45-mile-long tunnel to the existing Bethany Reservoir, just downstream from the existing SWP south Delta Clifton Court Forebay intake. The new screened intakes would be operated in coordination with the existing south Delta intake resulting in two ways to divert and convey water, or “dual conveyance.” Dual conveyance does not increase the allowed diversion volume under the SWP’s water right, but the new intakes would enable the capture of surplus water in wet conditions, restoring some of the projected losses of SWP reliability.

2020-2024 MILESTONES

California Environmental Quality Act (CEQA)

On January 15, 2020, DWR initiated a CEQA review and began developing alternatives and the environmental impact report (EIR) for the proposed project that would meet these objectives:

- To address anticipated rising sea levels and other reasonably foreseeable consequences of climate change and extreme weather events.
- To minimize the potential for public health and safety impacts from reduced quantity and quality of SWP water deliveries, and potentially CVP water deliveries, south of the Delta resulting from a major earthquake that causes breaching of Delta levees and the inundation of brackish water into the areas in which the existing SWP and CVP pumping plants operate in the southern Delta.
- To protect the ability of the SWP, and potentially the CVP, to deliver water when hydrologic conditions result in the availability of sufficient amounts, consistent

¹ <https://water.ca.gov/-/media/DWR-Website/Web-Pages/News/Files/FINAL-12-14-2023---The-Economy-of-the-State-Water-Project.pdf>

Attachment 2 Delta Conveyance Project Additional Project Information

with the requirements of state and federal law, and other existing applicable agreements.

- To provide operational flexibility to improve aquatic conditions in the Delta and better manage risks of further regulatory constraints on project operations.

On July 22, 2022, the draft EIR was released for a 142-day public review period. The draft EIR analyzed a range of potential project alternatives, including a single intake with a maximum capacity to divert 3,000 cubic feet per second (cfs), two intakes with a maximum capacity to divert 6,000 cfs, and three intakes with a maximum diversion capacity of 7,500 cfs; each option was analyzed in combination with three different tunnel alignments.

On December 21, 2023, DWR approved the Final EIR for the DCP, and the “Bethany Alternative,” with two intakes, a maximum capacity to divert 6,000 cfs, and the easternmost tunnel alignment, was selected as the alternative that best-met project objectives while minimizing environmental impacts². DWR’s CEQA Findings are included in Attachment 2, Exhibit A. The Final EIR was challenged by ten lawsuits; all have been consolidated in the County of Sacramento, and case management is expected to begin in April 2025.

National Environmental Protection Act (NEPA)

For DCP’s construction-related impacts, the U.S. Army Corps of Engineers (USACE) issued a Draft Environmental Impact Statement (EIS) on December 16, 2022. A Final EIS is anticipated by early 2025. Other federal permits (Rivers and Harbors Act Section 408, Clean Water Act Sections 404 and 401, and National Historic Preservation Act Section 106) will need to be completed prior to issuance of a Record of Decision. DCP operations were also evaluated as a part of the Long-Term Operations of the CVP and SWP led by the U.S. Bureau of Reclamation (USBR), which recently issued a Final EIS on November 15, 2024.

Federal Endangered Species Act (ESA)

Similar to the NEPA process, ESA coverage will be provided by separate Biological Opinions (BiOps) for construction and operations. The construction BiOps are expected from the U.S. Fish and Wildlife Service (FWS) and the National Marine Fisheries Service (NMFS) in early 2025. For DCP operations, FWS issued their BiOp on November 8, 2024, and NMFS’ BiOp followed on December 6, 2024.

California Endangered Species Act (CESA)

DWR submitted an Incidental Take Permit application to the California Department of Fish and Wildlife on April 9, 2024, for construction and operational CESA coverage. An Incidental Take Permit is anticipated by the end of 2024.

Water Rights Petition: Change in Point of Diversion

² <https://www.deltaconveyanceproject.com/planning-processes/california-environmental-quality-act/final-eir>

Attachment 2 Delta Conveyance Project Additional Project Information

To amend the SWP water rights, DWR submitted a petition to change the point of diversion and redirection (CPOD) to the State Water Resources Control Board (SWRCB). The SWP is not proposing an increase in the diversion volume under the SWP's water right. Instead, the dual conveyance system would enable the capture of surplus water in wet conditions, restoring some of the projected losses of SWP reliability. Thirty-eight protests were submitted to the SWRCB. On November 18, 2024, the SWRCB issued a notice outlining the dates of the water rights hearings, which will begin on February 18, 2025, and continue through April 24, 2025.

Delta Reform Act: Consistency Determination

On October 8, 2024, DWR submitted a draft Certification of Consistency with the Delta Stewardship Council (DSC) to certify that geotechnical activities are consistent with the Delta Plan. Appeals have been filed with the DSC, which will be followed by public hearings and a decision from the DSC in early 2025. DWR may not initiate implementation of the geotechnical work until the DSC denies all administrative appeals and the trial court, where the ten coordinated CEQA cases are pending, lifts the preliminary injunction.

Preliminary Design

In the initial design phase, the Delta Conveyance Design and Construction Authority (DCA) formed a Stakeholder Engagement Committee (SEC) to minimize project impacts on Delta communities. The SEC included Delta residents, business owners, Tribal representatives, and other interested parties. An Independent Technical Review team has also been engaged throughout the design and has provided feedback on specific project components, such as the intake structures, tunnels, and shafts, and more recently on potential project innovations that could reduce costs. Additional design accomplishments include completing a cost estimate, developing a master schedule, and carrying out studies to support design and permitting.

Community Benefits Program

The Community Benefits Program is a \$200 million commitment to fund projects that will benefit impacted communities. It provides benefits that are above and beyond the mitigation requirements of CEQA and acknowledges that impacts will be concentrated on Delta communities. On October 11, 2024, DWR released the Draft Implementation Plan and Guidelines³ for public review through March 1, 2025.

Project Costs

On May 17, 2024, the DCA released an updated cost estimate of \$20.1 billion in 2023 dollars,⁴ which includes construction, soft costs, environmental mitigation, a \$200 million Community Benefits Program, and a 30 percent contingency. The DCA also conducted a preliminary value engineering exercise to identify cost-saving innovations. If adopted, there could be cost reductions of about \$1.2 billion. Based on the latest estimate, Valley

³ https://water.ca.gov/-/media/DWR-Website/Web-Pages/Programs/Delta-Conveyance/Public-Information/CBP-Draft-Implementation-Plan_Final_Oct2024_Final.pdf

⁴ https://www.dcdca.org/wp-content/uploads/2024/05/2023-Bethany-Total-Project-Cost-Estimate.pdf?utm_medium=email&utm_source=govdelivery

Attachment 2 Delta Conveyance Project Additional Project Information

Water's share of DCP costs would be \$649,876,000 at a 3.23 percent participation rate. The DCP is 88 percent subscribed among participating SWP contractors, leaving a 12 percent gap in future funding.

Benefit-Cost Analysis

In May 2024, the Berkeley Research Group released a Benefit-Cost Analysis⁵ that compared DCP costs and benefits through the projected Project lifespan (2045-2145) with multiple climate change assumptions. Based on the California Ocean Protection Council guidance, the primary scenario uses 1.8 feet of sea-level rise and a 2070 median climate change scenario for the period of 2056-2085. The primary scenario estimates an average water supply benefit of 403 thousand acre-feet (TAF) per year in 2070 and Valley Water's portion would be 13 TAF per year on average. When the benefits are compared to costs, the primary scenario resulted in a benefit-cost ratio of 2.2. In other words, every \$1 invested in the DCP is expected to yield \$2.2 in benefits, indicating that the benefits outweigh the costs. The climate sensitivity analyses had benefit-cost ratios that ranged from 1.54 (under a 2040 climate) to 2.63 (under a 2070 climate with 3.5 feet of sea level rise). So even if climate change leads to 2040 hydrologic conditions holding steady through 2145, the benefits would outweigh the costs.

It's important to note that the Benefit-Cost Analysis did not monetize several DCP benefits that are important to Valley Water, including operational flexibility and improved groundwater conditions.

PROJECT BENEFITS

The DCP's primary benefit is provided by increasing the SWP's ability to capture water during wet times. As mentioned above, the primary climate scenario estimates an average water supply benefit of 403 TAF per year in 2070, of which Valley Water would receive 13 TAF per year. The DCP would also mitigate risks associated with sea-level rise and levee failures that could lead to saltwater intrusion into the South Delta, where the current SWP and CVP diversion points are located.

Additionally, the DCP would create flexibility for water transfers, potentially when water is less expensive. Currently, transfer water cannot be moved across the Delta in normal and above-normal hydrologic years because of a lack of conveyance capacity across the Delta. Transferring water in normal and above-normal years would support better drought recovery and preparedness for Valley Water.

Water Supply Master Plan (WSMP) 2050 Evaluation

The anticipated operational flexibility of the DCP would also enhance and/or complement the benefits of other projects being considered under the WSMP 2050, including the Sisk Dam Raise, Sites Reservoir, Groundwater Banking, and Pacheco Reservoir Expansion.

⁵ https://water.ca.gov/-/media/DWR-Website/Web-Pages/Programs/Delta-Conveyance/Public-Information/DCP-Benefit-Cost-Analysis-2024-05-13__ADA.pdf

Attachment 2 Delta Conveyance Project
Additional Project Information

The DCP was included in two of the three WSMP 2050 water supply reliability strategies that were presented in a December 10, 2024, Board Item⁶. Table 1 summarizes the portfolio approach and costs anticipated to meet Valley Water's future supply needs.

Table 1 Multiple Strategies for Water Supply Reliability

Strategies	Projects ¹	Portfolio Cost Estimate ² (Billions)
Lower Cost	San José Direct Potable Reuse, B.F. Sisk Dam Raise, DCP , Groundwater Banking, South County Recharge	\$ 4.0
Local Control	San José Direct Potable Reuse, Palo Alto Potable Reuse, Pacheco without Partners, Groundwater Banking, South County Recharge	\$5.9
Diversified	San José Direct Potable Reuse, DCP , B. F. Sisk, Pacheco with Partners, Groundwater Banking, South County Recharge	\$5.3

¹Conservation is factored in the baseline condition.

²Portfolio cost includes the sum of the present value total cost for each project.

⁶ <https://scvwd.legistar.com/gateway.aspx?m=l&id=/matter.aspx?key=12258>

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**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 2025-

**CONSIDERING THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE DELTA
CONVEYANCE PROJECT AND MAKING CEQA RESPONSIBLE AGENCY FINDINGS
FOR PRE-CONSTRUCTION WORK; APPROVING FUNDING OF PLANNING AND
PRE-CONSTRUCTION WORK FOR CALENDAR YEARS 2026 AND 2027
IN AN AMOUNT NOT TO EXCEED \$9,690,000**

WHEREAS, on April 29, 2019, Governor Gavin Newsom signed Executive Order N-10-19, directing the California Natural Resources Agency, California Environmental Protection Agency, and California Department of Food and Agriculture to develop a comprehensive strategy to build a climate-resilient water system and ensure healthy waterways through the twenty-first century; and

WHEREAS, after a public input period, on July 28, 2020, Governor Newsom released the California Water Resilience Portfolio, which identified a suite of complementary actions to ensure safe and resilient water supplies, flood protection, and healthy waterways for the state's communities, economy, and environment; among these actions was a project (the "Delta Conveyance Project") entailing new diversion and conveyance facilities in the Sacramento-San Joaquin Delta ("Delta") to safeguard the State Water Project ("SWP"); and

WHEREAS, the primary purpose of the SWP is to convey water to local and regional water suppliers across California that, in turn, supply end users engaged in the beneficial uses of that water; to this end, SWP has long-term contracts to supply water to 29 public water agencies, known as State Water Contractors, that distribute that water to farms, homes, and industry; and

WHEREAS, the Santa Clara Valley Water District (Valley Water) is one of the State Water Contractors, and it possesses a long-term water supply contract with the Department of Water Resources ("DWR"), which is the owner and operator of the SWP, which allows for the annual importation of water via the SWP; and

WHEREAS, Valley Water's allocation of imported SWP water fluctuates annually based on a variety of factors, including Delta conditions, reservoir levels, rainfall, snowpack, and pumping capacity in the Delta, as well as operational limits for fish and wildlife protection, water quality, and environmental and legal restrictions; and

WHEREAS, the infrastructure that enables the conveyance, or movement, of water supply from the Delta to Valley Water is of great consequence to Valley Water; and

WHEREAS, factors such as the continuing subsidence of lands, risk of seismic activity and levees within the Delta, sea level rise, precipitation change, warmer temperatures, and wider variations in the hydrological conditions associated with climate change threaten the reliability of the current SWP water conveyance system; and

WHEREAS, the Delta Conveyance Project involves the construction and future operation of new water intake facilities on the Sacramento River in the north Delta and a single main tunnel to divert and move water entering the north Delta from the Sacramento Valley watershed to existing SWP facilities in the south Delta, which would result in a dual conveyance system in the Delta; and

WHEREAS, DWR's fundamental purpose in proposing to develop the Delta Conveyance Project is to restore and protect the reliability of SWP water deliveries to the State Water Contractors, including Valley Water; and

WHEREAS, in January 2020, DWR, as lead agency for the Delta Conveyance Project under the California Environmental Quality Act ("CEQA"), filed and circulated a Notice of Preparation of an Environmental Impact Report ("EIR") for the Delta Conveyance Project; and

WHEREAS, in July 2022, DWR circulated a Draft EIR (State Clearinghouse No. 2020010227) for the Delta Conveyance Project for a 92-day review period, beginning on July 27, 2022, and closing on October 27, 2022; and

WHEREAS, the EIR analyzed the potential environmental impacts of data collection and field work investigations, including ground-disturbing geotechnical work, water quality and hydrogeologic investigations, agronomic testing, the installation of monitoring equipment, construction test projects, pre-construction design work, and engineering work (collectively, "Pre-Construction Work") that would occur after certification of the EIR and that would guide the ultimate design, appropriate construction methods, and monitoring programs for the Delta Conveyance Project; and

WHEREAS, the EIR concluded that the Delta Conveyance Project, including the Pre-Construction Work, would have less than significant impacts without the implementation of mitigation as to some resources; less than significant impacts with the implementation of mitigation measures identified in a Mitigation Monitoring and Reporting Program ("MMRP") as to other resources; and significant and unavoidable impacts as to Agricultural Resources, Aesthetics, Cultural Resources, Transportation, Air Quality, Noise, Paleontological Resources, and Tribal Cultural Resources; and

WHEREAS, on December 21, 2023, DWR certified the Final EIR for the Delta Conveyance Project, adopted the MMRP to require DWR's implementation of the mitigation measures identified therein, adopted CEQA Findings of Fact pursuant to State CEQA Guidelines section 15091, adopted a Statement of Overriding Considerations relating to the Delta Conveyance Project's significant and unavoidable environmental impacts pursuant to State CEQA Guidelines section 15093, and approved the Delta Conveyance Project; and

WHEREAS, the Final EIR certified by DWR and related CEQA documents can be found on DWR's website, located at: <https://www.deltaconveyanceproject.com/planning-processes/california-environmental-quality-act/final-eir/final-eir-document>. A copy of these documents has also been retained in Valley Water files and has been made available to, and has been reviewed by, Valley Water's Board of Directors; and

WHEREAS, on January 6, 2021, Valley Water previously entered an Agreement for the Advance or Contribution of Money to DWR for preliminary planning and design costs related to a potential Delta Conveyance Project (the "Agreement"); and

WHEREAS, Valley Water seeks to advance additional funds pursuant to Section 5 of the Agreement to provide funding for Pre-Construction Work for Calendar Years 2026 and 2027 in an amount not to exceed \$9,690,000; and

WHEREAS, Valley Water only seeks to provide funding for Pre-Construction Work (as defined above) and Valley Water is not approving or committing to the broader Delta Conveyance Project at this time; and

WHEREAS, Valley Water is a responsible agency for the Delta Conveyance Project under CEQA, and pursuant to State CEQA Guidelines section 15096, Valley Water hereby intends to adopt CEQA Findings of Fact under State CEQA Guidelines section 15091 and a Statement of Overriding Considerations under State CEQA Guidelines section 15093; and

WHEREAS, Valley Water has heard, been presented with, reviewed, and considered all of the information and data presented to it, including the certified EIR for the Delta Conveyance Project; DWR's findings relating to the Delta Conveyance Project under State CEQA Guidelines section 15091 and 15093; and all public comments; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District as follows:

SECTION 1. Incorporation of Recitals. The foregoing recitals are true and correct and are incorporated herein and made an operative part of this Resolution.

SECTION 2. Adequacy of the EIR under CEQA. Valley Water has independently reviewed and considered the certified EIR for the Delta Conveyance Project, DWR's record of proceedings, and Valley Water's record of proceedings, and Valley Water finds that the EIR adequately and properly analyzes the potential environmental impacts of the Delta Conveyance Project, including Pre-Construction Work that Valley Water seeks to fund.

Valley Water further hereby finds that none of the conditions set forth in State CEQA Guidelines section 15162 that could potentially trigger the need for a Subsequent EIR or Subsequent Negative Declaration apply to the Pre-Construction Work. The Pre-Construction Work does not entail or propose any substantial changes to the Delta Conveyance Project that will require major revisions of the EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. There have been no substantial changes that have occurred with respect to the circumstances under which the Pre-Construction Work, which was analyzed in the EIR, will be undertaken that will require major revisions of the EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. There has been no new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the EIR was certified, which shows that (1) the Pre-Construction Work will have one or more significant effects not discussed in the EIR; (2) significant effects previously examined will be substantially more severe than shown in the EIR; (3) mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the Delta Conveyance Project or Pre-Construction Work; or (4) mitigation measures or alternatives which are considerably different from those analyzed in the EIR would substantially reduce one or more significant effects on the environment. None of these conditions, as set forth in State CEQA Guidelines section 15162, apply here.

SECTION 3. Finding concerning Alternatives and Mitigation Measures. Valley Water, as a responsible agency under CEQA, is more limited than the lead agency (i.e., DWR) when considering alternatives and mitigation measures for the Delta Conveyance Project. A responsible agency has responsibility for mitigating or avoiding only the direct or indirect environmental effects of those parts of a project that the responsible agency decides to carry out, finance, or approve; moreover, a responsible agency is required to adopt a feasible alternative or feasible mitigation measures for a project only if (1) such alternative or mitigation measures are within the responsible agency's powers, and (2) the alternative or mitigation measures would substantially lessen or avoid any significant effect the project would have on the environment.

Here, Valley Water is not approving or committing to carrying out, financing, or approving the broader Delta Conveyance Project, nor does Valley Water have legal authority or powers to approve or carry out modifications or operations to the State Water Project or the Delta Conveyance Project. Instead, Valley Water seeks only to assist in the funding of the Pre-Construction Work, which entails data collection, research, and resource evaluation activities that precede any physical construction of the Delta Conveyance Project. Valley Water finds that the mitigation measures to be implemented by DWR, as set forth in the EIR and the MMRP adopted by DWR, mitigate and avoid the Pre-Construction Work's potential environmental impacts to the extent feasible. Valley Water finds there are no feasible alternatives or feasible mitigation measures within its powers that would substantially lessen or avoid any significant effect the Pre-Construction Work would have on the environment beyond what was identified in the EIR and the MMRP.

SECTION 4. CEQA Findings of Fact under State CEQA Guidelines section 15091. Valley Water adopts DWR's CEQA Findings of Fact, a true and correct copy of which is attached hereto as Exhibit A and incorporated herein by reference, as to the Pre-Construction Work.

SECTION 5. Statement of Overriding Considerations. Valley Water finds that the Pre-Construction Work's economic, legal, social, technological, and other benefits outweigh, both individually and collectively, the Pre-Construction Work's potentially significant and unavoidable environmental effects. Pursuant to State CEQA Guidelines section 15093, Valley Water hereby adopts the Statement of Overriding Considerations attached hereto and incorporated by reference as Exhibit B.

SECTION 6. Approval of Funding for Planning and Pre-Construction Work. Valley Water authorizes the Chief Executive Officer to execute, pursuant to Section 5 of our 2021 Funding Agreement with DWR, a letter committing to advance additional funds in the amount of \$9,690,000 to DWR for Valley Water's share of the planning and Pre-Construction Work costs for the Delta Conveyance Project for Calendar Years 2026-2027.

SECTION 7. Notice of Determination. Valley Water hereby directs staff to prepare, file, and cause to be posted a Notice of Determination (NOD) with the County Clerk or Clerk to the Board of Supervisors in the Counties of Alameda, Contra Costa, Sacramento, San Joaquin, Santa Clara, Solano, and Yolo within five (5) working days of the approval of the Resolution. A draft NOD is included as Exhibit C.

SECTION 8. Custodian of Documents. The custodian of documents constituting the record of proceedings for this matter is Valley Water's Clerk of the Board. The documents constituting the record of proceedings for this matter are located at 5750 Almaden Expressway, San Jose, California.

SECTION 9. Severability. If any provision of this Resolution is held invalid, the remainder of this Resolution shall not be affected by such invalidity, and the provisions of this Resolution are severable.

SECTION 10. Effective Date. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on January 14, 2025:

AYES: Directors

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

TONY ESTREMER
Chair, Board of Directors

ATTEST: MAXIMILLION OVERLAND, CMC

Interim Clerk, Board of Directors

EXHIBIT A COVERSHEET

DEPARTMENT OF WATER RESOURCES' CEQA FINDINGS OF FACT

No. of Pages: 120

Exhibit Attachments: None

1 **DELTA CONVEYANCE PROJECT**

2 **CEQA FINDINGS OF FACT AND**
3 **STATEMENT OF OVERRIDING**
4 **CONSIDERATIONS**

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Chapter 1

Introduction

Under the California Environmental Quality Act (CEQA), a state or local public agency decision maker, before approving a project for which an environmental impact report (EIR) was prepared, must make certain findings with respect to each significant impact identified in the EIR. (See Pub. Resources Code, § 21081, subd. (a); see also Cal. Code Regs., tit. 14, div. 6, ch. 3 (“CEQA Guidelines”), § 15091, subd. (a).) Such findings are one of the primary means by which California public agencies satisfy what the California Supreme Court has called the “substantive mandate” of CEQA, by which such agencies must substantially lessen or avoid the occurrence of significant environmental impacts to the extent feasible. (See *Mountain Lion Foundation v. Fish & Game Com.* (1997) 16 Cal.4th 105, 134; Pub. Resources Code, § 21002.)

With regard to each significant impact, the agency decisionmaker must make at least one of the following findings:

- (1) Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR;
- (2) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
- (3) Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the final EIR.

(CEQA Guidelines, § 15091, subd. (a)(1)-(3).)

Additionally, the findings required under CEQA must be supported by substantial evidence. (CEQA Guidelines, § 15091, subd. (b).)

A typical set of CEQA findings identifies all adopted or rejected mitigation measures for the various significant environmental impacts of a proposed project. The findings then go on to explain why various project alternatives identified in EIRs are either infeasible or unnecessary to meet the substantive mandate of CEQA.

A related CEQA requirement is the need for the agency decision maker to adopt a “statement of overriding considerations” before approving any project with environmental effects that cannot feasibly be mitigated to a less than significant level. (Pub. Resources Code, § 21081, subd. (b); CEQA Guidelines, § 15093.) This separate requirement is not a substitute for the adoption of CEQA findings, but is an additional procedural step required as part of the project approval process. A statement of overriding considerations must identify “the specific economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of [the] proposed project [that] outweigh the [project’s] unavoidable adverse environmental effects,” thereby rendering them “acceptable” to the decision maker. (CEQA Guidelines, § 15093, subd. (a).)

The document at hand is intended to satisfy both of the above-described CEQA requirements with respect to the project commonly known as the Delta Conveyance Project (the Project). As the CEQA lead agency, the California Department of Water Resources (DWR) has completed the Final

1 Environmental Impact Report (Final EIR) for the Project. As the final decision maker for DWR, the
2 Director of DWR (Director) has certified the EIR pursuant to CEQA Guidelines section 15090 and is
3 now in a position to consider approval of the Project.¹

4 Through this document, including its attachments, the Director hereby issues both the CEQA
5 Findings of Fact (Findings) and the Statement of Overriding Considerations necessary for the
6 Project. The Director does so after having received, reviewed, and considered not only the Final EIR,
7 but also the previously issued Draft Environmental Impact Report (Draft EIR), as well as public and
8 agency comments on those documents and all other information in DWR's record of proceedings.

9 The tables included in Exhibit A (CEQA Findings of Fact for the Project's Significant and Unavoidable
10 Impacts, Impacts that are Less Than Significant after Mitigation and Impacts that are Less Than
11 Significant/No Impact), contain findings that explain all of the mitigation measures proposed in the
12 Final EIR (including the Compensatory Mitigation Plan for Special-Status Species and Aquatic
13 Resources) have been adopted and incorporated into the enforceable Mitigation Monitoring and
14 Reporting Program (MMRP) for the Project. (See Pub. Resources Code, § 21081.6, subds. (a)(1) and
15 (b).) Likewise, the environmental commitments including best management practices (BMPs) set
16 forth in Appendix 3B, *Environmental Commitments and Best Management Practices*, of the Final EIR
17 have been incorporated into the MMRP.

18 As part of the narrative portion of these findings, the Director explains why the other project
19 alternatives analyzed in the Final EIR are being rejected. Each specific finding is supported by
20 substantial evidence in the record of proceedings.

21 The Statement of Overriding Considerations, found near the end of this document, then identifies the
22 specific economic, legal, social, technological, and other benefits of the Project that, in the Director's
23 view, outweigh the Project's significant and unavoidable environmental impacts. To the extent that
24 these Findings do not set forth in detail all of the evidence in support of the conclusions reached,
25 readers seeking additional information are directed to the Final EIR and supporting evidence in the
26 record of proceedings, which is hereby incorporated by reference.

27 In addition to these CEQA Findings and the Statement of Overriding Considerations, Exhibit B to
28 these CEQA Findings sets forth the Director's Public Trust Findings for the Project. The Public Trust
29 Findings consider the Project's potential effect on the public trust and the state's affirmative duty to
30 preserve, so far as consistent with the public interest, the resources and values protected by the
31 trust. While the Public Trust Findings constitute separate findings from the CEQA Findings, the
32 CEQA Findings and overall record of proceedings provide further evidentiary support for the
33 conclusions reached in the Public Trust Findings.

¹ Subsequent actions by other responsible agencies, such as the California Department of Fish and Wildlife, will also be required before Project construction and/or operation may commence. Before DWR commences any project operations, DWR and responsible agencies will take future discretionary actions identified in the EIR, and such future actions will be subject to CEQA.

Chapter 2

Record of Proceedings

For purposes of CEQA and these Findings, the Record of Proceedings for the Project consists of the following documents, at a minimum:

- The Notice of Preparation and all other public notices issued by DWR in conjunction with the Project.
- The Final EIR for the Project and any documents cited therein.
- All comments submitted by agencies or members of the public during the public comment period on the Draft EIR.
- All comments and correspondence submitted to DWR with respect to the Project, in addition to timely comments on the Draft EIR, including responses to the Notice of Preparation.
- The Mitigation Monitoring and Reporting Plan for the Project.
- All reports, studies, memoranda, maps, staff reports, or other planning documents in DWR's files relating to the Project prepared by DWR staff, consultants to DWR, and responsible or trustee agencies with respect to DWR's compliance with the requirements of CEQA and with respect to DWR's actions on the Project.
- All documents submitted to DWR by other public agencies or members of the public with respect to compliance with CEQA or with respect to the Project.
- Any minutes and/or verbatim transcripts of all public meetings held by DWR in connection with the Project.
- Any documentary or other evidence submitted to DWR regarding the Project.
- Matters of common knowledge to DWR, including, but not limited to federal, State, and local laws and regulations;
- Any documents expressly cited in the Final EIR, these findings, or the statement of overriding considerations in addition to those cited above; and
- Any other materials required to be in the record of proceedings by Public Resources Code section 21167.6, subdivision (e).

The custodian of the documents comprising the record of proceedings: Marcus Yee, DWR, Program Manager III for the Project, 1516 9th Street, Sacramento, CA 95814. Many project-related documents that comprise the record of proceedings are also available on DWR's websites for the Project: <https://www.deltaconveyanceproject.com> and <https://water.ca.gov/deltaconveyance>.

1 The Director of DWR has relied directly or indirectly on all the documents listed above in reaching a
2 decision on the Project. Many of the documents listed above were prepared by, or submitted to,
3 DWR during preparation of the EIR for the Project. Other documents reflect prior planning or
4 legislative decisions with which the Director was aware in approving the Project. For that reason,
5 such documents form part of the underlying factual basis for the Director's decisions relating to
6 approval of the Project. (See Pub. Resources Code, § 21167.6, subd. (e)(10); *Browning-Ferris*
7 *Industries v. City Council of City of San Jose* (1986) 181 Cal.App.3d 852, 866; *Stanislaus Audubon*
8 *Society, Inc. v. County of Stanislaus* (1995) 33 Cal.App.4th 144, 155.)

Chapter 3

Recirculation

Under section 15088.5 of the CEQA Guidelines, recirculation of an EIR is required when “significant new information” is added to the EIR after public notice is given of the availability of the draft EIR for public review but prior to certification of the final EIR. The term “information” can include changes in the project or environmental setting, as well as additional data or other information. New information added to an EIR is not “significant” unless the EIR is changed in a way that deprives the public of a meaningful opportunity to comment upon a substantial adverse environmental effect of the project or a feasible way to mitigate or avoid such an effect (including a feasible project alternative) that the project’s proponents have declined to implement. “Significant new information” requiring recirculation includes, for example, a disclosure showing that:

(1) A new significant environmental impact would result from the project or from a new mitigation measure proposed to be implemented.

(2) A substantial increase in the severity of an environmental impact would result unless mitigation measures are adopted that reduce the impact to a level of insignificance.

(3) A feasible project alternative or mitigation measure considerably different from others previously analyzed would clearly lessen the significant environmental impacts of the project, but the project’s proponents decline to adopt it.

(4) The draft EIR was so fundamentally and basically inadequate and conclusory in nature that meaningful public review and comment were precluded.

(CEQA Guidelines, § 15088.5, subd. (a).)

Recirculation is not required where the new information added to the EIR merely clarifies or amplifies or makes insignificant modifications in an adequate EIR. The above standard is “not intend[ed] to promote endless rounds of revision and recirculation of EIR’s [sic]. Recirculation was intended to be an exception, rather than the general rule.” (*Laurel Heights Improvement Assn. v. Regents of the Univ. of Cal.* (1993) 6 Cal.4th 1112, 1132.)

CEQA case law emphasizes that “[t]he CEQA reporting process is not designed to freeze the ultimate proposal in the precise mold of the initial project; indeed, new and unforeseen insights may emerge during investigation, evoking revision of the original proposal.” (*Kings County Farm Bureau v. City of Hanford* (1990) 221 Cal.App.3d 692, 736-737; see also *River Valley Preservation Project v. Metropolitan Transit Development Bd.* (1995) 37 Cal.App.4th 154, 168, fn. 11.) “CEQA compels an interactive process of assessment of environmental impacts and responsive project modification which must be genuine. It must be open to the public, premised upon a full and meaningful disclosure of the scope, purposes, and effect of a consistently described project, with flexibility to respond to unforeseen insights that emerge from the process.’ [Citation.] In short, a project must be open for public discussion and subject to agency modification during the CEQA process.” (*Concerned Citizens of Costa Mesa, Inc. v. 32nd Dist. Agricultural Assn.* (1986) 42 Cal.3d 929, 936.) Similarly, additional studies included in a final EIR that result in minor modifications or additions to analyses concerning significant impacts disclosed in a draft EIR do not constitute “significant new information” requiring recirculation of an EIR. (See *Mount Shasta Bioregional Ecology Center v. County of Siskiyou* (2012) 210 Cal.App.4th 184, 220-221 [incorporation of technical studies in a final

1 EIR disclosing additional locations affected by a significant noise impact identified in the draft EIR
2 did not require recirculation].)

3 DWR recognizes that the Final EIR incorporates information obtained and produced after the Draft
4 EIR was completed, and that the Final EIR contains additions, clarifications, and modifications,
5 including data and information to further support the information presented in the EIR. Due to the
6 challenges in making a document with strikeouts ADA compliant and to improve the overall
7 readability of the Final EIR, the Final EIR includes a final clean version of the EIR including the
8 additions, clarifications, and modifications made to the Draft EIR. The Final EIR summarizes the key
9 additions, clarifications, and modifications made by DWR in Volume 2, Chapter 1, *Introduction and*
10 *Approach to Responses to Comments*. Furthermore, a track change version of the EIR is available to
11 other agencies and the public upon request. DWR has reviewed and considered the Final EIR
12 including all new information included therein. DWR finds that the new information added in the
13 Final EIR either provides additional discussion and analysis not required by CEQA that was included
14 for informational purposes or otherwise clarifies or makes minor changes to the adequate Draft EIR.

15 As explained further in Exhibit C to these CEQA Findings, none of the new information constitutes
16 significant new information requiring recirculation of the Draft EIR under CEQA. The new
17 information added to the EIR does not involve a new significant environmental impact, a substantial
18 increase in the severity of a previously identified significant environmental impact, or a feasible
19 mitigation measure or alternative that is considerably different from others previously analyzed
20 that would clearly lessen one or more significant environmental impacts of the Project and that
21 DWR declines to adopt.

22 DWR finds that the changes and modifications made to the EIR after the Draft EIR was circulated for
23 public review and comment do not individually or collectively constitute significant new
24 information within the meaning of Public Resources Code section 21092.1 or CEQA Guidelines
25 section 15088.5. No information indicates that the Draft EIR was inadequate or conclusory or that
26 the public was deprived of a meaningful opportunity to review and comment on the Draft EIR. Thus,
27 recirculation of the EIR is not required.

Chapter 4

Subsequent Review

Prior to reaching decisions on the Project, responsible agencies must consider the environmental effects of the project as shown in the EIR and determine whether a subsequent or supplemental EIR is required pursuant to CEQA Guidelines sections 15162 or 15163. Furthermore, the EIR evaluates Project operations based on the Project design and what was known and reasonably foreseeable when the EIR was prepared, but DWR acknowledges that: (1) operations will not occur for well over 15 to 20 years due, in part, to the time required to complete construction of the project, and (2) new information of substantial importance or substantial changes could occur with respect to Project design or the circumstances under which the Project is undertaken. Under these conditions, prior to the commencement of operations, DWR would evaluate whether subsequent CEQA review is required before undertaking any discretionary actions that may be required to change Project design or operational criteria such that they are sufficiently protective to environmental resources.

Chapter 5

Project Background

On April 29, 2019, Governor Newsom signed Executive Order N-10-19 directing the California Natural Resources Agency, California Environmental Protection Agency, and California Department of Food and Agriculture to develop a comprehensive strategy to build a climate-resilient water system and ensure healthy waterways through the twenty-first century. After a public input period, Governor Newsom released the *California Water Resilience Portfolio* on July 28, 2020. The *California Water Resilience Portfolio* identified a suite of complementary actions to ensure safe and resilient water supplies, flood protection, and healthy waterways for the state's communities, economy, and environment. One of the projects identified in the portfolio is new diversion and conveyance facilities in the Sacramento–San Joaquin Delta (Delta) to safeguard the State Water Project (SWP).

In response to Governor Newsom's water policy objectives, DWR as the owner and operator of the SWP, proposed to design and construct two diversion facilities, each at 3,000 cfs capacity, on the Sacramento River; a single tunnel for conveyance; tunnel shafts; and a pumping plant and appurtenant facilities. As discussed further below, DWR's Notice of Preparation (NOP) for the Project EIR identified the proposed project as either the central or eastern alignment with pumping facilities in the south Delta near Clifton Court Forebay. These alternatives are identified as Alternatives 1 and 3 in the Draft EIR. After the process of identifying and screening alternatives evaluated in the Draft EIR (see Final EIR, Volume I, Appendix 3A, *Identification of Water Conveyance Alternatives*) and after an initial evaluation of the alternatives selected for detailed analysis in the Draft EIR, DWR selected a different alternative as the proposed project to analyze in the Draft EIR. Specifically, based on engineering feasibility, conceptual design, constructability, and potential to reduce key environmental impacts on cultural resources, important farmland, wetlands and other waters of the United States, wildlife habitat, transportation, air quality, noise, and Delta community effects, DWR selected the Bethany Reservoir alignment at 6,000 cfs conveyance capacity as the proposed project, which is identified as Alternative 5 in the EIR and referred to herein as the Project. Unlike Alternatives 1 and 3, the Project proposes to discharge water directly to the Bethany Reservoir along the California Aqueduct.

The primary purpose of the SWP is to convey water to local and regional water suppliers across California that, in turn, supply end users engaged in the beneficial uses of that water; it serves as the foundation for local water supplies. The SWP supplies water to 27 million people in northern California, the Bay Area, the San Joaquin Valley, the Central Coast, and southern California. SWP water also irrigates about 750,000 acres of farmland, mainly in the San Joaquin Valley (Final EIR, Volume 1, Chapter 2, *Purpose and Project Objectives*, p. 2-1). Other SWP functions include flood management, water quality maintenance, power generation, recreation, and fish and wildlife enhancement. The SWP was designed to deliver up to nearly 4.2 million acre-feet of water per year, depending on hydrologic conditions. The SWP has long-term contracts to supply water to 29 public water agencies that distribute it to farms, homes, and industry. During the 1999 to 2008 period, SWP deliveries averaged 2.86 MAF per year (California Department of Water Resources 2002, 2008a). But total SWP deliveries averaged about 1.96-million-acre feet (MAF) of water per year from 2009 to 2018 (California Department of Water Resources 2020:18). Of the contracted water supply, approximately 70% goes to municipal and industrial users and 30% to agricultural users (Santa Clara Valley Water 2022). Water supply depends on rainfall, snowpack, runoff, water in

storage facilities, and pumping capacity from the Delta, as well as operational limits for fish and wildlife protection, water quality, and environmental and legal restrictions. The infrastructure that enables the conveyance, or movement, of California's water supply is critical to the health of California's economy.

Factors such as the continuing subsidence of lands, risk of seismic activity and levee failures within the Delta, sea level rise, precipitation change, warmer temperatures, and wider variations in hydrologic conditions associated with climate change threaten the reliability of the current SWP water conveyance system. Additionally, as explained in Final EIR, Volume 1, Chapter 1, *Introduction*, Section 1.2.3.4, *Regulatory Environment*, pumping restrictions applied by regulatory agencies to address water quality and aquatic species concerns at the south Delta diversion continue to prevent the SWP from reliably capturing water when it is available, especially from storm events. Constraints on groundwater use imposed by the Sustainable Groundwater Management Act of 2014 could also increase the need for reliable SWP surface water supplies over time.

DWR's proposal of the Project is informed by past efforts undertaken to address the long-standing issues the SWP faces, including those undertaken through the CALFED Bay-Delta Program, the Delta Risk Management Strategy, and the Bay Delta Conservation Plan/California WaterFix planning process. The need for new Delta water conveyance infrastructure to help achieve the State's coequal goals of "providing a more reliable water supply for California and protecting, restoring, and enhancing the Delta ecosystem" (Pub. Resources Code § 29702(a)) was recognized by the legislature when it adopted the Sacramento–San Joaquin Delta Reform Act of 2009 (Water Code § 85000 et seq., discussed in Final EIR, Volume 1, Chapter 1, *Introduction*, Section 1.2.3.1, *California Water Supply*, and Section 1.2.4.4, *The Bay Delta Conservation Plan and California WaterFix*).

5.1 Project Objectives

DWR's fundamental purpose in proposing to develop new diversion and conveyance facilities in the Delta is to restore and protect the reliability of SWP water deliveries and, potentially, Central Valley Project (CVP) water deliveries south of the Delta, consistent with the State's Water Resilience Portfolio in a cost-effective manner.

The above stated purpose, in turn, gives rise to several related objectives of the Project, as follows:

- To help address anticipated rising sea levels and other reasonably foreseeable consequences of climate change and extreme weather events.
- To minimize the potential for public health and safety impacts from reduced quantity and quality of SWP water deliveries, and potentially CVP water deliveries, south of the Delta as a result of a major earthquake that could cause breaching of Delta levees and the inundation of brackish water into the areas where existing SWP and CVP pumping plants operate in the southern Delta.
- To protect the ability of the SWP, and potentially the CVP, to deliver water when hydrologic conditions result in the availability of sufficient amounts of water, consistent with the requirements of state and federal law, including the California and federal Endangered Species Acts (CESA and ESA, respectively) and Delta Reform Act, as well as the terms and conditions of water delivery contracts and other existing applicable agreements.

- To provide operational flexibility to improve aquatic conditions in the Delta and better manage risks of further regulatory constraints on project operations.

5.2 Project Description²

The Project involves the construction and future operation of new water intake facilities on the Sacramento River in the north Delta and a single main tunnel to divert and move water entering the north Delta from the Sacramento Valley watershed to existing SWP facilities in the south Delta, which would result in a dual conveyance system in the Delta. The water intake facilities would divert water through state-of-the-art fish screens. The proposed north Delta intakes would operate in conjunction with the existing SWP intakes in the south Delta. The proposed intakes would augment the ability to capture excess flows and improve the flexibility of the SWP operations such as for meeting the State Water Board Decision 1641 Delta salinity requirements. The north Delta intakes would be used to capture additional excess flows when the south Delta exports are limited and not able to capture those flows.

Under the Project, two intakes (Intakes B and C as defined in the EIR) would together convey up to 6,000 cfs of water from the north Delta along an eastern alignment to the launch shaft at Lower Roberts Island. From Lower Roberts Island, the single below ground tunnel would follow a route to a location south of Clifton Court Forebay and terminate at the Bethany Complex. A map and a schematic diagram depicting the conveyance facilities associated with the Project are provided in Final EIR, Volume 1, Mapbook 3-3 as well as Figures 3-2 (Bethany Reservoir Alignment) and 3-30. The Project would entail the continued use of the SWP south Delta export facilities as the primary diversion location. The sections below provide details on key features of the Project along with a summary of Project features.

5.2.1 Intake Structure and Fish Screens

Intakes B and C on the east bank of the Sacramento River would divert water and convey it through a single main tunnel. Intake B would be just north of Hood, and Intake C would be between Hood and Courtland (see Final EIR, Volume 1, Mapbook 3-3, Sheets 2 and 3). Intakes B and C would each divert up to 3,000 cfs under the Project. Operated in a coordinated manner with the existing facilities, the north Delta facilities would provide flexibility to alter the location, amount, timing, and duration of diversions to help manage water quality in the Delta or when excess flows occur after all other applicable Delta outflow requirements are met.

At each intake, water would flow through cylindrical tee fish screens mounted on the intake structure to a sedimentation basin before reaching the intake outlet (tunnel inlet) shaft at each site. The intake outlet shaft would serve as the tunnel boring machine reception or maintenance shaft during construction and as the intake shaft and maintenance access during operation. These shafts would have an inside diameter of 83 feet. From the intake outlet shaft, water would flow into a single-bore main tunnel that connects the intakes to the Twin Cities Complex, from which the tunnel route would extend south on the Bethany Reservoir alignment.

² This information is derived from Chapter 3, *Description of the Proposed Project and Alternatives*, of the Final EIR and outlines key features of the Project. For more information on the Project components, see Chapter 3 of the Final EIR.

Intake features would include state-of-the-art cylindrical tee fish screens, intake structures, sedimentation basins, sediment drying lagoons, and flow control structures. Intakes would also include associated facilities to support construction and operation of the intakes. Fish screens installed on intake structures minimize aquatic species from being carried into the intake facilities along with the diverted water. The intake screens are designed to draw in water at reduced velocities to reduce potential effects to the subset of fish exposed to the intake screens.

The intake fish screens are part of an overall intake system that includes the screen units and an integrated screen cleaning system, piping, and flow control features. The "tee-shaped" screen units would consist of two fish screen cylinders installed on either side of a center manifold that would be connected to the facility's intake opening. Each intake fish screen would extend about 12 feet from the vertical face of the intake structure into the river. During diversion operations, water would flow from the Sacramento River through the fish screens and a 60-inch diameter pipe and discharge into the sedimentation basins. Control gates would regulate the flow through each screen unit to the sedimentation basin.

5.2.2 Construction of Intake Structures

Installing the intake facility would require construction of a temporary cofferdam for in-river portions of intake construction to divert water and aquatic organisms around the work site and create a dry work area. Portions of the cofferdam would consist of interlocking steel sheet piles installed using vibratory pile driving or, if necessary, a combination of vibratory and impact pile driving. Vibratory pile driving is a method by which the pile is vibrated into the soil beneath the site as opposed to being hammered in, as occurs in impact pile driving. Noise associated with the vibratory pile driving is considerably lower than noise associated with impact hammer pile driving. To minimize noise and other disturbances from pile driving, vibratory pile driving would be used to the extent possible where supported by additional geotechnical information, thus eliminating or minimizing impact pile driving. All pile driving would be restricted to the daytime hours between 7:00 a.m. and 7:00 p.m. and would not occur at night. It is estimated that the longest installation period (at Intake C) would be no more than 255 hours over a 5- or 6- week period, including time for handling and preliminary vibratory pile driving. Assuming 2 minutes of driving time for each sheet pile pair, impact drive time (as a subset of the total installation period) would be a cumulative total of 14 hours at Intake C with 3,000-cfs capacity, occurring over roughly 5 or 6 weeks. Each intake sheet pile construction period would be staggered by about 1 year (Delta Conveyance Design and Construction Authority 2022).

5.2.3 Sedimentation Basins and Drying Lagoons

Diverted water would contain sediment suspended in the river water, a portion of which would be collected in a concrete-lined sedimentation basin. A deep soil-cement-bentonite perimeter wall (cutoff wall) would serve to isolate the sediment basins from the local groundwater and the Sacramento River. Each intake would have one sedimentation basin divided into two cells by a turbidity curtain. Water would flow from the intake through the sedimentation basin and through a flow control structure with radial gates into the outlet channel and shaft structure that would be connected to the tunnel system.

The screen and intake design would allow sufficient flow velocities in diversion pipes to sweep sediment into the sedimentation basin and prevent it from settling in the piping system. Once the diverted water enters the sedimentation basins, larger sand and silt sediment particles would settle

1 while smaller silt and clay particles would be carried into the tunnel. A flow control structure with
2 four large radial gates and one smaller gate would control the water level in the sedimentation basin
3 and discharge flow into the intake outlet channel and outlet shaft. Tunnel and aqueduct velocity
4 would be sufficient to transport these smaller particles to Bethany Reservoir.

5 Each intake would have four concrete-lined sediment drying lagoons, each approximately 15 feet
6 deep, containing an average of 10 to 12 feet of water within its embankments when in use. Once a
7 year, during the summer months, the sedimentation basin would be dredged, one half at a time, and
8 sediment slurry discharged to drying lagoons, dewatered, and allowed to dry naturally. The
9 sediment is anticipated to be composed of large silt and sand particles with minimal organic
10 material. During dredging operations, sediment is expected to accumulate to a depth of about 1 foot,
11 distributed over the floor of the drying lagoons. Water drained from the sediment drying lagoon
12 outlet structures and underdrains would be pumped back into the sedimentation basin. The
13 sediment remaining would be dried for 2 to 6 days, which would reduce its moisture content to a
14 point at which the sediment can be removed and transported without creating dust. If sediment is
15 dried to a level that would create dust, the dust would be controlled by application of water from on-
16 site supplies. The dried sediment would be removed by truck for disposal at a permitted disposal
17 site or used for beneficial uses off-site. The fill and drain/dry sequence would take about 7 to 8 days,
18 which would approximately match the dredged material filling rate so continuous operation would
19 be possible. On average, each drying lagoon would fill about once every 4 to 8 days and contain up to
20 about 1,800 cubic yards of sediment. The volume of sediment collected would depend upon the
21 volume, suspended sediment concentration, and flow rate of water diverted at the intake. Intake
22 maintenance activities are described in Final EIR, Volume 1, Chapter 3, *Description of the Proposed*
23 *Project and Alternatives*, Section 3.16.5, *Intake Maintenance Activities*.

24 5.2.4 Bethany Complex and Other facilities

25 The Project would use Intakes B and C to convey up to 6,000 cfs of water from the north Delta along
26 an eastern alignment to the launch shaft at Lower Roberts Island. From Lower Roberts Island, the
27 tunnel would follow a route to a location south of Clifton Court Forebay and terminate at the
28 Bethany Complex. The Bethany Complex would include a pumping plant, a surge basin with
29 reception shaft, a buried pipeline aqueduct system, and a discharge structure to convey water to
30 Bethany Reservoir. The Bethany Complex would be constructed southeast of Clifton Court Forebay.
31 The Bethany Complex includes the Bethany Reservoir Pumping Plant which would be needed to lift
32 the water from the tunnel to Bethany Reservoir. The main tunnel from the intakes would terminate
33 at a reception shaft within the surge basin on the north side of the Bethany Reservoir Pumping
34 Plant. Water would enter the Bethany Reservoir Pumping Plant and be conveyed directly to Bethany
35 Reservoir in an aqueduct system. The Bethany Reservoir Pumping Plant would include the Bethany
36 Reservoir Surge Basin which would remain empty while the Bethany Reservoir Pumping Plant is
37 operating. The Bethany Reservoir Aqueduct system would consist of four 15-foot-diameter parallel
38 pipelines that would convey water from the Bethany Reservoir Pumping Plant to the Bethany
39 Reservoir Discharge Structure, a distance of approximately 2.5 miles each. Two separate aqueduct
40 reaches would require tunnels to carry each pipeline under existing features. The first reach would
41 be under the Jones Pumping Plant discharge pipelines (about halfway from the Bethany Reservoir
42 Pumping Plant to the discharge structure); at this location pipelines would run about 50 feet below
43 ground surface for about 200 feet. Tunnels would also be needed under the existing conservation
44 easement adjacent to Bethany Reservoir (at the last downstream reach of the aqueduct) for about
45 3,064 feet, ranging from 45 to 180 feet below ground surface. The aqueduct pipelines would

terminate near the bottom of four 55-foot-inside-diameter below ground vertical shafts at the Bethany Reservoir Discharge Structure. The pipelines would make a 90-degree bend upward inside the shafts, ending at the floor of the discharge structure and flowing through a concrete channel into Bethany Reservoir. Finally, the discharge structure portion of the Bethany Complex called the Bethany Reservoir Discharge Structure located near the bank of Bethany Reservoir includes the aqueduct conservation easement tunnel vertical exit shafts, contractor staging areas, and ancillary facilities. The proposed discharge structure site would be on a narrow strip of land between the conservation easement and Bethany Reservoir.

Table 1. Summary of Project Features

Characteristic	Description ^a
Alignment	Bethany Reservoir
Conveyance capacity	6,000 cubic feet per second
Number of Intakes	2; Intakes B and C at 3,000 cfs each
Tunnel from Intakes to Bethany Reservoir Pumping Plant	
Diameter	36 feet inside, 39 feet outside
Length	45 miles
Number of tunnel shafts	11 ^b
Launch shafts diameter	115 feet inside
Reception and maintenance shafts diameter	70 feet inside
Surge Basin reception shaft diameter	120 feet inside
Twin Cities Complex	Construction acres: 586 Permanent acres: 222
New Hope Tract Maintenance Shaft	Construction acres: 11 Permanent acres: 11
Canal Ranch Tract Maintenance Shaft	Construction acres: 11 Permanent acres: 11
Terminus Tract Reception Shaft	Construction acres: 13 Permanent acres: 13
King Island Maintenance Shaft	Construction acres: 12 Permanent acres: 12
Lower Roberts Island Double Launch Shaft site	Construction acres: 610 Permanent acres: 300
Upper Jones Tract Maintenance Shaft	Construction acres: 11 Permanent acres: 11
Union Island Maintenance Shaft	Construction acres: 14 Permanent acres: 14
Bethany Complex	
Bethany Reservoir Pumping Plant and Surge Basin site size (all facilities)	Construction acres: 213 Permanent acres: 184
Bethany Reservoir Pumping Plant pad site	1,166 foot wide x 1,260 feet long (approximately 34 acres)
Surge basin	815 feet wide x 815 feet long x 35 feet deep, approximately 15 acres

Characteristic	Description ^a
Bethany Reservoir Aqueduct	Four 15-foot-diameter parallel below-ground pipelines Approximately 14,900 linear feet each Construction acres: 128 acres Permanent acres: 68
Aqueduct tunnels	Four 20-foot-diameter parallel tunnels, two reaches
Bethany Reservoir Discharge Structure	Construction acres: 15 Permanent acres: 13
RTM Volumes and Storage	
Twin Cities Complex long-term RTM storage (approximate)	214 acres x 15 feet high
Lower Roberts Island long-term RTM storage (approximate)	189 acres x 15 feet high
Bethany Complex	No TBM RTM generated or stored
Total wet excavated RTM volume (for single main tunnel from intakes to Bethany Reservoir Surge Basin shaft)	14.4 million cubic yards

cfs = cubic feet per second; RTM = reusable tunnel material; TBM = tunnel boring machine. The height of the RTM storage stockpiles would decrease as the RTM subsides into the ground over time.

^a Acreage estimates represent the permanent surface footprints of selected facilities. Overall Project acreage includes some facilities not listed, such as permanent access roads.

^b Number of shafts for the main tunnel from intakes to Bethany Reservoir Surge Basin shaft, counting the double shaft at Twin Cities Complex and the double shaft at Lower Roberts Island each as one shaft.

5.2.5 Water Conveyance Operational Components

The proposed north Delta intakes would operate in conjunction with the existing SWP. Operations of the existing SWP facilities, and in coordination with CVP operations pursuant to the Coordinated Operations Agreement, will be governed by the applicable regulatory requirements specified under the State Water Board Water Quality Control Plan for the San Francisco Bay/Sacramento–San Joaquin Delta Estuary (Bay-Delta Plan) and assigned to the SWP in the applicable water right decision, applicable biological opinions under ESA, applicable incidental take permit under CESA, and U.S. Army Corps of Engineers (USACE) Clifton Court diversion limits. The operations of the proposed north Delta intakes would remain consistent with these existing regulatory requirements. The Project is seeking a new point of diversion be added to DWR’s existing water rights, and is not seeking to expand water right quantity. In addition, diversions at the proposed north Delta intakes would be governed by new operational criteria specific to these intakes, such as the fish screen approach velocity requirements, bypass flow requirements, and pulse protection. These new criteria provide additional protections to the fish species over and above the protections from the state-of-the-art positive barrier fish screens included at the proposed intakes. A detailed table describing the proposed operational criteria is provided in Final EIR, Volume 1, Chapter 3, *Description of the Proposed Project and Alternatives*, Table 3-14. Additional detail for the proposed north Delta intakes is provided in Final EIR, Volume 1, Table 3-15 in Section 3.16.7, *Delta Conveyance Project Preliminary Proposed Operations Criteria*. Also, in Final EIR, Volume 1, Section 3.16.7, Figure 3-37 provides a visual depiction of maximum allowable diversions in winter/spring and expected diversions in summer/fall. Final EIR, Volume 1, Figure 3-38 provides a depiction of the north Delta diversion operations concepts to minimize potential effects to aquatic species.

5.2.6 Adaptive Management and Monitoring

Adaptive management for the Project, as required by the Delta Reform Act and described in Appendix 1B of the Delta Plan, would encompass three major phases: planning, implementation, and evaluation and response (Delta Stewardship Council 2015; Cal. Code Regs., title 23, § 5002(b)(4)). The adaptive management plans and programs would document all activities associated with the planning phase of adaptive management and describe the process to be followed during the implementation and evaluation and response phases. Project objectives were taken into consideration in identifying where adaptive management would be most effective and applicable for the project. As appropriate, mitigation measures identified in the Final EIR, such as implementation of the habitat creation and restoration actions in the Compensatory Mitigation Plan (CMP), would integrate the concept of adaptive management in mitigation plan design, stand-alone site and/or resources-specific adaptive management plans would be adopted if the project is approved. In addition, an Operations Adaptive Management and Monitoring Program would be used to monitor and consider the design and operation of the new north Delta intakes and determine whether they result in unanticipated effects that may warrant refinements in design, management, and/or operation. For more information see Final EIR, Volume 1, Chapter 3, *Description of the Proposed Project and Alternatives*, Section 3.18, *Adaptive Management and Monitoring Program*.

5.3 Environmental Review Process

5.3.1 Alternatives Development and Screening Process

The 2020 NOP identified the proposed project as a 6,000 cfs diversion capacity alternative, to be located on either a central or eastern alignment from intakes in the north Delta to pumping facilities in the south Delta near Clifton Court Forebay. The EIR analyses were initiated with this concept of the proposed project, and with the knowledge that additional engineering refinements, preliminary findings about key environmental impacts, and input from the public and other interested parties may result in future changes. As the development of the EIR progressed, the evaluation provided additional information about the environmental impacts associated with the project alternatives. The preliminary impact assessment found that the Bethany Reservoir alignment had the potential to reduce environmental effects as compared to other project alternatives (see Section 7.3, *Summary Comparison*, for a discussion and comparison of project alternatives). As a result, DWR identified the Bethany Reservoir alignment (Alternative 5) as the proposed project in the EIR.

DWR began the alternatives development process by revisiting the scoping comments received on the Bay Delta Conservation Plan (BDCP) and California WaterFix, as described in Final EIR, Volume 1, Chapter 1, *Introduction*. During the 2009 BDCP EIR/EIS scoping process, 1,051 comments were received related to the development of alternatives. After publishing the Draft BDCP EIR/EIS, based on the Habitat Conservation Plan/Natural Community Conservation Plan approach in December 2013, and after reviewing critical public and fish and wildlife agency comments on that document, the lead agencies introduced a new proposed action called the California WaterFix in a Partially Recirculated Draft EIR/Supplemental Draft EIS in July 2015.

While the BDCP and then California WaterFix had different project objectives, some of these alternative comments or suggestions were applicable to the Delta Conveyance Project. The 2020 Delta Conveyance Project NOP described a new proposed single-tunnel project and solicited

1 additional suggestions about potential alternatives during the public scoping period. This involved
2 input from a large group of interested parties, an extensive evaluation of various options, and
3 analysis of the environmental impacts that goes beyond the normal scope of a CEQA review. These
4 processes were helpful in informing the public and gathering input on a project that would affect a
5 very complex estuary and a statewide water supply system.

6 The Project underwent a public scoping period of 93 days from January 15 to April 17, 2020, where
7 DWR received public comments from 2,000 individuals, organizations, and agencies on the scope of
8 issues to be considered in the Draft EIR. Eight scoping meetings, which hosted a total of more than
9 700 attendees, were held throughout the state to provide information on the project and gather
10 comments. The scoping period was originally scheduled for a period of 65 days ending on March 20,
11 2020, but was extended for an additional 28 days per the request of interested parties to allow for
12 additional time to review project information, and to accommodate unprecedented circumstances
13 related to the coronavirus disease 2019 (COVID-19) pandemic. During this period, the public was
14 invited to participate in the earliest phase of the environmental review process and DWR accepted
15 public comments on the proposed project as defined in the NOP. For more detailed information
16 about the scoping process and relevant outreach efforts, please see Final EIR, Volume 1, Appendix
17 1A, *Scoping Summary Report*.

18 Following the 2020 NOP and consideration of scoping comments, DWR screened a range of
19 alternatives and began evaluating potential impacts from constructing, operating, and maintaining
20 conveyance facility alternatives. Contemporaneously, the engineering team continued to refine
21 potential facility designs, construction approaches, and project operations to optimize the
22 conveyance facility approach and evaluate options to further reduce environmental effects.

23 The screening process for the Delta Conveyance Project EIR focused on identifying alternatives to
24 the proposed project, as defined in the NOP, and these alternatives were screened with the purpose
25 and objectives of the proposed project in mind. The proposed project identified in the NOP and
26 developed to specifically meet the stated project objectives, Dual Conveyance Central Tunnel
27 Alignment or Dual Conveyance Eastern Tunnel Alignment, with a maximum 6,000 cfs capacity, was
28 the basis against which alternatives were screened. The screening criteria were developed
29 consistent with the legal requirements of CEQA and the project objectives included in the NOP
30 published on January 15, 2020.

31 The alternatives were grouped into four categories of dual conveyance, isolated conveyance,
32 through-Delta conveyance with proposed diversion facility, and through-Delta conveyance with no
33 new diversion facilities. A fifth “other” category encompassed alternatives proposing other
34 technologies, including capping the California Aqueduct, use of an aboveground “tube” to convey
35 water, and desalination on barges in Monterey Bay. Not including the NOP identified alternatives
36 (Dual Conveyance Central Tunnel Alignment with 6,000-cfs 35 capacity and Dual Conveyance
37 Eastern Tunnel Alignment with 6,000-cfs capacity), a total of 21 alternatives were generated at this
38 stage. In some cases, multiple similar proposals were combined and evaluated as one. Each of the
39 screened alternatives is described in Final EIR, Volume 1, Appendix 3A, *Identification of Water*
40 *Conveyance Alternatives*.

41 The 21 potential alternatives to the proposed project were screened through a two-level filtering
42 process. Filter 1 assessed whether a proposed alternative could meet the project purpose and most
43 of the project objectives. Alternatives that met two or more of the following four Filter 1 criteria
44 summarizing the four project objectives were carried forward for screening under Filter 2. Final EIR,

Volume 1, Appendix 3A, Identification of Water Conveyance Alternatives, describes the following Filter 1 criteria in more detail.

- **Climate resiliency.** Addresses anticipated sea level rise and other reasonably foreseeable consequences of climate change and extreme weather events.
- **Seismic resiliency.** Minimizes health and safety risk to public from earthquake-caused reductions in water delivery quality and quantity from the SWP.
- **Water supply reliability.** Restores and protects the ability of the SWP to deliver water in compliance with regulatory limits and SWP contractual agreements.
- **Operational resiliency.** Provides operational flexibility to improve aquatic conditions and manage future regulatory constraints.

Filter 2 examined whether the remaining alternatives would avoid or lessen potential significant environmental impacts compared to the proposed project options identified in the NOP.

Of the 21 potential alternatives to the proposed project (identified in the NOP as Alternatives 1 and 3) that were evaluated as part of the screening process, 11 alternatives or groups were eliminated in Filter 1 (Final EIR, Volume 1, Appendix 3A, *Identification of Water Conveyance Alternatives*, Table 3A-2). The remaining alternatives were screened through Filter 2 to evaluate whether they had the potential to lessen environmental impacts compared to the two project options (Alternatives 1 and 3) identified in the NOP (Final EIR, Volume 1, Appendix 3A, *Identification of Water Conveyance Alternatives*, Table 3A-3). Only the Dual Conveyance Bethany Alignment alternative passed Filter 2 screening for its potential to avoid or reduce impacts compared to the proposed project identified in the NOP (Alternatives 1 and 3). To evaluate the potential for modifications to the capacity of the project options identified in the NOP to potentially avoid or reduce impacts, alternatives with capacities of 3,000 cfs (Alternatives 2b and 4b), 4,500 cfs (Alternatives 2c and 4c), and 7,500 cfs (Alternatives 2a and 4a) were also carried forward for analysis in the EIR. As a result, including the No Project alternative, the EIR evaluates ten proposed alternatives to the Project.

5.3.2 Release of, and Comments on, the Draft EIR

The Draft EIR for the Project was released for public review and comment on July 27, 2022. The public comment period for the Draft EIR was originally set for 92 days and scheduled to close on October 27, 2022. In response to requests from multiple commenters, DWR granted a 50-day extension to the public comment period, which closed at 5:00 p.m. Pacific Standard Time on December 16, 2022. The extension allowed a public comment period totaling 142 days.

DWR conducted three public hearings on September 13, September 22, and September 28, 2022, during different times of the day, during which DWR accepted verbal comments on the Draft EIR. In addition, DWR held two Tribal representatives meetings, on October 12 and December 7, 2022, for Tribal leadership, Tribal government representatives, and Tribal communities to provide verbal comments on the Draft EIR.

DWR received approximately 675 unique letters and communications from federal, state, and local/regional agencies; California Native American Tribal governments; elected officials; nongovernmental organizations; and members of the public. After reviewing letters and communications, DWR identified approximately 7,356 discrete comments.

1 The comments covered a broad range of environmental concerns and other issues. Major topic areas
2 that elicited frequent comments included but were not limited to: the CEQA process, mitigation
3 measures, and other project requirements; engagement with interested parties and the public
4 outreach process; alternatives development, range and description, including alternative
5 operations; implementation considerations; surface water quality and groundwater methodologies
6 and impacts; fish and aquatic resources methodology and impacts; terrestrial biological resources
7 methodology and impacts; Tribal cultural resources impacts; and air quality methodology and
8 impacts.

9 **5.3.3 Preparation of the Final EIR**

10 To ensure time for comment letters sent by mail, DWR treated all comment letters received before
11 January 1, 2023, as timely. As such, all comments received prior to January 1, 2023, are responded to
12 in Final EIR, Volume 2. Any comments received on or after January 1, 2023, were considered late
13 letters. While late letters have been reviewed and considered by DWR, DWR did not include late
14 letters, or responses thereto, in the Final EIR. The responses to comments provided in Final EIR,
15 Volume 2, represent DWR's best effort to review, consider, and address all timely comments on the
16 Draft EIR and any supporting information provided by commenters.

17 Agency consultation and coordination activities, including Tribal consultation, continued during
18 preparation of the Final EIR for the Project. DWR also continued to proactively engage interested
19 agencies and the public throughout the CEQA processes including preparing informative websites
20 and social media updates.

Project Specific Findings on the Delta Conveyance Project Environmental Impacts

Within each of the resource area chapters, the Final EIR lays out the significant environmental impacts of the Project. Each such environmental impact has its ultimate CEQA determination, that is, whether it would be less than significant, could be mitigated to a less than significant level through the implementation of proposed mitigation, or significant and unavoidable. Attached to this document as Exhibit A are three Findings Tables. Table 1 identifies significant and unavoidable impacts, Table 2 identifies significant impacts that can be rendered less than significant with mitigation, and Table 3 identifies impacts that are less than significant or no impact before mitigation. Within the tables, the verb “substantially lessen” is understood to mean “mitigate, but not to a less than significant level,” while the verb “avoid” is understood to mean “mitigated to a less than significant level.” These tables do not attempt to describe the full analysis of each environmental impact contained in the Final EIR. Rather, such full analysis can be found within the Final EIR, which, as noted earlier, is incorporated by reference herein. In making these findings, the Director of DWR ratifies, adopts, and incorporates into these findings the analysis and explanation in the Final EIR, and ratifies, adopts, and incorporates in these findings the determinations and conclusions of those documents relating to environmental impacts and mitigation measures, except to the extent any such determinations and conclusions are specifically and expressly modified by Exhibit A to these Findings.

As noted above, all of the mitigation measures proposed in the Final EIR have been adopted and incorporated into the enforceable MMRP for the Project. (See Pub. Resources Code, § 21081.6, subds. (a)(1) and (b).) So too have both the generic and project-specific environmental commitments, and BMPs set forth in Final EIR, Volume 1, Appendix 3B, *Environmental Commitments and Best Management Practices*. No mitigation measures identified in the Final EIR have been rejected as infeasible as is permitted under CEQA Guidelines section 15091, subdivisions (a)(3) and (c).

6.1 Potentially Significant and Unavoidable Impacts

Mitigation measures are identified for most of the significant and unavoidable impacts, but the measures are not sufficient to reduce the impacts to less than significant levels. For one significant and unavoidable impact (Impact PALEO-2), there is no feasible mitigation available at all.

Other potential impacts are considered to be significant and unavoidable even though full implementation of recommended mitigation measures by other agencies or in cooperation with DWR would reduce the impacts to less than significant levels. This conservative characterization reflects the fact that several of these mitigation measures cannot be implemented by DWR by itself, but will be dependent on the reasonable cooperation of other agencies or entities. As explained in the Final EIR, if such cooperation is forthcoming, and DWR can work successfully with the other agencies or entities in question (e.g., by reaching written agreements where necessary), the impacts will ultimately be less than significant. But DWR has conservatively concluded in the EIR that these impacts will be significant and unavoidable.

Within Exhibit A to this document, Table 1 includes (1) all potentially significant and unavoidable impacts associated with the Project, (2) adopted feasible mitigation measures or environmental commitments, if available, intended to reduce the severity of such impacts, (3) characterization of significance of the impact after the adoption of appropriate mitigation measures or environmental commitments, if any, and (4) explanations of the nature of the impacts and the effectiveness of mitigation measures or environmental commitments.

Even though the impacts in Table 1 will remain significant and unavoidable, DWR has determined to approve the Project because the Project's benefits outweigh its significant unavoidable environmental impacts. CEQA provides that, where a proposed project would cause significant environmental impacts that cannot be avoided or substantially lessened, a public agency's decision maker, after adopting proper findings, may nevertheless approve the project if the decision maker first adopts a statement of overriding considerations. This latter document must set forth the specific reasons why the agency decision maker finds the project's benefits outweigh its significant unavoidable environmental impacts. The statement of overriding considerations for the Project is included in these Findings in Chapter 8, *Statement of Overriding Considerations*, below.

6.2 Potentially Significant Impacts Reduced to Less than Significant

As noted above, Table 2 within Exhibit A identifies significant impacts that can be reduced to less than significant levels through the adoption and implementation of feasible mitigation measures or environmental commitments. Table 2 includes: (1) all potentially significant impacts associated with the Project, (2) adopted mitigation measures or environmental commitments that DWR finds would avoid or substantially lessen such significant environmental impacts, (3) characterization of less than significance of the impact after the adoption of mitigation measures or environmental commitments, and (4) explanations of the nature of the impacts and the effectiveness of mitigation measures or environmental commitments.

6.3 Impacts that are Less than Significant or No Impact

Under CEQA, no mitigation measures are required for impacts that are less than significant. (Pub. Resources Code, § 21002; CEQA Guidelines, §§ 15126.4, subd. (a)(3), 15091.) Based on substantial evidence in the whole record of this proceeding, DWR finds that implementation of the Project will not result in any significant impacts to the impact areas identified in Table 3 within Exhibit A and that these impact areas, therefore, do not require mitigation. In some instances, the Project would have no impact in a particular area; these instances are noted in the table.

Findings Regarding Alternatives to the Project

7.1 Basis for Alternatives-Feasibility Analysis

California Public Resources Code section 21002 provides that “public agencies should not approve projects as proposed if there are feasible alternatives or feasible mitigation measures available which would substantially lessen the significant environmental effects of such projects[.]” Where a lead agency has determined that, even after the adoption of all feasible mitigation measures, a project as proposed will still cause one or more significant environmental effects that cannot be substantially lessened or avoided, the agency, prior to approving the project as mitigated, must first determine whether, with respect to such impacts, there remain any project alternatives that are both (1) environmentally superior with respect to such significant, unavoidable effects and (2) feasible within the meaning of CEQA.

Under CEQA Guidelines section 15126.6, the alternatives to be discussed in detail in an EIR should be able to “feasibly attain most of the basic objectives of the project.” (See also *In re Bay-Delta Programmatic Environmental Impact Report Coordinated Proceedings* (2008) 43 Cal.4th 1143, 1165-1166 “[i]n the CALFED program, feasibility is strongly linked to achievement of each of the primary program objectives [¶] ... [¶] a lead agency may structure its EIR alternative analysis around a reasonable definition of underlying purpose and need not study alternatives that cannot achieve that basic goal”].) For this reason, the project objectives described earlier in these Findings provided part of the policy framework by which DWR developed the alternatives analyzed in the EIR. In analyzing such alternatives in detail in the EIR, DWR took these objectives into account, while at the same time focusing on means of substantially lessening or avoiding significant environmental effects as required under CEQA.

The approach taken by DWR is consistent with the approach taken for other water conveyance projects in California as illustrated in the decision by the Second Appellate District in *California Water Impact Network v. City of San Buenaventura* (Jan. 4, 2023, Cal. Ct. App., B315362 [nonpub. opn.]) (CWIN). In CWIN, the City of Buenaventura (City) proposed and prepared an EIR for a seven-mile-long pipeline project to receive its contractual right to water from the SWP. (*Id.* at p. *1.) At the same time that the City was pursuing the pipeline project to connect to the SWP, the City was also pursuing and preparing an EIR for a separate project to increase local water sources including wastewater and groundwater treatment. (*Ibid.*) The purpose of the local water project was to increase the City’s overall water supply. (*Ibid.*)

Petitioner argued the City piecemealed environmental review by preparing a separate EIR for the local water supply project and/or that the pipeline project had to include alternatives evaluating local water supply options. (CWIN, *supra*, at pp. *2, *4.) The court rejected both arguments. First, as to the piecemealing claim, the court acknowledged that both the pipeline project and the proposed local water supply project concerned the City’s water supply. (*Id.* at p. *3.) However, the court held that the projects had independent utility because the projects involved “different source[s] of water, different infrastructure, and neither project [was] dependent on the completion of the other.” (*Ibid.*) Second, the court concluded that the pipeline project EIR did not require local water supply

1 alternatives because a basic goal of the project was to “bring SWP water to the City... [and] [l]ocal
2 water supply cannot meet the basic goal of bringing SWP water to the City.” (*Id.* at p. *4.)

3 Of relevance to the Delta Conveyance Project, the petitioner in *CWIN* alleged that the project
4 objectives were too narrow because one objective was to receive the City’s SWP entitlements, which
5 made “dependence on SWP water a fait accompli.” (See *CWIN*, supra, at p. *3.) Petitioner asserted
6 that the project objectives should have been drafted to more generally address the City’s water
7 supply and water quality needs and a narrow objective to receive SWP entitlements was improper.
8 (*Ibid.*) The court rejected the petitioner’s argument. Citing *San Diego Citizenry Group v. County of San*
9 *Diego* (2013) 219 Cal.App.4th 1, 14, the court held that “CEQA does not restrict an agency’s
10 discretion to identify and pursue a particular project designed to meet a particular set of objectives.
11 [Citation.] Thus, the City’s stated objectives are valid even if it means dependence on the SWP is a
12 fait accompli.” (*CWIN*, supra, at p. *3.)

13 Similar to the City’s objective in *CWIN* to pursue a project to receive SWP water, DWR is pursuing a
14 project to restore and protect the reliability of SWP water deliveries. This fundamental purpose of
15 the Project necessarily cannot be achieved by pursuing local water supply projects in other areas of
16 the State or by projects that otherwise do not address the existing threats to SWP’s reliability (e.g.,
17 sea level rise, seismicity, climate change and associated changes in weather patterns, and regulatory
18 constraints). Therefore, the EIR properly focuses on evaluating project alternatives that would, to
19 the extent potentially feasible, restore or protect the reliability of SWP water deliveries in
20 consideration of these existing threats. (See *Yerba Buena Neighborhood Consortium, LLC v. Regents of*
21 *the University of California* (2023) 95 Cal.App.5th 779, 712-717 [holding that CEQA did not require
22 the Regents to consider an offsite alternative for a new hospital that “would not adequately meet the
23 project’s objectives”].)

24 While the EIR considers project alternatives unrelated to restoring or protecting the reliability of
25 SWP water deliveries, as addressed in Final EIR, Volume 1, Appendix 3A, *Identification of Water*
26 *Conveyance Alternatives*, DWR rejected those alternatives as part of the EIR’s alternative screening
27 process because they did not meet most of the basic project objectives. Based on the extensive
28 alternatives screening process set forth in Final EIR, Volume 1, Appendix 3A, *Identification of Water*
29 *Conveyance Alternatives*, DWR developed, and addressed in detail, nine (9) alternatives and a No
30 Project Alternative.

31 Although an EIR must evaluate a reasonable range of *potentially* feasible alternatives, the lead
32 agency decision maker ultimately determines whether such alternatives are *actually* feasible. (See
33 *California Native Plant Society v. City of Santa Cruz* (2009) 177 Cal.App.4th 957, 981, 999 (*CNPS*).)
34 “Feasible” is defined in CEQA as “capable of being accomplished in a successful manner within a
35 reasonable period of time, taking into account economic, environmental, social, and technological
36 factors.” (Pub. Resources Code, § 21061.1; see CEQA Guidelines, § 15364 [adding “legal” factors].) As
37 courts have noted, “[t]he ‘feasibility of ... alternatives must be evaluated within the context of the
38 proposed project.’” (E.g., *Sustainability, Parks, Recycling & Wildlife Legal Def. Fund v. San Francisco*
39 *Bay Conservation & Development Com.* (2014) 226 Cal.App.4th 905, 918 [omission in original].)

40 *The determination of whether an alternative is actually feasible may be based on several grounds. One*
41 *ground by which decision makers may reject an alternative as infeasible is that the alternative is*
42 *inconsistent with project objectives or does not fully meet such objectives. (In re Bay-Delta*
43 *Programmatic Environmental Impact Report Coordinated Proceedings* (2008) 43 Cal.4th 1143, 1165-
44 1166; see also *CNPS*, supra, 177 Cal.App.4th at p. 1001 [“[A]n alternative ‘may be found infeasible on

the ground it is inconsistent with the project objectives as long as the finding is supported by substantial evidence in the record.”]; *Save Panoche Valley v. San Benito County* (2013) 217 Cal.App.4th 503, 521-523; *Citizens for Open Government v. City of Lodi* (2012) 205 Cal.App.4th 296, 314-315.) Similarly, a decision maker may reject an alternative as infeasible if the decision maker concludes, after a “reasonable balancing of the relevant economic, environmental, social, and technological factors,” that the alternative is undesirable from a policy standpoint. (*City of Del Mar v. City of San Diego* (1982) 133 Cal.App.3d 401, 417 (*City of Del Mar*); see also *Ctr. for Biological Diversity v. California Dep’t of Conservation* (2019) 36 Cal.App.5th 210, 242; *CNPS, supra*, 177 Cal.App.4th at p. 1001; *San Diego Citizenry Group, supra*, 219 Cal.App.4th at pp. 17-18.) Thus, under these principles, even if a project alternative would avoid or substantially lessen any or all of the unavoidable significant environmental effects of a proposed project as mitigated, the decision makers may nevertheless reject the alternative for such reasons.

7.2 Alternatives Addressed in the EIR

The nine (9) alternatives analyzed in the Final EIR differ in the location, design, and capacity of conveyance facilities and improvements. With the exception of the CEQA No Project Alternative, each of the alternatives selected for detailed evaluation in the EIR involves some level of construction of conveyance facilities/improvements to the SWP. The following alternatives, as described in detail in Final EIR, Volume 1, Chapter 3, *Description of the Proposed Project and Alternatives*, were carried forward for detailed analysis in the Final EIR.

Alternatives (introduced in the Draft EIR):

- Alternative 1—Central Alignment, 6,000 cfs, Intakes B and C
- Alternative 2a—Central Alignment, 7,500 cfs, Intakes A, B, and C
- Alternative 2b—Central Alignment, 3,000 cfs, Intake C
- Alternative 2c—Central Alignment, 4,500 cfs, Intakes B and C
- Alternative 3—Eastern Alignment, 6,000 cfs, Intakes B and C
- Alternative 4a—Eastern Alignment, 7,500 cfs, Intakes A, B, and C
- Alternative 4b—Eastern Alignment, 3,000 cfs, Intake C
- Alternative 4c—Eastern Alignment, 4,500 cfs, Intakes B and C
- Alternative 5—Bethany Reservoir Alignment, 6,000 cfs, Intakes B and C (Project)

7.3 Summary Comparison

This summary comparison of significant and unavoidable impacts describes the severity and magnitude of the project alternatives relative to the Project. The comparison focuses on two factors: the number of relative impacts for each category (i.e., the number of impacts with a severity greater than, equal to, or less than the Project) and the drivers for the differences in severity. The number of impacts is used as a point of comparison because CEQA does not treat any category of environmental effect as being more important than any other category and the comparison of numbers provides an overall picture of the differences between the project alternatives and the

1 Project. The drivers are used in the comparison because they illuminate the fundamental differences
2 between the impacts of the Project and those of the project alternatives.

3 The primary drivers that provide insights into the differences between alternatives are the number
4 of intakes, the alignment, the length and diameter of the tunnel, the location of project facilities
5 relative to sensitive receptors, and the presence or absence of the Southern Complex. Each of these
6 drivers (except location relative to sensitive receptors) affects the amount of ground disturbance
7 associated with the alternative and the size of launch shaft sites, including amount and locations of
8 reusable tunnel material (RTM) stockpiles.

9 Table 2 below provides an overview of the differences in the number and severity of significant and
10 unavoidable impacts relative to the proposed project and drivers for those differences. Table 3
11 below compares in more detail the severity and magnitude of the significant and unavoidable
12 impacts of the project alternatives to the Project. The finding of significant and unavoidable is the
13 same across all alternatives (except for Impact AQ-6, which has a significant and unavoidable finding
14 only for Alternatives 2a and 4a), but the severity and magnitude of the impacts may differ by
15 alternative. Where quantitative data are available to compare alternatives and define the magnitude
16 of the impact, Table 3 below provides summary data, their unit of measure, and their source.

17 As shown in Tables 2 and 3 below, for five impacts, the Project has a lesser severity than all or most
18 project alternatives because it would:

- 19 • Include only two intakes and no Southern Complex and would therefore affect fewer acres of
20 important farmland (Impact AG-1).
- 21 • Not include the Bouldin Island launch and reception shaft, the Southern Complex on Byron
22 Tract, or the Southern Complex west of Byron Highway and therefore would have lesser impacts
23 on visual quality of public views (Impact AES-1) and scenic vistas (Impact AES-3). In addition,
24 the Bethany Reservoir would be constructed in a location with existing water infrastructure and
25 other facilities.
- 26 • Have an alignment that would affect fewer identified built-environment historical resources
27 (Impact CUL-1) and archaeological resources (Impact CUL-3).

28 For those impacts for which the severity of all project alternatives is the same as the Project
29 (Impacts CUL-2, CUL-4, CUL-5 and Impacts TCR-1 and TCR-2), the impacts were of a type that
30 cannot be quantified because resources have not been inventoried or are important for reasons that
31 cannot be quantified, including cultural heritage.

32 For Impact TRANS-1, an equal number of project alternatives had per employee vehicle miles
33 traveled (VMT) greater than and less than the Project. The number of employees, and thus number
34 of vehicle trips generated during construction, is influenced by the duration and intensity of
35 construction, which differs among the alternatives. The location of the alignment also influences
36 VMT, with features constructed in more rural locations requiring longer employee vehicle trips, and
37 thus generating more VMT, than features proximate to urban areas.

38 As shown in Tables 2 and 3 below, for two impacts (Impact AG-2 and Impact PALEO-2), the Project
39 has a greater severity than all or most project alternatives because it would:

- 40 • Have an alignment that would intersect with more acres of Williamson Act and Farmland
41 Security Zone acres and therefore result in the conversion of more acres when compared to
42 project alternatives.

- Have a longer tunnel alignment in geologic units with high sensitivity for paleontological resources and therefore have greater potential to disturb paleontological resources when compared to project alternatives.

The single impact for which the Project had a more severe impact than all but one of the project alternatives was related to the number of receptors who would be affected by an increase in ambient noise levels (Impact NOI-1). However, if improvements required to avoid significant impacts are accepted by all eligible property owners, impacts would be less than significant with mitigation.

A summarized comparison in Table 2 below of the multiple pollutants analyzed in Impact AQ-5 across multiple air districts and timeframes would not accurately reflect the differences for each of those factors. For example, while Alternatives 2a and 4a would generally result in higher concentrations of combustion pollutants, fugitive dust concentrations in the San Joaquin Valley Air Pollution Control District (SJVAPCD) under Alternative 5 would be higher than most other alternatives. This is because under Alternative 5, two launch shafts would be constructed at Lower Roberts Island, effectively doubling the amount of earthmoving and vehicles traveling on unpaved surfaces at this location, compared to all other proposed alternatives. Therefore, more detail is provided regarding Impact AQ-5 in Table 3 below.

Table 2. Overview of the Differences in the Number and Severity of Significant and Unavoidable Impacts Relative to the Project and the Drivers for Those Differences

Impact(s)	Number of Alternatives with Impact Severity Greater or Equal to the Project	Project Drivers
CUL-2, CUL-4, CUL-5, TCR-1, and TCR-2	All Project Alternatives = Project	<ul style="list-style-type: none"> Severity cannot be distinguished because of uninventoried resources or resources that are important for reasons that cannot be quantified, including cultural heritage
AG-1, AES-1, AES-3, and CUL-3	All 8 Project Alternatives > Project	<ul style="list-style-type: none"> Absence of Southern Complex Absence of Bouldin Island launch and reception shaft, Southern Complex on Byron Tract, or Southern Complex west of Byron Highway
AES-2, AG-2, and AQ-6	2 Project Alternatives > Project	<ul style="list-style-type: none"> Presence of existing water infrastructure at Bethany Complex Fewer intakes visible from State Route 160 Fewer cultural resources in project footprint Absence of Intake A
CUL-1	5 Project Alternatives > Project	<ul style="list-style-type: none"> Duration and intensity of construction Location of the alignment (e.g., rural locations requiring longer employee vehicle trips)
TRANS-1	4 Project Alternatives > Project	<ul style="list-style-type: none"> Longer tunnel alignment requiring more disturbance of geologic with high sensitivity for paleontological resources
PALEO-2	3 Project Alternatives > Project	<ul style="list-style-type: none"> Construction near greater number of sensitive noise receptors
NOI-1	0 Project Alternatives > Project	

Note: Impact AQ-5 is not included in this table because of the complexity of comparing multiple pollutants, timeframes, and air districts across multiple alternatives.

1 **Table 3. Comparison of Significant and Unavoidable Impacts of Project Alternatives Relative to the Project (P)**

Potential Impact (includes units of measure when applicable)	Project Alternative 5, Bethany Reservoir Alignment, 6,000 cfs, Intakes B and C	Alternative 1, Central Alignment, 6,000 cfs, Intakes B and C	Alternative 2a, Central Alignment, 7,500 cfs, Intakes A, B, and C	Alternative 2b, Central Alignment, 3,000 cfs, Intake C	Alternative 2c, Central Alignment, 4,500 cfs, Intakes B and C	Alternative 3, Eastern Alignment, 6,000 cfs, Intakes B and C	Alternative 4a, Eastern Alignment, 7,500 cfs, Intakes A, B, and C	Alternative 4b, Eastern Alignment, 3,000 cfs, Intake C	Alternative 4c, Eastern Alignment, 4,500 cfs, Intakes B and C
Impact AG-1: Convert a Substantial Amount of Prime Farmland, Unique Farmland, Farmland of Local Importance, or Farmland of Statewide Importance as a Result of Construction of Water Conveyance Facilities (total acres) (Construction)	SU 2,340	Greater than P 3,793.5	Greater than P 4,124.40	Greater than P 3,308.50	Greater than P 3,661.80	Greater than P 3,464.70	Greater than P 3,819.50	Greater than P 2,943.70	Greater than P 3,318.30
Impact AG-2: Convert a Substantial Amount of Land Subject to Williamson Act Contract or under Contract in Farmland Security Zones to a Nonagricultural Use as a Result of Construction of Water Conveyance Facilities (acres converted) (Construction)	SU 1,217.80	Less than P 1,042.30	Greater than P 1,253.60	Less than P 881.30	Less than P 950.60	Less than P 1,142.50	Greater than P 1,355.20	Less than P 982.00	Less than P 1,051.20
Impact AES-1: Substantially Degrade the Existing Visual Character or Quality of Public Views (from Publicly Accessible Vantage Points) of the Construction Sites and Visible Permanent Facilities and Their Surroundings in Nonurbanized Areas (Construction and O&M)	SU	Greater than P	Greater than P	Greater than P	Greater than P	Greater than P	Greater than P	Greater than P	Greater than P
Impact AES-2: Substantially Damage Scenic Resources including, but Not Limited to, Trees, Rock Outcroppings, and Historic Buildings Visible from a State Scenic Highway (number of intakes) (Construction)	SU 2	Equal to P 2	Greater than P 3	Less than P 1	Equal to P 2	Equal to P 2	Greater than P 3	Less than P 1	Equal to P 2
Impact AES-3: Have Substantial Significant Impacts on Scenic Vistas (Construction and O&M)	SU	Greater than P	Greater than P	Greater than P	Greater than P	Greater than P	Greater than P	Greater than P	Greater than P
Impact AQ-5: Result in Exposure of Sensitive Receptors to Substantial Localized Criteria Pollutant Emissions (PM10) (highest project-level concentration in excess of the significant impact level [µg/m³] across all timeframes [24-hour, annual] and standards [CAAQS, NAAQS]) (Construction)	SU								
	(SMAQMD, 10)	Equal to P (SMAQMD, 10)	Greater than P (SMAQMD, 13)	Less than P (SMAQMD, 9)	Less than P (SMAQMD, 9)	Greater than P (SMAQMD, 12)	Greater than P (SMAQMD, 13)	Less than P (SMAQMD, 9)	Greater than P (SMAQMD, 9)
	(SJVAPCD, 111)	Less than P (SJVAPCD, 50)	Less than P (SJVAPCD, 55)	Less than P (SJVAPCD, 37)	Less than P (SJVAPCD, 45)	Equal to P (SJVAPCD, 111)	Equal to P (SJVAPCD, 111)	Less than P (SJVAPCD, 109)	Less than P (SJVAPCD, 110)
	(BAAQMD, 22)	Greater than P (BAAQMD, 94)	Greater than P (BAAQMD, 94)	Greater than P (BAAQMD, 94)	Greater than P (BAAQMD, 94)	Greater than P (BAAQMD, 94)	Greater than P (BAAQMD, 94)	Greater than P (BAAQMD, 94)	Greater than P (BAAQMD, 94)
Impact AQ-5: Result in Exposure of Sensitive Receptors to Substantial Localized Criteria Pollutant Emissions (PM2.5) (highest project-level concentration in excess of the significant impact level [µg/m³] across all timeframes [24-hour, annual] and standards [CAAQS, NAAQS]) (Construction)	SU								
	(SMAQMD, 1.0)	Greater than P (SMAQMD, 1.4)	Greater than P (SMAQMD, 1.3)	Greater than P (SMAQMD, 1.3)	Less than P (SMAQMD, 0.9)	Greater than P (SMAQMD, 1.5)	Greater than P (SMAQMD, 1.2)	Greater than P (SMAQMD, 1.3)	Less than P (SMAQMD, 0.9)
	(SJVAPCD, 9.3)	Less than P (SJVAPCD, 2.8)	Less than P (SJVAPCD, 2.7)	Less than P (SJVAPCD, 2.5)	Less than P (SJVAPCD, 2.3)	Equal to P (SJVAPCD, 9.3)	Equal to P (SJVAPCD, 9.3)	Equal to P (SJVAPCD, 9.3)	Equal to P (SJVAPCD, 9.3)
	(BAAQMD, 1.5)	Greater than P (BAAQMD, 8.6)	Greater than P (BAAQMD, 8.6)	Greater than P (BAAQMD, 8.6)	Greater than P (BAAQMD, 8.6)	Greater than P (BAAQMD, 8.6)	Greater than P (BAAQMD, 8.6)	Greater than P (BAAQMD, 8.6)	Greater than P (BAAQMD, 8.6)

Potential Impact (includes units of measure when applicable)	Project Alternative 5, Bethany Reservoir Alignment, 6,000 cfs, Intakes B and C	Alternative 1, Central Alignment, 6,000 cfs, Intakes B and C	Alternative 2a, Central Alignment, 7,500 cfs, Intakes A, B, and C	Alternative 2b, Central Alignment, 3,000 cfs, Intake C	Alternative 2c, Central Alignment, 4,500 cfs, Intakes B and C	Alternative 3, Eastern Alignment, 6,000 cfs, Intakes B and C	Alternative 4a, Eastern Alignment, 7,500 cfs, Intakes A, B, and C	Alternative 4b, Eastern Alignment, 3,000 cfs, Intake C	Alternative 4c, Eastern Alignment, 4,500 cfs, Intakes B and C
Impact AQ-5: Result in Exposure of Sensitive Receptors to Substantial Localized Criteria Pollutant Emissions (total 1-hour NO ₂ , NAAQS [µg/m ³]) (Construction)	SU (SJVAPCD) LTS (SMAQMD, BAAQMD)	SU (SJVAPCD) LTS (SMAQMD, BAAQMD)	SU (SJVAPCD) LTS (SMAQMD, BAAQMD)	SU (SJVAPCD) LTS (SMAQMD, BAAQMD)	SU (SJVAPCD) LTS (SMAQMD, BAAQMD)	LTS (SJVAPCD, SMAQMD, BAAQMD)	LTS (SJVAPCD, SMAQMD, BAAQMD)	LTS (SJVAPCD, SMAQMD, BAAQMD)	LTS (SJVAPCD, SMAQMD, BAAQMD)
	(SMAQMD, 134)	Less than P (SMAQMD, 133)	Greater than P (SMAQMD, 184)	Greater than P (SMAQMD, 143)	Less than P (SMAQMD, 133)	Less than P (SMAQMD, 133)	Greater than P (SMAQMD, 184)	Greater than P (SMAQMD, 143)	Less than P (SMAQMD, 133)
	(SJVAPCD, 218)	Greater than P (SJVAPCD, 243)	Greater than P (SJVAPCD, 243)	Greater than P (SJVAPCD, 243)	Greater than P (SJVAPCD, 243)	Less than P (SJVAPCD, 186)	Less than P (SJVAPCD, 186)	Less than P (SJVAPCD, 186)	Less than P (SJVAPCD, 186)
	(BAAQMD, 76)	Greater than P (BAAQMD, 80)	Greater than PP (BAAQMD, 80)	Greater than P (BAAQMD, 80)	Greater than P (BAAQMD, 80)	Greater than P (BAAQMD, 80)	Greater than P (BAAQMD, 80)	Greater than P (BAAQMD, 80)	Greater than P (BAAQMD, 80)
Impact AQ-6: Result in Exposure of Sensitive Receptors to Substantial Toxic Air Contaminant Emissions (maximum modeled excess cancer [potential cases per million] by air district) (Construction)	LTS	LTS	SU	LTS	LTS	LTS	SU	LTS	LTS
	(SMAQMD, 7)	Less than P (SMAQMD, 6)	Greater than P (SMAQMD, 16)	Less than P (SMAQMD, 4)	Less than P (SMAQMD, 2)	Less than P (SMAQMD, 6)	Greater than P (SMAQMD, 16)	Less than P (SMAQMD, 4)	Less than P (SMAQMD, 6)
	(SJVAPCD, 5)	Less than P (SJVAPCD, 2)	Less than P (SJVAPCD, 2)	Less than P (SJVAPCD, 2)	Greater than P (SJVAPCD, 6)	Less than P (SJVAPCD, 3)	Less than P (SJVAPCD, 3)	Less than P (SJVAPCD, 3)	Less than P (SJVAPCD, 3)
	(BAAQMD, 1)	Equal to P (BAAQMD, 1)	Greater than P (BAAQMD, 2)	Equal to P (BAAQMD, 1)	Equal to P (BAAQMD, 1)	Equal to P (BAAQMD, 1)	Greater than P (BAAQMD, 2)	Equal to P (BAAQMD, 1)	Equal to P (BAAQMD, 1)
	(YSAQMD, 1)	Equal to P (YSAQMD, 1)	Equal to P (YSAQMD, 1)	Equal to P (YSAQMD, 1)	Equal to P (YSAQMD, 1)	Equal to P (YSAQMD, 1)	Equal to P (YSAQMD, 1)	Equal to P (YSAQMD, 1)	Equal to P (YSAQMD, 1)
Impact CUL-1: Impacts on Built-Environment Historical Resources Resulting from Construction and Operation of the Project (number of resources) (Construction and O&M)	SU 6	Greater than P 10	Greater than P 13	Greater than P 8	Greater than P 10	Equal to P 6	Greater than P 9	Less than P 4	Equal to P 6
Impact CUL-2: Impacts on Unidentified and Unevaluated Built-Environment Historical Resources Resulting from Construction and Operation of the Project (number of resources) (Construction and O&M)	SU 88	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P
Impact CUL-3: Impacts on Identified Archaeological Resources Resulting from the Project (number of resources) (Construction)	SU 8	Greater than P 25	Greater than P 26	Greater than P 22	Greater than P 23	Greater than P 15	Greater than P 17	Greater than P 13	Greater than P 15
Impact CUL-4: Impacts on Unidentified Archaeological Resources That May Be Encountered in the Course of the Project (Construction)	SU	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P

Potential Impact (includes units of measure when applicable)	Project Alternative 5, Bethany Reservoir Alignment, 6,000 cfs, Intakes B and C	Alternative 1, Central Alignment, 6,000 cfs, Intakes B and C	Alternative 2a, Central Alignment, 7,500 cfs, Intakes A, B, and C	Alternative 2b, Central Alignment, 3,000 cfs, Intake C	Alternative 2c, Central Alignment, 4,500 cfs, Intakes B and C	Alternative 3, Eastern Alignment, 6,000 cfs, Intakes B and C	Alternative 4a, Eastern Alignment, 7,500 cfs, Intakes A, B, and C	Alternative 4b, Eastern Alignment, 3,000 cfs, Intake C	Alternative 4c, Eastern Alignment, 4,500 cfs, Intakes B and C
Impact CUL-5: Impacts on Buried Human Remains (Construction)	SU	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P
Impact NOI-1: Generate a Substantial Temporary or Permanent Increase in Ambient Noise Levels in the Vicinity of the Project in Excess of Standards Established in the Local General Plan or Noise Ordinance, or Applicable Standards of Other Agencies (number of receptors) (Construction)	SU* 408	Less than P 316	Less than P 361	Less than P 74	Less than P 316	Less than P 363	Equal to P 408	Less than P 121	Less than P 363
Impact PALEO-2: Cause Destruction of a Unique Paleontological Resource as a Result of Tunnel Construction and Ground Improvement (million loose cubic yards as a result of tunneling) (Construction)	SU 14.4	Less than P 13.9	Greater than P 18.4	Less than P 7.5	Less than P 10.7	Greater than P 14.8	Greater than P 19.5	Less than P 7.9	Less than P 11.3
Impact TCR-1: Impacts on the Delta Tribal Cultural Landscape Tribal Cultural Resource Resulting from Construction, Operations, and Maintenance of the Project Alternatives (Construction and O&M)	SU	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P
Impact TCR-2: Impacts on Individual Tribal Cultural Resources Resulting from Construction, Operations, and Maintenance of the Project Alternatives (Construction and O&M)	SU	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P	Equal to P
Impact TRANS-1: Increased Average VMT Per Construction Employee versus Regional Average (average VMT per construction employee) (Construction)	SU 25.77	Less than P 25.68	Greater than P 25.82	Greater than P 27.02	Less than P 24.91	Less than P 24.38	Greater than P 26.33	Greater than P 27.57	Less than P 25.06

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µg/m³ = micrograms per cubic meter; BAAQMD = Bay Area Air Quality Management District; CAAQS = California ambient air quality standards; cfs = cubic feet per second; HI = hazard index; LTS = less than significant; NAAQS = national ambient air quality standards; NO₂ = nitrogen dioxide; NO_x = nitrogen oxides; O&M = operation and management; PM_{2.5} = particulate matter 2.5 microns in diameter or less; PM₁₀ = particulate matter 10 microns in diameter or less; P = project; SJVAPCD = San Joaquin Valley Air Pollution Control District; SMAQMD = Sacramento Metropolitan Air Quality Management District; SU = significant and unavoidable; VMT = vehicle miles traveled; YSAQMD = Yolo-Solano Air Quality Management District. The metrics reported in this table are for project alternatives only without implementation of the Compensatory Mitigation Plan (CMP) because as disclosed in the EIR the impacts associated with the CMP would be the same across all alternatives.

7.4 Environmentally Superior Alternative

CEQA Guidelines section 15126.6 requires that each EIR identify the “environmentally superior alternative” among those considered. If the No Project Alternative is identified as environmentally superior, then the EIR must also identify the environmentally superior alternative among the other alternatives. (CEQA Guidelines, § 15126.6, subd. (e)(2).)

As discussed in the Final EIR, the No Project Alternative would not result in the construction or operational related impacts discussed for the project alternatives but could result in impacts within the SWP service area and within the Delta that would not occur under the project alternatives.

The Project would, overall, result in less severe environmental impacts than the proposed project options identified in the NOP as well as the other alternatives analyzed in the EIR. Therefore, the Project is considered the environmentally superior alternative because it would reduce the severity of adverse environmental effects across a broad range of environmental resources and would not result in any significant and unavoidable environmental impacts that could be avoided by other feasible alternatives evaluated in the EIR.

The following discussion describes what DWR regards as the environmental pros and cons among the various project alternatives analyzed in the Final EIR by synthesizing the analysis of several of the environmental impacts discussed in Chapters 7 through 32 of the Final EIR, Volume 1.

As described in Chapter 2, *Purpose and Project Objectives*, the project alternatives evaluated in the Final EIR have the following objectives.

- To help address anticipated rising sea levels and other reasonably foreseeable consequences of climate change and extreme weather events.
- To minimize the potential for public health and safety impacts from reduced quantity and quality of SWP water deliveries, and potentially CVP water deliveries, south of the Delta as a result of a major earthquake that could cause breaching of Delta levees and the inundation of brackish water into the areas where existing SWP and CVP pumping plants operate in the southern Delta.
- To protect the ability of the SWP, and potentially the CVP, to deliver water when hydrologic conditions result in the availability of sufficient amounts of water, consistent with the requirements of state and federal law, including the ESA, CESA and Delta Reform Act, as well as the terms and conditions of water delivery contracts and other existing applicable agreements.
- To provide operational flexibility to improve aquatic conditions in the Delta and better manage risks of further regulatory constraints on project operations.

The project alternatives would reduce reliance on diversion from the existing south Delta pumps. Diversions at the project’s north Delta facilities would pass through state-of-the-art fish screens. Dual conveyance would provide operational flexibility that could reduce impacts of the SWP on aquatic species by, among other things, allowing operators to divert water at times and places—in either the north or the south—that protect those species at sensitive life stages.

Each project alternative involves a different set of environmental benefits and impacts. For example, the number of north Delta intakes associated with particular alternatives and the alignment of project features typically reflects a balance between localized construction-related, visual, and footprint-related impacts in the Delta against the system-wide environmental benefits associated

1 with improved reliability of SWP deliveries and meeting the project purpose and objectives.
2 Alternatives with two intakes would involve fewer localized in-Delta impacts than alternatives with
3 three intakes (Alternatives 2a and 4a). Other alternatives with two intakes (Alternatives 1, 2c, 3, 4c,
4 and 5) or with one intake (Alternatives 2b and 4b) would similarly reduce localized, in-Delta
5 impacts compared to alternatives with three intakes. However, alternatives with one intake
6 (Alternatives 2b and 4b) would not have the water supply reliability benefits expected of
7 alternatives with two or three intakes (Alternatives 1, 2a, 2c, 3, 4a, 4c, and 5).

8 Some of the environmental impacts related to temporary and permanent habitat or agricultural land
9 conversion would be fewer for Alternatives 1, 2b, 2c, 3, 4b, 4c, and 5 than for Alternatives 2a or 4a,
10 which would include three north Delta intakes. Alternatives with three intakes (Alternatives 2a and
11 4a) would result in the greatest number of acres of farmland conversion while alternatives with
12 fewer intakes (Alternatives 1, 2b, 2c, 3, 4b, and 4c) or that would not involve construction of a new
13 Southern Complex (Project) would have fewer acres of farmland conversion. Similarly, alternatives
14 with three intakes (Alternatives 2a and 4a) would cause the greatest amount of conversion of
15 Williamson Act contracted land compared to alternatives with one intake (Alternatives 2b and 4b),
16 which would result in the least amount of conversion of Williamson Act contracted land. Alternative
17 4b would have relatively fewer terrestrial biological impacts, and for some other biological
18 resources, would have the fewest quantified impacts of all alternatives (e.g., valley/foothill riparian,
19 greater and lesser sandhill cranes) primarily due to having only one intake and the associated
20 smaller reusable tunnel material impacts. Because the Project does not require construction of a
21 new Southern Forebay and a new South Delta Pumping Plant, it would affect substantially fewer
22 acres of wetlands compared to all other alternatives. The Project would also have substantially
23 fewer impacts on state and federally regulated aquatic resources compared to the other project
24 alternatives.

25 For some environmental resources analyzed, the project alignment and features drive the overall
26 impacts in addition to the number of intakes. For cultural resources, alternatives on the central
27 alignment (Alternatives 1, 2a, 2b, and 2c) affect a greater number of built-environment historical
28 resources than alternatives on the eastern or Bethany Reservoir alignments (Alternatives 3, 4a, 4b,
29 4c, and 5). The central alignment alternatives (Alternatives 1, 2a, 2b, and 2c) would generally result
30 in greater impacts on terrestrial biological resources relative to the eastern alignment alternatives
31 (Alternatives 3, 4a, 4b, and 4c) and the Bethany Reservoir alignment alternative (Project), which is
32 largely due to the improvements on Bouldin Island and road improvements throughout the central
33 alignment. Among all alternatives, the Project would result in the least amount of converted
34 farmland because it does not require construction of a new Southern Complex and Southern
35 Forebay.

36 The construction of the Southern Complex for Alternatives 1, 2a, 2b, 2c, 3, 4a, 4b, and 4c is another
37 important variable that contributes to localized impacts. Alternative 2a would result in the greatest
38 impacts on terrestrial biological resources, which would be primarily due to the construction
39 activities on Bouldin Island and the Southern Complex, whereas the Project, which does not require
40 the construction of a forebay, would have the fewest impacts on terrestrial biological resources,
41 wetlands, and waters of the United States. For cultural resources, the Project's Bethany Reservoir
42 alignment would affect the fewest eligible built-environmental historical resources and fewest
43 archaeological sites compared to all other project alternatives because it would not require
44 construction of a new forebay. The Project would result in the fewest acres with land use
45 incompatibilities compared to all other alternatives that require construction of the Southern
46 Forebay at the Southern Complex.

1 There could also be some environmental benefits that would occur under all project alternatives
2 because of the operational flexibility that would be possible with the north Delta intakes. The
3 addition of north Delta intakes to the existing diversion facilities in the south would provide system
4 operators the flexibility to divert water from the north or south depending on which is better for
5 sensitive fish species at different times of year and under different hydrological conditions. Dual
6 conveyance also allows flexibility in water diversions when regulatory restrictions limit the ability
7 to divert water from either the north or south, thus enabling the goal of increasing water supply
8 reliability.

9 All of the project alternatives would create temporary and permanent changes to the Delta
10 environment from construction that in most cases would be mitigated to less-than-significant levels,
11 although several impacts are considered significant and unavoidable. All of the project alternatives
12 would also improve Delta roadways and bridges, and improve water supply infrastructure that is of
13 statewide importance.

14 As described above, there are different sets of environmental tradeoffs among the project
15 alternatives. Among the project alternatives evaluated in the Final EIR, the Project, on the Bethany
16 Reservoir alignment, overall lessens impacts in relation to temporary and permanent effects on the
17 Delta environment, including minimizing impacts on wetlands and other waters of the United States,
18 agriculture (Impact AG-1), aesthetic (Impacts AES-1 and 3), and cultural and historical resources
19 (Impact CUL-3). Therefore, of the project alternatives, the Project is considered the environmentally
20 superior alternative.

21 **7.5 Infeasibility of Alternatives Other than the** 22 **Project**

23 CEQA vests the final decision-making authority over a project with the designated lead agency
24 decision-making body or official, who must act consistently with his or her agency's statutory
25 function and powers. As the California Supreme Court stated in acknowledging the limits of its own
26 review function, "[t]he wisdom of approving ... any ... project" is "a delicate task which requires a
27 balancing of interests," and "is necessarily left to the sound discretion of the [public] officials and
28 their constituents who are responsible for such decisions." (*Citizens of Goleta Valley v. Board of*
29 *Supervisors* (1990) 52 Cal.3d 553, 576.)

30 As explained earlier, a decision maker's assessment of the "actual feasibility" of EIR alternatives can
31 involve the "reasonable balancing of the relevant economic, environmental, social, and technological
32 factors" associated with a proposed project. (*City of Del Mar, supra*, 133 Cal.App.3d at p. 417.) Based
33 on such a balancing process, a decision maker may conclude that an alternative, being "undesirable"
34 from a policy standpoint, is infeasible within the meaning of CEQA. (*CNPS, supra*, 177 Cal.App.4th at
35 pp. 981, 999, 1001; *City of Del Mar, supra*, 133 Cal.App.3d at p. 417; *San Diego Citizenry Group, supra*,
36 219 Cal.App.4th at pp. 17-18; *Sustainability, Parks, Recycling & Wildlife Legal Def. Fund v. San*
37 *Francisco Bay Conservation & Dev. Com.* (2014) 226 Cal.App.4th 905, 917-918.) In making such
38 determinations, the decision maker may also consider the extent to which an alternative meets
39 project objectives. (*CNPS, supra*, 177 Cal.App.4th at p. 1001 ["[A]n alternative 'may be found
40 infeasible on the ground it is inconsistent with the project objectives as long as the finding is
41 supported by substantial evidence in the record.'"]; see also *Save Panoche Valley, supra*, 217
42 Cal.App.4th at pp. 521-523; and *Citizens for Open Government, supra*, 205 Cal.App.4th at pp. 314-

315.) Under these principles, a decision maker may reject an alternative as infeasible even if the alternative would avoid or substantially lessen one or more of the unavoidable significant environmental effects of a proposed project as mitigated.

“CEQA requires the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits, *including region-wide or statewide environmental benefits*, of a proposed project against its unavoidable environmental risks when determining whether to approve the project.” (CEQA Guidelines, § 15093, subd. (a), italics added.) Thus, decision makers often find themselves balancing competing environmental considerations as well as competing economic and social considerations.

The Project and its alternatives indeed present all of these categories of competing considerations. DWR, through its Director, has therefore undertaken a deliberative process to balance such competing considerations against each other in light of project objectives and state and federal law. In addition to finding that the Project is the environmentally superior alternative (as discussed above in Section 7.4, *Environmentally Superior Alternative*), DWR rejects the other alternatives set forth in the EIR, and discussed further below, because the Director finds that there is substantial evidence, including evidence of economic, legal, social, technological, and other considerations described in this section and elsewhere in the record on these proceedings under CEQA Guidelines section 15091, subdivision (a)(3), that make the alternatives infeasible. Set forth below are the Director’s conclusions with respect to each of the alternatives considered in the Final EIR.

As discussed above, the Project is considered the environmentally superior alternative.

Therefore, the discussion below mainly focuses on infeasibility related to the fundamental purpose and objectives and other feasibility or policy considerations.

7.5.1 Rejection of Alternative 1: 6,000 cfs Central Alignment with Intakes B and C

7.5.1.1 Fundamental Purpose and Objectives

The extent to which this alternative can achieve the project purpose and objectives is comparable to the Project because it has the same water conveyance capacity as the Project.

7.5.1.2 Other Feasibility/Policy Considerations

The Central Alignment’s proximity to existing access road infrastructure is less ideal than the Eastern and Bethany alignments, which are accessible to Interstate 5. This could make access for construction more difficult and construction more laborious than on the Eastern or Bethany alignments.

This alternative includes the construction of a Southern Forebay, which inherently requires more construction and results in greater impacts than the Project, which does not require the construction of a Southern Forebay. More construction would result in a greater environmental footprint and potentially greater local community impacts.

Through its Director, DWR rejects Alternative 1 on each of the above grounds. The Director finds that each of the above reasons is a sufficient independent ground for rejecting Alternative 1 as infeasible.

7.5.2 Rejection of Alternative 2a: 7,500 cfs Central Alignment with Intakes A-C

7.5.2.1 Fundamental Purpose and Objectives

This alternative would have similar potential to achieve SWP water supply reliability as the Project. However, it would have additional benefits for the CVP because it has an additional intake that would provide capacity for CVP water deliveries.

7.5.2.2 Other Feasibility/Policy Considerations

Unlike the Project, Alternative 2a would have an additional significant and unavoidable impact: Impact AQ-6, *Result in Exposure of Sensitive Receptors to Substantial Toxic Air Contaminant Emissions*.

The Central Alignment's proximity to existing access road infrastructure is less ideal than the Eastern and Bethany alignments, which are accessible to Interstate 5. This could make access for construction more difficult and construction more laborious than on the Eastern or Bethany alignments.

Because this alternative involves the construction of an additional intake, it would result in greater impacts. These impacts include a greater environmental footprint and potentially greater local community impacts.

This alternative also includes the construction of a Southern Forebay, which inherently requires more construction and results in greater impacts than the Project, which does not require the construction of a Southern Forebay. More construction would result in a greater environmental footprint and potentially greater local community impacts.

Through its Director, DWR rejects Alternative 2a on each of the above grounds. The Director finds that each of the above reasons is a sufficient independent ground for rejecting Alternative 2a as infeasible.

7.5.3 Rejection of Alternative 2b: 3,000 cfs Central Alignment with Intake C

7.5.3.1 Fundamental Purpose and Objectives

This alternative would not achieve the Project's purpose of water supply reliability as effectively as the Project because it has one less intake and 3,000 cfs less capacity of water conveyance compared to the Project.

Alternative 2b would be less capable of meeting the Project's objective of addressing anticipated rising sea levels and other reasonably foreseeable consequences of climate change and extreme weather events. If salinity intrusion were to prevent the use of the existing south Delta pumps, Alternative 2b would have less conveyance capacity to be able to provide water supply reliability to the SWP when compared to the Project. Additionally, Alternative 2b would be less capable of protecting the SWP from future climatic change and mitigating system losses due to changing precipitation patterns and seasonal runoff due to climate change, compared to the Project, due to its lower maximum capacity. Alternative 2b would have less overall capacity to capture excess flows in

the system and divert periodic and significant excess flows when southern Delta pumping is currently restricted. Therefore, Alternative 2b would also be less capable of protecting the ability of the SWP to deliver water when hydrologic conditions result in the availability of sufficient amounts of water, compared to the Project.

In the event of catastrophic levee failures from seismic activities (which could temporarily disrupt water supply by ceasing diversions from the SWP's current point of diversion in the south Delta), Alternative 2b would be less capable of minimizing the potential for public health and safety impacts from reduced quantity and quality of SWP water deliveries south of the Delta, compared to the Project, due to its lower maximum capacity.

Because Alternative 2b has only one intake and a lower maximum capacity, it would also provide less operational flexibility to improve aquatic conditions in the Delta for sensitive fish species and less operational flexibility to better manage risks of further regulatory constraints on project operations.

7.5.3.2 Other Feasibility/Policy Considerations

The Central Alignment's proximity to existing access road infrastructure is less ideal than the Eastern and Bethany alignments, which are accessible to Interstate 5. This could make access for construction more difficult and construction more laborious than on the Eastern or Bethany alignments.

This alternative includes the construction of a Southern Forebay, which inherently requires more construction and results in greater impacts than the Project, which does not require the construction of a Southern Forebay. More construction would result in a greater environmental footprint and potentially greater local community impacts.

Through its Director, DWR rejects Alternative 2b on each of the above grounds. The Director finds that each of the above reasons is a sufficient independent ground for rejecting Alternative 2b as infeasible.

7.5.4 Rejection of Alternative 2c: 4,500 cfs Central Alignment with Intakes B and C

7.5.4.1 Fundamental Purpose and Objectives

This alternative would not achieve the project's purpose of water supply reliability as effectively as the Project because it has 1,500 cfs less capacity of water conveyance.

Alternative 2c would be less capable of meeting the Project's objective of addressing anticipated rising sea levels and other reasonably foreseeable consequences of climate change and extreme weather events. If salinity intrusion were to prevent the use of the existing south Delta pumps, Alternative 2c would have less conveyance capacity to be able to provide water supply reliability to the SWP when compared to the Project. Additionally, Alternative 2c would be less capable of protecting the SWP from future climatic change and mitigating system losses due to changing precipitation patterns and seasonal runoff due to climate change, compared to the Project, due to its lower maximum capacity. Alternative 2c would have less overall capacity to capture excess flows in the system and divert periodic and significant excess flows when southern Delta pumping is currently restricted. Therefore, Alternative 2c would also be less capable of protecting the ability of

1 the SWP to deliver water when hydrologic conditions result in the availability of sufficient amounts
2 of water, compared to the Project.

3 In the event of catastrophic levee failures from seismic activities (which could temporarily disrupt
4 water supply by ceasing diversions from the SWP's current point of diversion in the south Delta),
5 Alternative 2c would be less capable of minimizing the potential for public health and safety impacts
6 from reduced quantity and quality of SWP water deliveries south of the Delta, compared to the
7 Project, due to its lower maximum capacity.

8 Because Alternative 2c has a lower maximum capacity, it would also provide less operational
9 flexibility to improve aquatic conditions in the Delta and less operational flexibility to better manage
10 risks of further regulatory constraints on project operations.

11 **7.5.4.2 Other Feasibility/Policy Considerations**

12 The Central Alignment's proximity to existing access road infrastructure is less ideal than the
13 Eastern and Bethany alignments, which are accessible to Interstate 5. This could make access for
14 construction more difficult and construction more laborious than on the Eastern or Bethany
15 alignments.

16 This alternative includes the construction of a Southern Forebay, which inherently requires more
17 construction and results in greater impacts than the Project, which does not require the
18 construction of a Southern Forebay. More construction would result in a greater environmental
19 footprint and potentially greater local community impacts.

20 Through its Director, DWR rejects Alternative 2c on each of the above grounds. The Director finds
21 that each of the above reasons is a sufficient independent ground for rejecting Alternative 2c as
22 infeasible.

23 **7.5.5 Rejection of Alternative 3: 6,000 cfs Eastern Alignment** 24 **with Intakes B and C**

25 **7.5.5.1 Fundamental Purpose and Objectives**

26 The extent to which this alternative can achieve the project purpose and objectives is comparable to
27 the Project because it has the same water conveyance capacity as the Project.

28 **7.5.5.2 Other Feasibility/Policy Considerations**

29 This alternative includes the construction of a Southern Forebay, which inherently requires more
30 construction and results in greater impacts than the Project, which does not require the
31 construction of a Southern Forebay. More construction would result in a greater environmental
32 footprint and potentially greater local community impacts.

33 Through its Director, DWR rejects Alternative 3 on each of the above grounds. The Director finds
34 that each of the above reasons is a sufficient independent ground for rejecting Alternative 3 as
35 infeasible.

7.5.6 Rejection of Alternative 4a: 7,500 cfs Eastern Alignment with Intakes A-C

7.5.6.1 Fundamental Purpose and Objectives

This alternative would have similar potential to achieve SWP water supply reliability as the Project. However, it would have additional benefits for the CVP because it has an additional intake that would provide capacity for CVP water deliveries.

7.5.6.2 Other Feasibility/Policy Considerations

Unlike the proposed project, Alternative 4a would have an additional significant and unavoidable impact: Impact AQ-6, Result in Exposure of Sensitive Receptors to Substantial Toxic Air Contaminant Emissions.

Because this alternative involves the construction of an additional intake, it would result in greater impacts. These impacts include a greater environmental footprint and potentially greater local community impacts.

This alternative includes the construction of a Southern Forebay, which inherently requires more construction and results in greater impacts than the Project, which does not require the construction of a Southern Forebay. More construction would result in a greater environmental footprint and potentially greater local community impacts.

Through its Director, DWR rejects Alternative 4a on each of the above grounds. The Director finds that each of the above reasons is a sufficient independent ground for rejecting Alternative 4a as infeasible.

7.5.7 Rejection of Alternative 4b: 3,000 cfs Eastern Alignment with Intake C

7.5.7.1 Fundamental Purpose and Objectives

This alternative would not achieve the Project's purpose of water supply reliability as effectively as the Project because it has one less intake and 3,000 cfs less capacity of water conveyance compared to the Project.

Alternative 4b would be less capable of meeting the Project's objective of addressing anticipated rising sea levels and other reasonably foreseeable consequences of climate change and extreme weather events. If salinity intrusion were to prevent the use of the existing south Delta pumps, Alternative 4b would have less conveyance capacity to be able to provide water supply reliability to the SWP when compared to the Project. Additionally, Alternative 4b would be less capable of protecting the SWP from future climatic change and mitigating system losses due to changing precipitation patterns and seasonal runoff due to climate change, compared to the Project, due to its lower maximum capacity. Alternative 4b would have less overall capacity to capture excess flows in the system and divert periodic and significant excess flows when southern Delta pumping is currently restricted. Therefore, Alternative 4b would also be less capable of protecting the ability of the SWP to deliver water when hydrologic conditions result in the availability of sufficient amounts of water, compared to the Project.

1 In the event of catastrophic levee failures from seismic activities (which could temporarily disrupt
2 water supply by ceasing diversions from the SWP's current point of diversion in the south Delta),
3 Alternative 4b would be less capable of minimizing the potential for public health and safety impacts
4 from reduced quantity and quality of SWP water deliveries south of the Delta, compared to the
5 Project, due to its lower maximum capacity.

6 Because Alternative 4b has only one intake and a lower maximum capacity, it would also provide
7 less operational flexibility to improve aquatic conditions in the Delta and less operational flexibility
8 to better manage risks of further regulatory constraints on project operations.

9 **7.5.7.2 Other Feasibility/Policy Considerations**

10 This alternative includes the construction of a Southern Forebay, which inherently requires more
11 construction and results in greater impacts than the Project, which does not require the
12 construction of a Southern Forebay. More construction would result in a greater environmental
13 footprint and potentially greater local community impacts.

14 Through its Director, DWR rejects Alternative 4b on each of the above grounds. The Director finds
15 that each of the above reasons is a sufficient independent ground for rejecting Alternative 4b as
16 infeasible.

17 **7.5.8 Rejection of Alternative 4c: 4,500 cfs Eastern Alignment** 18 **with Intakes B and C**

19 **7.5.8.1 Fundamental Purpose and Objectives**

20 This alternative would not achieve the project's purpose of water supply reliability as effectively as
21 the Project because it has 1,500 cfs less capacity of water conveyance.

22 Alternative 4c would be less capable of meeting the Project's objective of addressing anticipated
23 rising sea levels and other reasonably foreseeable consequences of climate change and extreme
24 weather events. If salinity intrusion were to prevent the use of the existing south Delta pumps,
25 Alternative 4c would have less conveyance capacity to be able to provide water supply reliability to
26 the SWP when compared to the Project. Additionally, Alternative 4c would be less capable of
27 protecting the SWP from future climatic change and mitigating system losses due to changing
28 precipitation patterns and seasonal runoff due to climate change, compared to the Project, due to its
29 lower maximum capacity. Alternative 4c would have less overall capacity to capture excess flows in
30 the system and divert periodic and significant excess flows when southern Delta pumping is
31 currently restricted. Therefore, Alternative 4c would also be less capable of protecting the ability of
32 the SWP to deliver water when hydrologic conditions result in the availability of sufficient amounts
33 of water, compared to the Project.

34 In the event of catastrophic levee failures from seismic activities (which could temporarily disrupt
35 water supply by ceasing diversions from the SWP's current point of diversion in the south Delta),
36 Alternative 4c would be less capable of minimizing the potential for public health and safety impacts
37 from reduced quantity and quality of SWP water deliveries south of the Delta, compared to the
38 Project, due to its lower maximum capacity.

Because Alternative 4c has a lower maximum capacity, it would also provide less operational flexibility to improve aquatic conditions in the Delta and less operational flexibility to better manage risks of further regulatory constraints on project operations.

7.5.8.2 Other Feasibility/Policy Considerations

This alternative includes the construction of a Southern Forebay, which inherently requires more construction and results in greater impacts than the Project, which does not require the construction of a Southern Forebay. More construction would result in a greater environmental footprint and potentially greater local community impacts.

Through its Director, DWR rejects Alternative 4c on each of the above grounds. The Director finds that each of the above reasons is a sufficient independent ground for rejecting Alternative 4c as infeasible.

7.5.9 Rejection of No Project Alternative

7.5.9.1 Fundamental Purpose and Objectives

As described in Final EIR, Volume 1, Chapter 4, *Framework for the Environmental Analysis*, the No Project Alternative analyses evaluate a scenario that includes climate change and sea level rise, as well as projects that may occur within the SWP service area if the Delta Conveyance Project does not move forward.

The No Project Alternative fails to meet DWR's fundamental purpose of "restor[ing] and protect[ing] the reliability of SWP water deliveries and, potentially, CVP water deliveries south of the Delta consistent with the State's Water Resilience Portfolio (California Natural Resources Agency et al. 2020) by addressing the seismic risks, sea level rise, and other reasonably foreseeable consequences of climate change and extreme weather events in a cost effective manner." This alternative also fails to meet any of the four specific project objectives described in Chapter 2, *Purpose and Project Objectives*, of "help[ing] address anticipated rising sea levels and other reasonably foreseeable consequences of climate change and extreme weather events; and "minimiz[ing] the potential for public health and safety impacts from reduced quantity and quality of SWP water deliveries, and potentially CVP water deliveries, south of the Delta as a result of a major earthquake that could cause breaching of Delta levees and the inundation of brackish water into the areas where existing SWP and CVP pumping plants operate in the southern Delta"; and "protect[ing] the ability of the SWP, and potentially the CVP, to deliver water when hydrologic conditions result in the availability of sufficient amounts of water, consistent with the requirements of the state and federal law, including the ESA, CESA and Delta Reform Act, as well as the terms and conditions of water delivery contracts and other existing applicable agreements"; and "provid[ing] operational flexibility to improve aquatic conditions in the Delta and better manage risks of further regulatory constraints on project operations."

7.5.9.2 Other Feasibility/Policy Considerations

The No Project Alternative would leave the SWP system subject to potentially catastrophic consequences in the event of a major earthquake leading to levee breaks, inundation of Delta islands, and prolonged disruptions of exports that could require environmentally damaging emergency measures south of the Delta to provide water (California Department of Water Resources

2008b). Even in the absence of an event that catastrophically alters the hydrology of the Delta, climate change and anticipated sea level rise could be expected to gradually limit the operation of the SWP water pumps in the south Delta (California Department of Water Resources 2018). Consequently, additional releases from upstream reservoirs are expected to be necessary to provide the fresh water needed to meet current salinity standards (California Department of Water Resources 2018). While water users have previously relied on groundwater to supplement surface water supplies when operation of the SWP is limited by regulations to improve aquatic conditions, groundwater pumping is now managed under the Sustainable Groundwater Management Act requirements, which would have implications for meeting water supply demands depending on the designation of a groundwater basin Chapter 8, *Groundwater*, Section 8.3.2.1, *No Project Alternative*). As described in the No Project Alternative discussions in Final EIR, Volume 1, Chapters 7 through 32, water managers in urban export areas could respond to diminished deliveries by taking other actions, such as the construction of recycled water facilities and desalination plants, that would create their own negative environmental effects, including consumption of large amounts of greenhouse gas-generating fossil fuels, brine discharge, and for desalinization plants, potential entrainment of aquatic species.

Through its Director, DWR rejects the No Project Alternative on each of the above grounds. The Director finds that each of the above reasons is a sufficient independent ground for rejecting the No Project Alternative as infeasible.

7.5.10 Alternatives Considered but Rejected from Further Consideration

7.5.10.1 Fundamental Purpose and Objectives

As discussed above in Section 5.3.1, *Alternatives Development and Screening Process*, DWR identified and screened a range of alternatives based on the project purpose and objectives, as defined in the NOP. The screening criteria were developed consistent with the legal requirements of CEQA and the project objectives included in the NOP published on January 15, 2020. The following alternatives did not pass the first of two screening filters and were rejected, as they do not meet most of the project's objectives:

- Dual Conveyance Tunnel with New Intakes at Fremont Weir and Decker Island
- Dual Conveyance with New Intakes at Decker Island
- Isolated Conveyance New Intakes at Fremont Weir and Decker Island
- Isolated Conveyance with San Joaquin River intake
- Western Delta Intake Concept
- SolAgra Water Solution
- Portfolio-Based Proposed including Water Conveyance Facilities
- Through-Delta Conveyance No New Diversion Facility (with Barriers)
- Through-Delta Conveyance with No New Diversion Facility—New Fish Handling Facilities at Clifton Court Forebay
- Portfolio Approach without Water Conveyance Facilities

- Integration of Water Conveyance with Other Projects

7.5.10.2 Other Feasibility/Policy Considerations

The following alternatives passed the first filter but did not pass the second filter, as they do not avoid or substantially lessen impacts compared to the alternatives evaluated in the EIR:

- Dual Conveyance East Canal
- Dual Conveyance West Canal
- Dual Conveyance with New Intakes at Sacramento Weir
- Isolated Conveyance Tunnel with Sacramento River Intakes
 - Isolated Conveyance West Canal with Sacramento River Intakes
 - Isolated Conveyance East Canal with Sacramento River Intakes
 - Isolated Conveyance East Canal with Feather River Intakes
- A Water Plan for All of California
- Alternative locations for diversion facilities along the Sacramento River in the north Delta

For the foregoing reasons, DWR rejects all the alternatives to the Project considered in the EIR, including the alternatives considered but rejected from further consideration in the EIR, as infeasible. As explained above, these alternatives would have greater environmental impacts compared to the Project and/or would not meet the project goals or objectives, or would not achieve them to the same degree as the Project, and/or are found to be infeasible on the basis of additional grounds discussed above. DWR further finds that, out of all of the alternatives considered, the Project strikes the optimal balance between attainment of project goals and objectives, competing environmental and economic impacts and benefits, and best achieves the coequal goals set forth in the Delta Reform Act of providing a more reliable water supply for California and protecting, restoring, and enhancing the Delta ecosystem.

Statement of Overriding Considerations

California Public Resources Code section 21081, subdivision (b), and CEQA Guidelines section 15093 provide that, when a public agency decision maker approves a project that will have significant, unavoidable environmental impacts identified in a final EIR, the decision maker must state in writing the reasons to support his, her, or its action based on the completed EIR and/or other information in the administrative record.

The Project's significant and potentially significant and unavoidable impacts, as described in the Final EIR are listed below prefaced by their identification number from the Final EIR. As explained in the Final EIR, several impacts have the potential to be less than significant after mitigation is implemented; however, due to uncertainty associated with the timing, nature, or need for other parties to participate in certain mitigation actions, DWR concluded the impact remain significant and unavoidable.

- Impact AG-1: Convert a Substantial Amount of Prime Farmland, Unique Farmland, Farmland of Local Importance, or Farmland of Statewide Importance as a Result of Construction of Water Conveyance Facilities
- Impact AG-2: Convert a Substantial Amount of Land Subject to Williamson Act Contract or under Contract in Farmland Security Zones to a Nonagricultural Use as a Result of Construction of Water Conveyance Facilities
- Impact AES-1: Substantially Degrade the Existing Visual Character or Quality of Public Views (from Publicly Accessible Vantage Points) of the Construction Sites and Visible Permanent Facilities and Their Surroundings in Nonurbanized Areas
- Impact AES-2: Substantially Damage Scenic Resources including, but Not Limited to, Trees, Rock Outcroppings, and Historic Buildings Visible from a State Scenic Highway
- Impact AES-3: Have Substantial Significant Impacts on Scenic Vistas
- Impact CUL-1: Impacts on Built-Environment Historical Resources Resulting from Construction and Operation of the Project
- Impact CUL-2: Impacts on Unidentified and Unevaluated Built-Environment Historical Resources Resulting from Construction and Operation of the Project
- Impact CUL-3: Impacts on Identified Archaeological Resources Resulting from the Project
- Impact CUL-4: Impacts on Unidentified Archaeological Resources That May Be Encountered in the Course of the Project
- Impact CUL-5: Impacts on Buried Human Remains
- Impact TRANS-1: Increased Average VMT Per Construction Employee versus Regional Average
- Impact AQ-5: Result in Exposure of Sensitive Receptors to Substantial Localized Criteria Pollutant Emissions

- 1 • Impact NOI-1: Generate a Substantial Temporary or Permanent Increase in Ambient Noise
- 2 Levels in the Vicinity of the Project in Excess of Standards Established in the Local General Plan
- 3 or Noise Ordinance, or Applicable Standards of Other Agencies
- 4 • Impact PALEO-2: Cause Destruction of a Unique Paleontological Resource as a Result of Tunnel
- 5 Construction and Ground Improvement
- 6 • Impact TCR-1: Impacts on the Delta Tribal Cultural Landscape Tribal Cultural Resource
- 7 Resulting from Construction, Operations, and Maintenance of the Project Alternatives
- 8 • Impact TCR-2: Impacts on Individual Tribal Cultural Resources Resulting from Construction,
- 9 Operations, and Maintenance of the Project Alternatives

10 In the Director's judgment, the benefits of the Project, as set forth below, outweigh these significant
 11 and unavoidable impacts. The following statement identifies the reasons why, in the Director's
 12 judgment, the benefits of the Project as approved outweigh its significant and unavoidable impacts.
 13 Any one of these reasons is sufficient to justify approval of the Project. Thus, even if a court were to
 14 conclude that not every reason is supported by substantial evidence, each additional reason would
 15 alone be sufficient to support the Director's determination. (See *Habitat and Watershed Caretakers v.*
 16 *City of Santa Cruz* (2013) 213 Cal.App.4th 1277, 1307-1308.) The substantial evidence supporting
 17 the various benefits can be found in the preceding findings, which are incorporated by reference
 18 into this section, and in the documents found above in Chapter 2, *Record of Proceedings*, as defined
 19 on pp. 2-1–2-2 herein.

20 The Project will improve California's water conveyance system in response to increased risks to
 21 water supply reliability as a result of, for example, risks from seismicity and climate change. The
 22 SWP supplies water to 27 million people in northern California, the Bay Area, the San Joaquin Valley,
 23 the Central Coast, and southern California. SWP water also irrigates about 750,000 acres of
 24 farmland, mainly in the San Joaquin Valley (Final EIR, Volume 1, Chapter 2, *Purpose and Project*
 25 *Objectives*, p. 2-1). The Delta has long been an important resource for California, providing
 26 municipal, industrial, agricultural and recreational uses, fish and wildlife habitat, and water supply
 27 to large portions of the State. By several key criteria, however, such as declines in populations of
 28 several fish species, seismic risk to levees and the Delta infrastructure, continuing land subsidence,
 29 and rising sea level, the Delta is now widely considered to be in crisis. The Legislature formally
 30 recognized this when it enacted a comprehensive package of water bills in 2009, including the Delta
 31 Reform Act: "The Sacramento-San Joaquin Delta watershed and California's water infrastructure are
 32 in crisis and existing Delta policies are not sustainable. Resolving the crisis requires fundamental
 33 reorganization of the state's management of Delta watershed resources." (California Water Code, §
 34 85001, subd. (a).)

35 State policy regarding the Delta is summarized in the Delta Reform Act, which states: "[I]t is the
 36 intent of the Legislature to provide for the sustainable management of the Sacramento-San Joaquin
 37 Delta ecosystem, to provide for a more reliable water supply for the state, to protect and enhance
 38 the quality of water supply from the Delta . . ." (*Id.*, § 85001, subd. (c)).

39 The Delta "serves Californians concurrently as both the hub of the California water system and the
 40 most valuable estuary and wetland ecosystem on the west coast of North and South America." (*Id.*, §
 41 85002.) For the Delta to continue to maintain these functions, the Legislature has determined that
 42 an improved water conveyance system is necessary. (*Id.*, § 85020, sub. (f); see also *id.*, §§ 85304,
 43 85320.) As discussed in Final EIR, Volume 1, Chapter 1, *Introduction*, Section 1.2.4, *Prior Delta*
 44 *Conveyance Planning Efforts*, the need for an improved conveyance system was identified based on

1 years of scientific study, extensive data gathered from various agencies and experts, and an
2 elaborate process that involved agency and interested party input as well as robust public
3 involvement.

4 Interested parties have recognized an urgent need, for both environmental and economic reasons, to
5 improve and modernize the existing SWP conveyance system in the Delta, which was designed and
6 built long before the advent of many current environmental laws, including the ESA, Clean Water Act
7 (CWA), and CEQA (Final EIR, Volume 1, Chapter 1, *Introduction*, Section 1.2.4.4, *The Bay Delta*
8 *Conservation Plan and California WaterFix*). Other factors, such as those described in the *Delta Risk*
9 *Management Strategy (DRMS)* (California Department of Water Resources 2009), including the
10 continuing subsidence of lands within the Delta, increasing risk of seismic activity and levee failures,
11 and sea level rise and potentially wider variations in hydraulic conditions associated with climate
12 change, serve to further exacerbate these conflicts. By adding redundancy to the Delta's water
13 conveyance infrastructure through additional points of diversion in the North Delta, the project
14 minimizes the risks associated with seismic threats to the current Delta water infrastructure and
15 prevents or mitigates potentially significant economic losses to the state. Change to the existing
16 conveyance system is necessary if California is to "[a]chieve the two coequal goals [for the Delta] of
17 providing a more reliable water supply for California and protecting, restoring, and enhancing the
18 Delta ecosystem." (Pub. Resources Code, § 29702, subd. (a).)

19 The Director finds that, of all of the alternatives considered in the EIR, the Project most fully
20 implements DWR's fundamental purpose to restore and protect the reliability of SWP water
21 deliveries south of the Delta consistent with the State's Water Resilience Portfolio in a cost-effective
22 manner and DWR's related objectives to address seismic risk, climate change, and regulatory
23 constraints, and to attain operational flexibility consistent with statutory and contractual
24 obligations. The Project will specifically result in the following benefits:

25 **8.1 Restore and Protect the Reliability of SWP Water** 26 **Deliveries South of the Delta by Addressing** 27 **Seismic Risks**

28 A seismic event could cause major damage to property, infrastructure, and the environment that
29 could affect the entire state. The current SWP system relies heavily on natural channels within the
30 Delta to convey water and is extremely vulnerable to seismic events because most land in the
31 central Delta has subsided well below sea level. Many of the related Delta islands are currently
32 below sea level due to factors including subsidence of underlying organic soils, with this subsidence
33 expected to continue at a generalized rate of approximately 0.25 to 0.5 inch per year until the
34 organic content is largely depleted (Deverel et al. 2016:5). If levees fail because of a seismic event,
35 seawater intrusion from the western Delta could create salinity conditions that could require
36 ceasing diversions from the SWP's current point of diversion in the south Delta. The Project would
37 provide a water supply reliability benefit associated with earthquake risk that is not captured in
38 Project modeling, as Project implementation would avoid having the SWP shut down or severely
39 limit operations because of one or more levee breaches in the Delta. The capability of the Project to
40 continue operations would improve the ability of SWP Delta facilities to function after a seismic
41 event by operating diversion facilities north of existing SWP facilities. The operations of the project

1 would allow continued water supply diversions should south Delta export facilities become
2 inoperable.

3 The probabilities of moderate to large earthquake events, and related damage to or failure of Delta
4 area levees, are generally high and increasing over time. According to the United States Geological
5 Survey (USGS), there is a 72 percent chance of a 6.7 or greater magnitude earthquake occurring in
6 the Bay Area by 2043 (U.S. Geological Survey 2016:1). A major earthquake event could result in
7 breaching or failure of existing levees within the Delta, with a substantial number of these structures
8 exhibiting moderate to high failure probabilities (California Department of Water Resources
9 2009:10). This could result in significant amounts of saltwater being drawn into the Delta region,
10 raising salinity levels and crippling the state's ability to deliver fresh water because of the location of
11 the SWP's primary diversion in the south Delta. Of the over 1,100 miles of Delta levees, many are not
12 in a condition to withstand significant shaking (Final EIR, Volume 1, Chapter 1, *Introduction*, Section
13 1.2.3.3, *Delta Levee Risk*). DWR has invested millions of dollars to reinforce many Delta levees
14 through the Delta Levees Special Flood Control Projects and Delta Levees Maintenance Subventions
15 programs and will continue to do so. However, even with levee improvements, the extensive Delta
16 levee system will remain vulnerable to a major earthquake (Final EIR, Volume 1, Chapter 1,
17 *Introduction*, Section 1.2.3.3, *Delta Levee Risk*). An earthquake could cause a possible outage in water
18 supply delivery lasting anywhere from several months to several years to perform necessary levee
19 repairs and restore salinity levels to where the SWP could resume normal operations. DWR has
20 estimated that it may take 25 to 34 months to complete repairs of levees after a major seismic event
21 in the Delta (California Department of Water Resources 2009:10). Cessation of SWP operations of
22 this magnitude would have catastrophic social and economic effects, including a loss of water
23 necessary for public health and safety (Final EIR, Volume 1, Chapter 1, *Introduction*, Section 1.2.3.1,
24 *California Water Supply*). Each year without "A Big One," the risk of disruption from a major
25 earthquake significantly increases. The Pacific Ocean's plate moves 50 millimeters per year making
26 California overdue for a major earthquake event (California Department of Water Resources 2023a).
27 Although no one can definitively say exactly when a major seismic event would occur, experts agree
28 that it is not a matter of "if," but a matter of "when" (U.S. Geological Survey 2016). The Project would
29 allow continued water deliveries and operational flexibility in the event of a catastrophic levee
30 failure from seismic activity that could temporarily disrupt water supply or affect water quality.

31 **8.2 Restore and Protect the Reliability of SWP Water** 32 **Deliveries South of the Delta by Addressing** 33 **Reasonably Foreseeable Consequences of Climate** 34 **Change and Extreme Weather Events**

35 The Project is part of the state's strategy in adapting the SWP water supply to climate change. As
36 described in Final EIR, Volume 1, Chapter 30, *Climate Change*, projected future conditions under
37 climate change, such as higher average temperature and more extreme variability in annual
38 precipitation patterns, is anticipated to further diminish overall water supply and reliability of water
39 delivery. Climate change is already taking a toll on California's water supplies in the form of more
40 frequent and more severe droughts. A warmer atmosphere would modify precipitation and runoff
41 patterns and affect extreme hydrologic events like floods and droughts. It is anticipated that
42 droughts would increase in severity and duration, resulting in periods of critical dryness, further

1 reducing Delta inflows during these dry periods. At the same time, associated increases in the
2 frequency and severity of flashy storms in the cool season could increase high-flow events and flood
3 risk in the Delta. These trends clearly point to the need for alternate methods of water diversion and
4 conveyance to effectively respond to changing water flow regimes under future climate change. In
5 this context, DWR considers capture and conveyance in the Delta as important potential adaptations
6 in protecting the SWP from future climatic change and mitigating system losses due to changing
7 precipitation patterns and seasonal runoff. Having alternative points of diversion in the north Delta
8 would increase resiliency in managing combined effects of sea level rise, including potential impacts
9 on Delta morphology, and changes to timing and quantity of seasonal runoff. As water demand and
10 supply challenges continue to increase, the Project is designed to enhance resilience to climate
11 change impacts and ensure safe and reliable water deliveries continue far into the future (California
12 Department of Water Resources 2023b). As described in Final EIR, Volume 1, Appendix 30A, *CalSim*
13 *3 Results Sensitivity to 2040 Climate Change and Sea Level Projections*, the Project would be able to
14 operate to substantially lessen climate change impacts on SWP supplies under a drier climate with
15 less long-term average precipitation when hydrologic conditions and the operational criteria allow
16 diversions while meeting regulatory requirements for the protection of water quality and sensitive
17 fish in the Delta.

18 As discussed in Final EIR, Volume 1, Chapter 30, *Climate Change*, the Project would make California's
19 water system more resilient by augmenting the ability to capture increased winter flows and high
20 flows from flashy storms to supply water during dry months. The Project provides an alternative
21 diversion point in the north Delta for Delta exports, adding management flexibility and increases in
22 SWP deliveries during long-term average, dry, and critical water years. The inability of the existing
23 SWP to divert periodic and significant excess flows when southern Delta pumping is currently
24 restricted represents a substantial lost opportunity to provide critically needed water supplies at a
25 time when inflow to the Delta far exceeds that needed to meet biological and water quality
26 regulatory objectives. When there are excess flows in the system, the north Delta intakes would be
27 used to capture additional excess flows when the south Delta exports are limited and not able to
28 capture those flows.

29 For instance, if the Project had been operational during the big storms in winter 2021-2022, DWR
30 could have captured and moved about 236,000 acre-feet of water (California Department of Water
31 Resources 2022), which is equivalent to approximately 40 percent of total SWP exports in water
32 year 2022.

33 In October 2021, when high storm flows came and went quickly, the existing infrastructure and
34 requirements for SWP operations limited the ability to capture these flows. In other words, the
35 current configuration of the SWP is not sufficient to capture high and flashy flows, like those from
36 the October 2021 storm. Additionally, in December 2021 and January 2022, to protect sensitive fish
37 from getting pulled into less habitable parts of the Delta, pumping of water from the south Delta was
38 limited, even when there was an abundant amount of water in the north Delta from storm events
39 (California Department of Water Resources 2022).

40 The inability of the SWP to divert these excess flows represents a substantial lost opportunity to
41 help recover from multiple years of drought. If the Delta Conveyance Project had been operational
42 during those storms, the SWP would have been able to capture more water, while still meeting
43 water quality standards and protecting sensitive fish, and move and store this much-needed water
44 for later use in the summer or fall.

8.3 Restore and Protect the Reliability of SWP Water Deliveries South of the Delta by Addressing Sea Level Rise

Global mean sea level has risen approximately 7.87 inches (0.2 meters) from 1901 to 2018, affecting high tide events and salinity levels in the Delta (Final EIR, Volume 1, Chapter 30, *Climate Change*, pp. 30-6–30-7). It is “virtually certain” that substantial sea level rise will occur by the end of the century, although the rate and degree of increase remains uncertain (e.g., at the San Francisco Bay, the 50th percentile change in projected sea level rise by 2100 under the Representative Concentration Pathway 8.5 (high emissions) modeling scenario is 2.5 feet, but it is 1.6 feet under the RCP 2.6 modeling scenario) (California Natural Resources Agency and Ocean Protection Council 2018:57). The Project would operate under different sea level rise conditions and would allow adaptation to sea level rise and potential changes in hydrologic conditions associated with climate change. As described in Final EIR, Volume 1, Appendix 6A, *Water Supply 2040 Analysis*, indicate that long-term average annual SWP deliveries under the future No Project Alternative under the 2040 scenario, which includes sea level rise of 1.8 feet at the San Francisco Bay—considered extreme for the year 2040 (California Natural Resources Agency and Ocean Protection Council 2018:57)—could decline by approximately 236,000 acre-feet compared to existing conditions and that implementing the Project under the 2040 scenario would increase long-term average annual SWP deliveries by approximately 287,000 acre-feet compared to existing conditions. This analysis shows that the Project would improve SWP water supply reliability under current and future conditions, including extreme high sea level rise.

In addition, the Project is being built with consideration of climate change by designing according to modeled conditions and thus is expected to have a low level of risk for direct climate change effects such as sea level rise. The Project would likely remain functional well into the future, when salinity intrusion may prevent use of the south Delta pumps. As described in Final EIR, Volume 1, Appendix 5A, *Modeling Technical Appendix*, studies demonstrate that the proposed north Delta intakes would not be vulnerable to saltwater intrusion even with an extreme high sea level rise of up to 10.2 feet at Golden Gate Bridge in the San Francisco Bay. Therefore, even in the face of extreme sea level rise, the north Delta intakes would continue to be operable. Additionally, compounding effects of climate change, including increasing stress on supply to meet demand under warmer temperatures, or increasing need for water releases to maintain water quality requirements, may affect the long-term reliability of Delta exports (Delta Stewardship Council 2021:5-55–5-58). By adding intakes along the Sacramento River (where they are less vulnerable to sea level rise compared to the existing south Delta export facilities), the Project allows for operational flexibility to respond to changing conditions in the Delta (Final EIR, Volume 1, Chapter 30, *Climate Change*, p. 30-26). This increased flexibility would allow managers in the SWP system more options for adaptively managing resources to optimize benefits across water uses and provide more reliable water supplies that would benefit areas receiving deliveries (Final EIR, Volume 1, Chapter 30, *Climate Change*, p. 30-26).

8.4 Protect and Benefit California's Economy

8.4.1 Benefits of Project Operations to the State's Economy

Water supplied by the SWP has benefits for the entire state and has helped California become the fifth largest economy in the world, and the Project will provide protections and benefits to California's economy. California cities that receive water from the Delta, including areas within the Bay Area and Silicon Valley, as well as Central and Southern California, produce hundreds of billions of dollars' worth of goods and services each year. A functioning water delivery system—one that can maximize reliable supplies within regulatory limits and withstand the impacts of climate change and earthquakes—is critical to business growth and job creation. Despite statewide efforts to improve water conservation, recycling, groundwater management, and build the resilience of local water systems across the state, the SWP remains a critical component to California's water system and serves as a foundation for important local water supplies and resiliency programs. While water conservation and local water supply options have made and are anticipated to continue to make significant strides into the future, the Project is critical to protect the reliability of the SWP as an important water stabilization source for the State. Participating public water agencies' existing and continued activities to improve local self-reliance and to use California's water resources efficiently and sustainably are important components of their water supply portfolios, but these actions cannot wholly replace SWP supplies (California Natural Resources Agency et al. 2020:113). The Project is one component of the statewide portfolio approach needed to meet California's overall water management needs and failure to protect the SWP from future changes would put California's water supply and economy at risk.

In the absence of the Project, the negative economic impact of water export cutbacks would be felt statewide. Drought conditions in recent years have already demonstrated that existing, and reasonably foreseeable future, local sources, particularly in areas such as Southern California, will not be able to sustain over the long term in the face of shortages from supplies such as the SWP. Given the high cost of securing water to keep up with demand satisfied through Delta exports, there is a statewide economic benefit extending to potentially billions of dollars, depending on export levels in the future without the Project. Increasing the reliability of water deliveries can reduce costs to water providers and users in the SWP service areas if they are able to use the SWP supply to avoid more costly supplies.

In addition, California is the agricultural powerhouse of the United States—leading all other states in farm income. Improved agricultural water supply and reliability can keep land in production and would support more stable (and potentially larger) agricultural acreage, enable broader crop selection, and reduce cost and risk associated with uncertain water deliveries. During dry and critical water conditions, additional supply can reduce land idling and reduce the cost of replacement supply (Final EIR, Volume 1, Chapter 17, *Socioeconomics*, p. 17-88). More reliable agricultural water supply would also benefit the local farm economy, including seasonal and permanent on-farm employment, and will protect employment in industries closely associated with agricultural production such as food processing, agricultural inputs, and transportation (Final EIR, Volume 1, Chapter 17, *Socioeconomics*, p. 17-88).

The community character of rural regions receiving SWP water supply is closely tied to agriculture, so improvements in water supply reliability could support the current social activities and character. The range of agricultural water supply likely provided by the Project would not induce

new agricultural production, but the improved reliability would contribute to and reinforce existing economic and social patterns and institutions. Greater stability of the local economy would also benefit local government fiscal conditions (Final EIR, Volume 1, Chapter 17, *Socioeconomics*, p. 17-88).

The increased amount and reliability of urban water supply is expected to be used to accommodate population and economic growth that the urban regions are already planning for and to offset other, more costly supplies that would otherwise be used or developed. Final EIR, Volume 1, Chapter 31, *Growth Inducement*, Section 31.2.3.3, *Indirect Growth Inducement Effects Associated with Stabilized Water Deliveries*, describes how the water deliveries will accommodate existing or already planned uses (Final EIR, Volume 1, Chapter 17, *Socioeconomics*, p. 17-88).

8.4.2 Benefits of Project Construction to the State's Economy

Public infrastructure projects such as the Project are essential to many facets of the economy, typically providing a substantial socioeconomic benefit. The construction of the Project will create 3,086 new construction jobs during the peak construction year (Final EIR, Volume 1, Chapter 17, *Socioeconomics*, p. 17-61), and will generate revenue in a range of other sectors due to multiplier effects as spending made locally in connection to Project construction moves through the Delta economy and other regions of California. For example, new earned revenue by businesses and workers are in some portion spent back into local economies which will stimulate additional spending in the form of new hires, more pay for workers, renovations, or other goods or services. It is anticipated that the majority of these new jobs would be filled from within the existing labor force in the region. The construction of the Project is therefore likely to result in a substantial number of new jobs and economic activity, much of which will be concentrated in the Delta region.

8.5 Provide SWP Operational Flexibility and Better Manage Risks of Further Regulatory Constraints on Project Operations

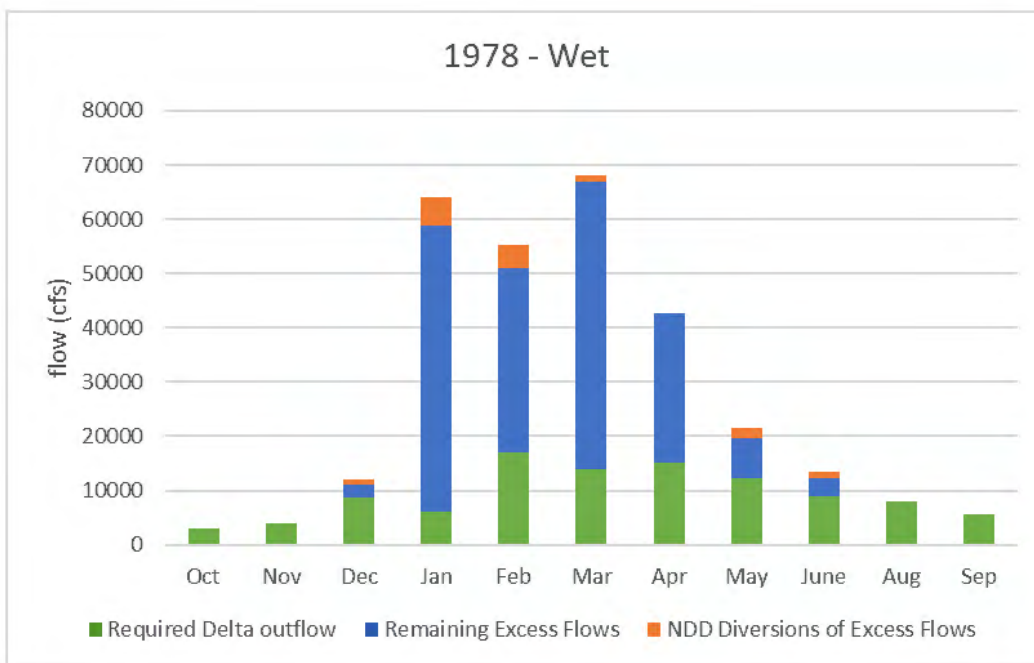
Since the SWP became operational, SWP operations have changed largely in response to regulatory changes intended to better protect fish and wildlife resources in the Delta, as described in Final EIR, Volume 1, Chapter 1, *Introduction*, Section 1.2.3.4, *Regulatory Environment*. In recent years, water diversions at the existing south Delta facilities have been limited during certain times of the year to protect aquatic resources, which has considerably reduced the long-term average amounts of water conveyed through the south Delta and has resulted in overall reduced and less reliable water supply for SWP users. These pumping restrictions applied by regulatory agencies to address water quality and aquatic species concerns at the south Delta diversion continue to prevent the SWP from reliably capturing water when it is available, especially from storm events. Constraints on groundwater use imposed by the Sustainable Groundwater Management Act of 2014 could also increase the need for reliable SWP surface water supplies over time.

As described in Final EIR, Volume 1, Chapter 6, *Water Supply*, modeled long-term average annual SWP deliveries under the Project would increase by 15% when compared to existing conditions. Additionally, analyses in Final EIR, Volume 1, Appendix 6A, *Water Supply 2040 Analysis*, indicate that long-term average annual SWP deliveries under the future No Project Alternative under the 2040

1 scenario could decline by approximately 236,000 acre-feet compared to existing conditions and that
2 implementing the Project under the 2040 scenario conditions—including extreme high sea level rise
3 of 1.8 feet at the San Francisco Bay—would increase long-term average annual SWP deliveries by
4 approximately 287,000 acre-feet compared to existing conditions. These analyses show that the
5 Project would improve SWP water supply reliability under current and future conditions. Further,
6 increased delivery may simply restore average contract deliveries that have been affected because
7 of regulatory rules and operational agreements or could be used to supplement or reduce
8 groundwater use under the Sustainable Groundwater Management Act.

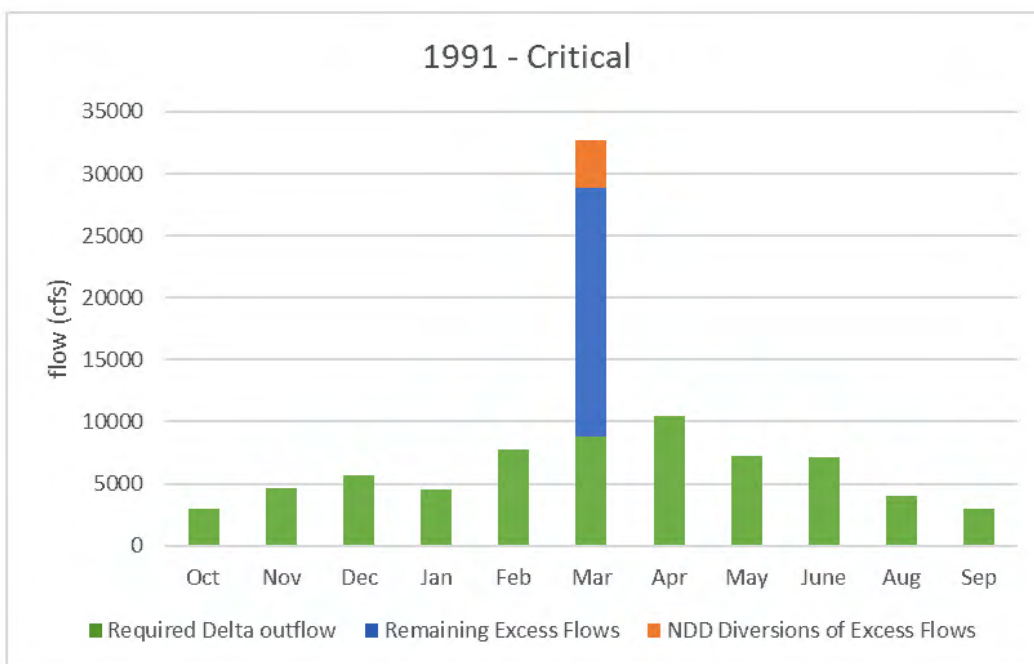
9 The Project will increase the options available to SWP operators to more effectively balance the Bay-
10 Delta system in real-time to protect all beneficial uses of water whether for water supply, water
11 quality, or fishery protection purposes. The proposed intakes would augment the ability to capture
12 excess flows and improve the flexibility of the SWP operations, such as for meeting the State Water
13 Board D-1641 Delta salinity requirements. For example, during the late spring, summer, and fall,
14 when the SWP is typically operating to meet State Water Board D-1641 salinity requirements in the
15 Delta, both the existing south Delta intakes and the proposed north Delta intakes would be operated
16 together to meet these salinity requirements. The south Delta exports and the north Delta diversions
17 would be balanced and adjusted to meet the State Water Board D-1641 salinity requirements at the
18 western Delta stations on the Sacramento and San Joaquin Rivers (e.g., increasing salinity at Jersey
19 Point would cause a shift in diversions from south Delta to north Delta, whereas increasing salinity
20 at Emmaton would cause a shift from north Delta to south Delta). This operation is expected to
21 result in a more efficient system operation where less water would be required to meet the same
22 water quality standards and result in additional water that could either remain in storage or be
23 exported.

24 Additionally, the below figures, based on substantial evidence in the administrative record, also
25 demonstrate how the project would operate during certain hydrologic conditions by diverting
26 excess water during high-flow events and help provide a more reliable water supply responsive to
27 changing weather conditions and rainfall patterns. These diversion examples created by DWR
28 demonstrate the frequency and magnitude of diversions that could occur when excess flows occur
29 after all other applicable Delta outflow requirements are met. These series of figures also
30 demonstrate that there may be sufficient water in the river to divert at different times within each
31 water year type and across all water year types, including critical years.



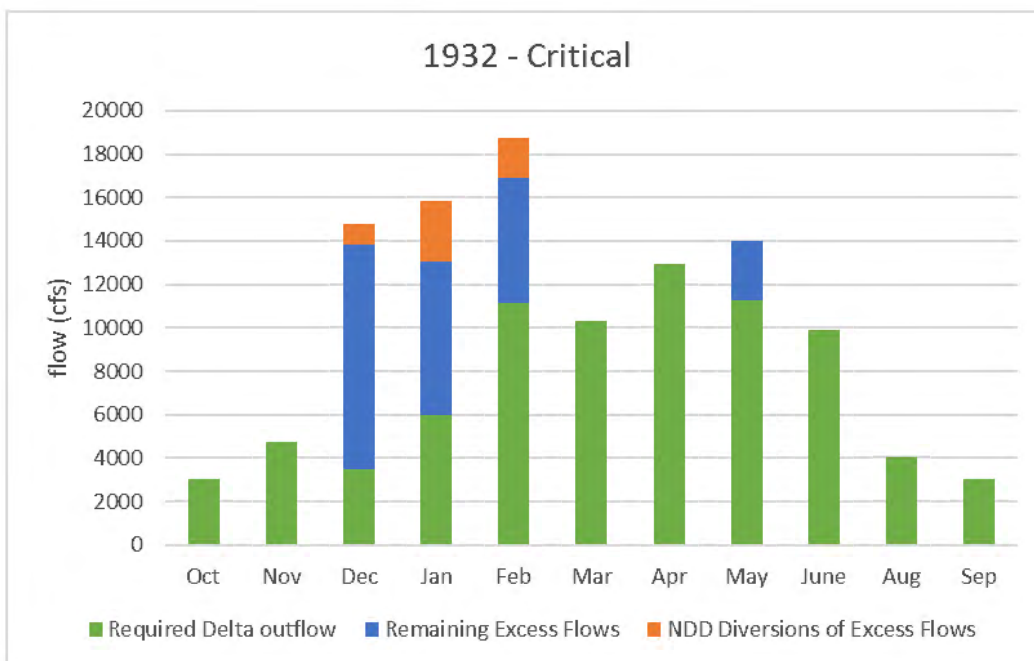
Note: Required outflow includes water to meet minimum required Delta outflows, X2, and salinity, including carriage water for wheeling and transfers.

Figure 1: 1978 – Wet Water Year Type and Operations of North Delta Diversions



Note: Required outflow includes water to meet minimum required Delta outflows, X2, and salinity requirements, including carriage water for wheeling and transfers.

Figure 2: 1991 – Critical Water Year Type and Operations of North Delta Diversions



Note: Required outflow includes water to meet minimum required Delta outflows, X2, and salinity, including carriage water for wheeling and transfers.

Figure 3: 1932 – Critical Water Year Type and Operations of North Delta Diversions

Furthermore, the addition of the north Delta intakes would also provide operational flexibility that could improve conditions for aquatic species by, among other things, allowing operators to divert water at times and places—in either the north or the south—that protect those species at sensitive life stages. Use of the north Delta intakes to improve conditions for sensitive aquatic species in the southern Delta could occur when reducing south Delta exports at Clifton Court Forebay would benefit sensitive fish species in the south Delta without causing fish effects at the proposed north Delta intakes. In this circumstance, use of the north Delta intakes would result in further reduction in south Delta SWP exports beyond the reduction that would otherwise have occurred based on the permitted south Delta regulatory criteria. For example, if the south Delta criteria allow 3,500-cfs SWP exports at Clifton Court Forebay and if there is a circumstance that would be beneficial to sensitive aquatic protection to instead divert a portion of the exports from the proposed north Delta intakes, then SWP exports at south Delta export facilities would be less than 3,500 cfs, and the remaining allowable exports would be diverted from the north Delta. This procedure, which could be used under limited circumstances (and decisions to shift would be in coordination with regulatory agencies), would provide increased flexibility to meet water supply and aquatic species needs.

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Chapter 9
Summary of Conclusions

By this Statement of Overriding Considerations, the Director of DWR finds that the remaining significant and unavoidable environmental impacts of the Project, summarized herein, are acceptable in light of the environmental, economic, legal, social, technological, and/or other considerations set forth herein, because the benefits of the Project outweigh its significant and unavoidable environmental impacts.

The Director declares that DWR has adopted all feasible mitigation measures to reduce the Project’s environmental impacts; considered the entire administrative record, including the Final EIR; and weighed the Project’s benefits against its environmental impacts. After doing so, the Director has determined that the Project’s benefits outweigh its environmental impacts, and deems them acceptable, consistent with CEQA Guidelines section 15093.

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CEQA Findings of Fact for the Project’s Significant and Unavoidable Impacts, Impacts that are Less Than Significant after Mitigation and Impacts that are Less Than Significant/No Impact

Table 1: CEQA Findings of Fact for Significant and Unavoidable Project Impacts

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Adopted Mitigation Measures	Impact Conclusion After Mitigation- CEQA	Findings of Fact
Agricultural Resources				
Impact AG-1: Convert a Substantial Amount of Prime Farmland, Unique Farmland, Farmland of Local Importance, or Farmland of Statewide Importance as a Result of Construction of Water Conveyance Facilities	Significant	MM AG-1: Preserve Agricultural Land	Significant and Unavoidable	<p>Mitigation Measure AG-1: Preserve Agricultural Land would reduce the extent of the remaining impacts that could not be avoided through careful project planning. However, these impacts would remain significant and unavoidable after implementation of the mitigation measures because conservation of agricultural farmland through acquisition of agricultural conservation easements, even at a ratio of 1:1 or greater, would not avoid a net loss of Important Farmland in the study area.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that substantially lessen, but do not avoid, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>
Impact AG-2: Convert a Substantial Amount of Land Subject to Williamson Act Contract or under Contract in Farmland Security Zones to a Nonagricultural Use as a Result of Construction of Water Conveyance Facilities	Significant	MM AG-1: Preserve Agricultural Land	Significant and Unavoidable	<p>Project facilities would result in permanent conversion of around 1,100 acres of land under Williamson Act contract.</p> <p>There is projected to be temporary or permanent conversion of approximately 39 acres of agricultural land within a Farmland Security Zone under the Project. The permanent impacts on land under contract with Farmland Security Zone would be associated with the shaft sites and new overhead power transmission lines, while the temporary impacts would result from work associated with geotechnical exploration sites and underground installation of utility lines.</p> <p>DWR would comply with all applicable provisions of California Government Code Sections 51290–51295 as they pertain to acquiring lands subject to Williamson Act contract.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that substantially lessen, but do not avoid, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>
Aesthetics and Visual Resources				
Impact AES-1: Substantially Degrade the Existing Visual Character or Quality of Public Views (from Publicly Accessible Vantage Points) of the Construction Sites and Visible Permanent Facilities and Their Surroundings in Nonurbanized Areas	Significant	MM AES-1a: Install Visual Barriers between Construction Work Areas and Sensitive Receptors MM AES-1b: Apply Aesthetic Design Treatments to Project Structures MM AES-1c: Implement Best Management Practices in Project Landscaping Plan	Significant and Unavoidable	Construction of the Project would substantially affect the existing visual quality and character present in the study area from public roads, residences, and areas of visual effect in the vicinity of project sites. Contributing to this impact would include the long-term nature of facility construction at all of the major project sites and visibility of heavy construction equipment in the proximity to sensitive vantage points; removal of residences and agricultural buildings; removal of riparian vegetation and other mature vegetation or landscape plantings; earthmoving and grading that result in changes to topography in areas that are predominantly flat, as well as dust generation; addition of large-scale industrial-looking structures (e.g., intakes, pumping plants, discharge structures and related facilities); remaining presence of large-scale reusable tunnel material (RTM) area landscape effects; and introduction of tall lattice steel transmission towers. Because of the combined effect of multiple and concurrent

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Adopted Mitigation Measures	Impact Conclusion After Mitigation- CEQA	Findings of Fact
				<p>construction sites on localized views, the length of time construction would occur, and the changes permanent facilities would have on multiple short- and long-range views in the study area and high viewer sensitivity, this impact is considered to be significant at several sites, as shown in Table 18- 14. This conclusion also takes into consideration the Project’s visual effects in a large Delta landscape. Although in a regional context the Project would affect a relatively small portion of the Delta limited to the distinct and discrete project sites, construction and permanent facility changes in visual quality and character would be substantially reduced in a number of locations in the study area.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that substantially lessen, but do not avoid, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>
Impact AES-2: Substantially Damage Scenic Resources including, but Not Limited to, Trees, Rock Outcroppings, and Historic Buildings Visible from a State Scenic Highway	Significant	MM AES-1b: Apply Aesthetic Design Treatments to Project Structures MM AES-1c: Implement Best Management Practices in Project Landscaping Plan	Significant and Unavoidable	<p>Because visual elements associated with the Project would conflict with the existing forms, patterns, colors, and textures along State Route (SR) 160; would dominate riverfront views available from SR 160; and would alter broad views and the general nature of the visual experience presently available from SR 160 (thereby permanently damaging the scenic resources along a state scenic highway), these impacts are considered significant. Mitigation Measures AES-1b: Apply Aesthetic Design Treatments to Project Structures and AES-1c: Implement Best Management Practices in Project Landscaping Plan would help reduce these impacts through the application of aesthetic design treatments to all structures, to the extent feasible. However, impacts on visual resources resulting from damage to scenic resources that may be viewed from a state scenic highway would not be reduced to a less-than-significant level because even with Mitigation Measures AES-1b and AES-1c 17 the overall view from SR 160 to the location of intakes would change from open agricultural land to a large industrial-type facility. There would be noticeable to very noticeable changes to the visual character of a state scenic highway viewshed that do not blend or are not in keeping with the existing visual environment based upon the viewer’s location in the landscape relative to the visible change. Thus, overall, this impact would be significant and unavoidable.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that substantially lessen, but do not avoid, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>
Impact AES-3: Have Substantial Significant Impacts on Scenic Vistas	Significant	MM AES-1a: Install Visual Barriers between Construction Work Areas and Sensitive Receptors MM AES-1b: Apply Aesthetic Design Treatments to Project Structures MM AES-1c: Implement Best Management Practices in Project Landscaping Plan	Significant and Unavoidable	<p>The Project would include some facilities or components that would result in significant and unavoidable impacts on existing visual quality and character within the study area including scenic vistas. Mitigation Measures AES-1a: Install Visual Barriers between Construction Work Areas and Sensitive Receptors, AES-1b: Apply Aesthetic Design Treatments to Project Structures, and AES-1c: Implement Best Management Practices in Project Landscaping Plan would reduce scenic vista impacts in the same way described for effects on visual quality and character. Overall, not all impacts would be reduced to a less-than-significant level because, although environmental commitments and mitigation measures would reduce some aspects of the impact on scenic vistas, these measures would only partially reduce effects for the same reasons described for Impact AES-1.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that substantially lessen, but do not avoid, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Adopted Mitigation Measures	Impact Conclusion After Mitigation- CEQA	Findings of Fact
Cultural Resources				
Impact CUL-1: Impacts on Built-Environment Historical Resources Resulting from Construction and Operation of the Project	Significant	MM CUL-1a: Avoid Impacts on Built-Environment Historical Resources through Project Design MM CUL-1b: Prepare and Implement a Built-Environment Treatment Plan in Consultation with Interested Parties	Significant and Unavoidable	<p>Construction of project features may require physical alteration of 7 built-environment historical resources. Construction may also result in changes to the setting of 7 built-environment historical resources. Both material alterations to the integrity of materials, design, or workmanship, as well as material alterations to the integrity of setting, feeling, or association would impact the historical resource by removing character-defining features of the resource or altering the resource’s character, resulting in an impairment of the resource’s ability to convey its significance. For these reasons this would be a significant impact. Mitigation Measure CUL-1a: Avoid Impacts on Built-Environment Historical Resources through Project Design and Mitigation Measure CUL-1b: Prepare and Implement a Built Environment Treatment Plan in Consultation with Interested Parties may mitigate these effects but cannot guarantee they would be entirely avoided. The scale of the Project and the constraints imposed by other environmental resources would make avoidance of all significant impacts unlikely. For these reasons, even with MM CUL-1a and MM CUL-1b, this impact would be significant and unavoidable. All mitigation will be completed under the oversight of individuals who meet the Secretary of the Interior Professional Qualifications Standards and have demonstrable experience conducting the recommended measures (MM CUL-1a and MM CUL-1b).</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that substantially lessen, but do not avoid, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>
Impact CUL-2: Impacts on Unidentified and Unevaluated Built-Environment Historical Resources Resulting from Construction and Operation of the Project	Significant	MM CUL-2: Conduct a Survey of Inaccessible Properties to Assess Eligibility and Determine Whether These Properties Will Be Adversely Affected by the Project	Significant and Unavoidable	<p>Construction of project facilities may require the alteration of built-environment historical resources. Construction may also result in material alterations to the integrity of feeling, setting, or association. Changes to the setting would be material alterations because they would either remove the resource or alter the resource’s character, resulting in a diminishment of the resource’s ability to convey its significance. For these reasons this would be a significant impact. Mitigation Measure CUL-2: Conduct a Survey of Inaccessible Properties to Assess Eligibility and Determine Whether These Properties Will Be Adversely Affected by the Project may mitigate these impacts, but cannot guarantee they would be entirely avoided. The scale of the Project and the constraints imposed by other environmental resources make avoidance of all significant impacts unlikely. For these reasons, even with MM CUL-2, this impact would be significant and unavoidable.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that substantially lessen, but do not avoid, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>
Impact CUL-3: Impacts on Identified Archaeological Resources Resulting from the Project	Significant	MM CUL-3a: Prepare and Implement an Archaeological Resources Management Plan MM CUL-3b: Conduct Cultural Resources Sensitivity Training MM CUL-3c: Implement Archaeological Protocols for Field Investigations	Significant and Unavoidable	<p>Field investigations and construction of conveyance facilities would affect identified archaeological resources that occur in the footprint of the Project. This impact would be significant because construction would materially alter or destroy the spatial associations between these resources and their archaeological data, which has the potential to yield information useful in archaeological research and is the basis for the significance of these resources. Identified but currently inaccessible resources may also be significant under other California Register of Historical Resources (CRHR) criteria. Mitigation Measure CUL-3a: Prepare and Implement an Archaeological Resources Management Plan, Mitigation Measure CUL-3b: Conduct Cultural Resources Sensitivity Training, and Mitigation Measure CUL-3c: Implement Archaeological Protocols for Field Investigations would mitigate this impact by training personnel and recovering scientifically important material prior to construction through the sensitive area, but would not guarantee that all of the scientifically consequential</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Adopted Mitigation Measures	Impact Conclusion After Mitigation- CEQA	Findings of Fact
				<p>information would be retrieved because feasible archaeological excavation typically only retrieves a sample of the deposit, and portions of the site with consequential information may remain after treatment. Construction could damage these remaining portions of the deposit. Therefore, even with mitigation, this impact would be significant and unavoidable.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that substantially lessen, but do not avoid, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>
Impact CUL-4: Impacts on Unidentified Archaeological Resources That May Be Encountered in the Course of the Project	Significant	MM CUL-3a: Prepare and Implement an Archaeological Resources Management Plan MM CUL-3b: Conduct Cultural Resources Sensitivity Training MM CUL-3c: Implement Archaeological Protocols for Field Investigations	Significant and Unavoidable	<p>Construction has the potential to disturb previously unidentified archaeological resources qualifying as historical resources or unique archaeological resources. Because direct excavation, compaction, or other disturbance may disrupt the spatial associations that contain scientifically useful information, these activities would alter the potential basis for eligibility, thus materially altering the resource and resulting in a significant impact. Because these resources would not be identified prior to construction, they cannot be recorded, and impacts cannot be managed through construction treatment. Mitigation Measures CUL-3a: Prepare and Implement an Archaeological Resources Management Plan, CUL-3b: Conduct Cultural Resources Sensitivity Training, and CUL-3c: Implement Archaeological Protocols for Field Investigations would reduce the potential for this impact by implementing monitoring and discovery protocols and providing training to all personnel involved in ground-disturbing activities. However, because archaeological resources may not be identified through these measures prior to disturbance, the effect cannot be entirely avoided. Therefore, this impact would remain significant and unavoidable because resource locations and extents are unknown.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that substantially lessen, but do not avoid, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>
Impact CUL-5: Impacts on Buried Human Remains	Significant	MM CUL-3a: Prepare and Implement an Archaeological Resources Management Plan MM CUL-3b: Conduct Cultural Resources Sensitivity Training MM CUL-3c: Implement Archaeological Protocols for Field Investigations MM CUL-5: Follow State and Federal Law Governing Human Remains If Such Resources Are Discovered during Construction	Significant and Unavoidable	<p>The study area is sensitive for buried human remains. Construction would require ground-disturbing work that may damage previously unidentified human remains, resulting in direct effects on these resources. Disturbance of human remains, including remains interred outside of cemeteries, is considered a significant impact in the CEQA Appendix G checklist; therefore, any disturbance of such remains would be a significant impact. Mitigation Measures CUL-3a: Prepare and Implement an Archaeological Resources Management Plan, CUL-3b: Conduct Cultural Resources Sensitivity Training, and CUL-3c: Implement Archaeological Protocols for Field Investigations would reduce the potential for this impact and its severity by implementing monitoring and discovery protocols and providing training to all personnel involved in ground-disturbing activities, but not to a less-than-significant level because they would not guarantee that buried human remains could be discovered and treated in advance of construction; the scale of construction makes it technically and economically infeasible to perform the level of sampling necessary to identify all such buried human remains prior to construction. Therefore, this impact, even with mitigation, would be significant and unavoidable.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that substantially lessen, but do not avoid, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Adopted Mitigation Measures	Impact Conclusion After Mitigation- CEQA	Findings of Fact
Transportation				
Impact TRANS-1: Increased Average VMT Per Construction Employee versus Regional Average	Significant	MM TRANS-1: Implement Site-Specific Construction Transportation Demand Management Plan and Transportation Management Plan	Significant and Unavoidable	<p>Construction of the Project would result in additional vehicle miles traveled (VMT) to the regional transportation system and increase the total amount of driving and distances traveled for home-based work trips when compared to the regional average of 22.5 miles per day. This increase would be a temporary but long-term and a substantial VMT impact because conveyance facility construction employee VMT would exceed the regional VMT average over the course of the construction time period for Project facilities.</p> <p>This level of carpool participation is a goal that may not be achieved because construction workers will be drawn from the region in a manner that may not be conducive to large-scale carpooling or vanpooling. Because of the logistics of requiring construction workers to carpool/vanpool near their place of residence to project construction sites, and the uncertainty that this goal would be achieved, Impact TRANS-1 is considered significant and unavoidable with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that substantially lessen, but do not avoid, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>
Air Quality and Greenhouse Gases				
Impact AQ-5: Result in Exposure of Sensitive Receptors to Substantial Localized Criteria Pollutant Emissions	Significant	MM AQ-5: Avoid Public Exposure to Localized Particulate Matter and Nitrogen Dioxide Concentrations	Significant and Unavoidable	<p>The impact would be significant under CEQA for the Project because construction could contribute to existing violations or create new violations of the particulate matter (PM) that is 2.5 microns in diameter and smaller (PM2.5) and particulate matter that is 10 microns in diameter and smaller (PM10) standards. Construction of the Project would generate maximum 1-hour nitrogen dioxide (NO₂) concentrations above the National Ambient Air Quality Standards (NAAQS).</p> <p>No other violations of the ambient air quality standards would result during project construction. Likewise, off-site construction traffic would not contribute to a localized violation of the California ambient air quality standards (CAAQS) or national ambient air quality standards (NAAQS) at intersections throughout the transportation network. Emissions from long-term Operation & Maintenance activities would not cause or contribute to violations of the CAAQS and NAAQS.</p> <p>Environmental Commitments EC-7: Off-Road Heavy-Duty Engines through EC-13: DWR Best Management Practices to Reduce Greenhouse Gas (GHG) Emissions would minimize construction emissions through implementation of the on-site controls. However, exceedances of the significant impact levels (SILs) and ambient air quality standards would still occur, and the project would contribute a significant level of localized air pollution within the local air quality study area.</p> <p>Mitigation Measure AQ-5: Avoid Public Exposure to Localized Particulate Matter and Nitrogen Dioxide Concentrations is required to reduce potential public exposure to elevated ambient concentrations of PM and NO₂ during construction. As discussed above, the predicted results presented in Tables 23-55 through 23-58 are conservative because they combine worst-case meteorological conditions with the highest daily and annual construction emissions estimates. Mitigation Measure AQ-5 requires additional PM and NO₂ modeling to provide a more refined estimate of hourly and annual concentrations that are expected to occur during the construction period. If the refined modeling predicts an exceedance of the SIL or violation of the NO₂ NAAQS, the measure requires DWR to conduct ambient air quality monitoring during</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Adopted Mitigation Measures	Impact Conclusion After Mitigation- CEQA	Findings of Fact
<p>construction. Results of the monitoring would be used to inform decision-making on further actions to reduce pollutant concentrations. While these actions would lower exposure to project-generated air pollution, it may not be feasible to completely eliminate all localized exceedances of the SILs and ambient air quality standards. Accordingly, this impact is determined to be significant and unavoidable.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that substantially lessen, but do not avoid, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>				
Noise and Vibration				
Impact NOI-1: Generate a Substantial Temporary or Permanent Increase in Ambient Noise Levels in the Vicinity of the Project in Excess of Standards Established in the Local General Plan or Noise Ordinance, or Applicable Standards of Other Agencies	Significant	MM NOI-1: Develop and Implement a Noise Control Plan	Significant and Unavoidable	<p>Construction-related noise would exceed daytime and nighttime noise level criteria at intakes, shaft sites, the Bethany Complex, and associated infrastructure under the Project. Depending on facility location relative to noise-sensitive receptors, the duration of daytime criteria exceedance would vary from 1 week to up to 14 years on a nonconsecutive basis. The duration of nighttime criteria exceedance would vary from 1 week to 5 months on a nonconsecutive basis. The exceedance of daytime and nighttime noise level criteria for these durations would result in a significant impact. Mitigation Measure NOI-1: Develop and Implement a Noise Control Plan would reduce noise levels through pre-construction actions, sound-level monitoring, best noise control practices, and installation of noise barriers.</p> <p>Mitigation Measure NOI-1 would reduce the severity of this impact to less-than-significant levels if property owners elect to participate in the sound insulation program to reduce noise impacts. DWR cannot ensure that property owners will voluntarily participate in the program and accept sound insulation improvements. If a property owner does not elect to participate in the sound insulation program, the impact would remain significant and unavoidable. Conservatively, the impact due to construction noise is determined to be significant and unavoidable after mitigation. However, if improvements required to avoid significant impacts are accepted by all eligible property owners, impacts would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that substantially lessen, but do not avoid, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>
Paleontological Resources				
Impact PALEO-2: Cause Destruction of a Unique Paleontological Resource as a Result of Tunnel Construction and Ground Improvement	Significant	No feasible mitigation is available to address this impact.	Significant and Unavoidable	<p>Construction of water conveyance facilities could cause the destruction of unique paleontological resources because tunneling would occur in geologic units with high sensitivity for paleontological resources: the Modesto and Riverbank Formations. The Project could destroy unique paleontological resources, with varying degrees of magnitude (Table 28-11). Excavation using the tunnel boring machine (TBM) for the tunnels could destroy unique paleontological resources because tunneling would involve large-scale ground disturbance that would not be accessible to monitors and would occur in geologic units sensitive for paleontological resources. This tunneling would occur at depths greater than 100 feet and therefore the geologic units affected would not be accessible to paleontologists and any fossils would not be available for scientific study. It cannot, however, be known whether paleontological resources would be present because paleontological resources are not distributed evenly throughout a geologic unit. Nevertheless, given the volume of material excavated by tunneling (Table 28-4) that would occur in the Modesto and Riverbank Formations, which are both sensitive for paleontological resources, and the consistency of the</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Adopted Mitigation Measures	Impact Conclusion After Mitigation- CEQA	Findings of Fact
				<p>reusable tunnel material (RTM) generated by the TBM (i.e., too fine to contain macrofossils), tunneling could result in a significant impact. No mitigation is available to address this impact. The impacts of tunneling would therefore be significant and unavoidable.</p> <p>Ground improvement would consist of in-situ mixing of amendments, such as cement grout, into the subsurface to improve stability. If this improvement occurs in the Modesto or Riverbank Formations and paleontological resources are present, ground improvement would damage or destroy these resources because the activity cannot be viewed or stopped by a paleontological monitor. No mitigation is available to address this impact. The impacts of ground improvement would therefore be significant and unavoidable.</p> <p>Findings: Impacts are significant and unavoidable and no feasible mitigation measures have been identified.</p>
Tribal Cultural Resources				
Impact TCR-1: Impacts on the Delta Tribal Cultural Landscape Tribal Cultural Resource Resulting from Construction, Operations, and Maintenance of the Project Alternatives	Significant	MM TCR-1a: Avoidance of Impacts on Tribal Cultural Resources MM TCR-1b: Plans for the Management of Tribal Cultural Resources MM TCR-1c: Implement Measures to Restore and Enhance the Physical, Spiritual, and Ceremonial Qualities of Affected Tribal Cultural Resources MM TCR-1d: Incorporate Tribal Knowledge into Compensatory Mitigation Planning (Restoration)	Significant and Unavoidable	<p>Project construction and operational activities would impair character-defining features that qualify the Delta Tribal Cultural Landscape (TCL) for listing in the CRHR. The Project would materially impair affiliated Tribes’ ability to physically, spiritually, or ceremonially experience these character-defining features: the Delta as a holistic place that is a Tribal homeland and place of origin, terrestrial and aquatic plant and animal species habitats that are part of the Delta’s ecosystem and the heritage of Tribes, ethnohistorical locations that are sacred places and historically important, archaeological sites, and views and vistas of and from the Delta that are sacred and important to the heritage of Tribes. While other chapters have identified mitigation measures to address project effects on several of the natural resources that also qualify as character-defining features for the Tribal cultural resource (such as the Compensatory Mitigation Plan) these are aimed at satisfying certain regulatory requirements for ecological conservation and may not mitigate for the impacts to Tribal cultural resources. DWR will coordinate with Tribes to incorporate Tribal values into compensatory mitigation; however, these measures may not reduce the impacts to a less-than-significant level. Because the project would materially impair character-defining features of the Delta TCL, and project commitments and mitigation measures would not fully avoid or reduce such impacts, the impact on the Delta TCL would be significant. DWR has identified four measures for mitigating this impact: Mitigation Measures TCR-1a: Avoidance of Impacts on Tribal Cultural Resources, TCR-1b: Plans for the Management of Tribal Cultural Resources, TCR-1c: Implement Measures to Restore and Enhance the Physical, Spiritual, and Ceremonial Qualities of Affected Tribal Cultural Resources, and TCR-1d: Incorporate Tribal Knowledge into Compensatory Mitigation Planning (Restoration).</p> <p>Application of these mitigation measures has the potential to reduce the impact on character-defining features of the Delta TCL because they could restore affiliated Tribes’ ability to physically, spiritually, and ceremonially experience the materially impaired qualities of the features. However, there may be instances where even with the mitigation measures described above, the impacts would not be mitigated to a less-than-significant level. There may also be instances where the project components would permanently damage a character-defining feature of the Delta TCL, such as where ground disturbance and construction of a project feature would occur in an ethnohistoric location, disturb an archaeological site, or a facility would block an important view. Project impacts would remain significant and unavoidable after implementation of Mitigation Measures TCR-1a, TCR-1b, TCR-1c, and TCR-1d because complete avoidance or protection is unlikely and operations and maintenance of the intakes and tunnels may still materially impair the Tribal experience of the spiritual qualities of the Delta TCL even with the efforts to repair or restore the Tribal experience. DWR will continue to consult with affiliated Tribes throughout implementation of Mitigation</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Adopted Mitigation Measures	Impact Conclusion After Mitigation- CEQA	Findings of Fact
				Measures TCR-1a, TCR-1b, and TCR-1c, and TCR-1d to minimize and mitigate the project’s significant impacts on the Delta TCL. Findings: Changes or alterations have been required in, or incorporated into, the project that mitigate, but <i>not</i> to a less than significant level, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.
Impact TCR-2: Impacts on Individual Tribal Cultural Resources Resulting from Construction, Operations, and Maintenance of the Project Alternatives	Significant	MM TCR-1a: Avoidance of Impacts on Tribal Cultural Resources MMTCR-1b: Plans for the Management of Tribal Cultural Resources MM TCR-1c: Implement Measures to Restore and Enhance the Physical, Spiritual, and Ceremonial Qualities of Affected Tribal Cultural Resources MM TCR-1d: Incorporate Tribal Knowledge into Compensatory Mitigation Planning (Restoration) MM TCR-2: Perform an Assessment of Significance, Known Attributes, and Integrity for Individual CRHR Eligibility	Significant and Unavoidable	<p>The precise nature of the impact on an individual Tribal cultural resource is not currently known because DWR has not identified any individual Tribal cultural resources at this time; therefore, the features that make an individual resource eligible for California Register of Historical Resources (CRHR) listing, its significance, attributes and location, and integrity have not been established. In general, DWR anticipates that if an individual resource is identified, the project has the potential to materially impair an affiliated Tribes’ ability to physically, ceremonially, or spiritually experience the resource.</p> <p>If the conclusion of implementing Mitigation Measure TCR-2: Perform an Assessment of Significance, Known Attributes, and Integrity for Individual CRHR Eligibility is that DWR finds a character-defining feature or other resource that is individually eligible, application of Mitigation Measures TCR-1a, TCR-1b, and TCR-1c, and TCR-1d could reduce the impact on any individually eligible Tribal cultural resources, because they could restore affiliated Tribes’ ability to physically, spiritually, and ceremonially experience the materially impaired qualities of the features. However, there may be instances where even with the mitigation measures described above, the impacts would not be mitigated to a less-than-significant level. There may also be instances where the project components would permanently damage an individual Tribal cultural resource, such as where ground disturbance and construction of a project feature would disturb an individually eligible ethnohistoric location or a facility would block an important view that is a character-defining feature of an individual Tribal cultural resource. Project impacts on individual Tribal cultural resources would remain significant and unavoidable after implementation of Mitigation Measures TCR-1a, TCR-1b, TCR-1c, TCR-1d, and TCR-2, because complete avoidance or protection is unlikely. DWR will continue to consult with affiliated Tribes throughout implementation of mitigation measures to minimize and mitigate the project’s significant impacts on the Delta Tribal Cultural Landscape, as well as refine DWR’s understanding of the character-defining features, or other features, that may be individual Tribal cultural resources.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project, that mitigate, but <i>not</i> to a less than significant level, the significant environmental effect as identified in the Final EIR. Impacts are therefore significant and unavoidable despite the adoption of feasible mitigation measures.</p>

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1 **Table 2: CEQA Findings of Fact for the Project’s Less-than-Significant Impacts after Mitigation**

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
Water Quality				
Impact WQ-6: Effects on Mercury Resulting from Facility Operations and Maintenance	Less Than Significant for the Project; Potentially Significant for Implementation of the CMP	MM WQ-6: Develop and Implement a Mercury Management and Monitoring Plan	Less Than Significant	<p>The Project would not cause additional exceedance of applicable water quality criteria or objectives by frequency, magnitude, and geographic extent that would cause significant impacts on any beneficial uses of waters in the study area. Because mercury concentrations are not expected to increase substantially, no long-term water quality degradation that would result in substantially increased risk for significant impacts on beneficial uses would occur. Furthermore, changes in long-term methylmercury concentrations that may occur in study area waterbodies would not make existing CWA Section 303(d) impairments measurably worse, or increase levels of mercury by frequency, magnitude, and geographic extent to cause measurably higher body burdens of mercury in aquatic organisms, thereby substantially increasing the health risks to wildlife (including fish) or humans consuming those organisms. Thus, the impact of the Project on mercury concentrations would be less than significant.</p> <p>While the Project would not result in significant water quality effects associated with mercury, there could be significant impacts with the implementation of the CMP. Those impacts could be reduced to a less-than-significant level with Mitigation Measure WQ-6.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Soils				
Impact SOILS-5: Have Soils Incapable of Adequately Supporting the Use of Septic Tanks or Alternative Wastewater Disposal Systems Where Sewers Are Not Available for the Disposal of Wastewater	Significant	MM SOILS-5: Conduct Site-Specific Soil Analysis and Construct Alternative Wastewater Disposal System as Required	Less Than Significant	<p>Potential impacts of the use of septic tanks or alternative wastewater disposal systems would occur during construction and operations and maintenance. If a conventional disposal system were to be constructed on soils with a rating of very limited for septic tank absorption fields, use of the system could contaminate surface water and groundwater and create objectionable odors during operations and maintenance. The water contamination could raise the risk of disease transmission and human exposure to pathogens. The impact would be significant. However, county planning and building departments typically require on-site soil percolation tests and other analyses to determine site suitability and type of system appropriate to the site. Along with compliance with county requirements, implementation of Mitigation Measure SOILS-5: Conduct Site-Specific Soil Analysis and Construct Alternative Wastewater Disposal System as Required, would reduce the impact to a less-than-significant level.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Fish and Aquatic Resources				
Impact AQUA-1: Effects of Construction of Water Conveyance Facilities on Fish and Aquatic Species	Significant	MM AQUA-1a: Develop and Implement an Underwater Sound Control and Abatement Plan MM AQUA-1b: Develop and Implement a Barge Operations Plan MM AQUA-1c: Develop and Implement a Fish Rescue and Salvage Plan MM WQ-6: Develop and Implement a Mercury Management and Monitoring Plan CMP-23: Tidal Perennial Habitat Restoration for Construction Impacts on Habitat for Fish and Aquatic Resources	Less Than Significant	<p>Construction impacts on fish and aquatic species potentially would be significant because there would be the potential for spatial and temporal overlap with appreciable proportions of some of the species of management concern’s populations (e.g., adult steelhead; Table 12A-9 in Appendix 12A) as well as loss of aquatic habitat. To address these impacts, the project will include Mitigation Measures AQUA-1a: Develop and Implement an Underwater Sound Control and Abatement Plan, AQUA-1b: Develop and Implement a Barge Operations Plan, AQUA-1c: Develop and Implement a Fish Rescue and Salvage Plan, and Mitigation Measure CMP: Compensatory Mitigation Plan, specifically CMP-23: Tidal Perennial Habitat Restoration for Construction Impacts on Habitat for Fish and Aquatic Resources and CMP-24: Channel Margin Habitat Restoration for Construction Impacts on Habitat for Fish and Aquatic Resources (Attachment 3F.1, Compensatory Mitigation Design Guidelines, Table 3F.1-3). Mitigation</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
		CMP-24: Channel Margin Habitat Restoration for Construction Impacts on Habitat for Fish and Aquatic Resources		<p>Measure AQUA-1a: Develop and Implement an Underwater Sound Control and Abatement Plan includes limiting pile-driving timing consistent with EC-14 and controlling or abating underwater noise generated during impact pile driving, for example, by starting impact pile driving at lower levels of intensity to allow fish to leave the area before the intensity is increased.</p> <p>Construction impacts on fish and aquatic species would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact AQUA-2: Effects of Operations and Maintenance of Water Conveyance Facilities on Sacramento River Winter-Run Chinook Salmon	Significant	CMP-25: Tidal Habitat Restoration to Mitigate North Delta Hydrodynamic Effects on Chinook Salmon Juveniles CMP-26: Channel Margin Habitat Restoration for Operations Impacts on Chinook Salmon Juveniles	Less Than Significant	<p>The available information generally indicates that diversion at the North Delta Diversion (NDD) would negatively affect winter-run Chinook salmon through flow-survival and habitat impacts. The Sacramento River is the main migration pathway through the Delta for juvenile winter-run and therefore a large proportion of the population would potentially be exposed to negative impacts.</p> <p>To address the significance of the impacts, Mitigation Measure CMP: Compensatory Mitigation Plan would be implemented, specifically CMP-25: Tidal Habitat Restoration to Mitigate North Delta Hydrodynamic Effects on Chinook Salmon Juveniles and CMP-26: Channel Margin Habitat Restoration or Operations Impacts on Chinook Salmon Juveniles (Attachment 3F.1, Table 3F.1-3). This mitigation would reduce negative hydrodynamic effects such as flow reversals in the Sacramento River at Georgiana Slough (CMP-25) and reduced effects from reduced inundation of riparian/wetland benches as a result of NDD operations (CMP-26). The mitigation thereby would reduce potential for negative effects on winter-run Chinook salmon through-Delta survival as a result of factors such as flow-related changes in migration speed and probability of entering the low-survival interior Delta migration pathway and restoring new bench habitat at elevations that would be inundated under reduced flows downstream of the north Delta intakes. The impact of operations and maintenance of the Project would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact AQUA-3: Effects of Operations and Maintenance of Water Conveyance Facilities on Central Valley Spring-Run Chinook Salmon	Significant	CMP-25: Tidal Habitat Restoration to Mitigate North Delta Hydrodynamic Effects on Chinook Salmon Juveniles CMP-26: Channel Margin Habitat Restoration for Operations Impacts on Chinook Salmon Juveniles	Less Than Significant	<p>Recent research for two spring-run Chinook salmon populations in the Central Valley indicates that the majority of returning adults emigrated as yearlings (Cordoleani et al. 2021), which migrate beginning in fall and therefore have the potential to overlap periods of greater north Delta diversions with greater potential effects on through-Delta survival as shown by the Perry et al. (2018) modeling results. As a result, and although there is uncertainty in biological impacts because of the variability in flow-survival statistical relationships (see discussion for winter-run Chinook salmon), population abundance is low relative to historical values (Appendix 12A) and it is concluded that the operations and maintenance impact of the Project would be significant for spring-run Chinook salmon. Compensatory mitigation to be implemented for the winter-run Chinook salmon significant impact discussed above in Impact AQUA-2 (i.e., Mitigation Measure CMP: Compensatory Mitigation Plan, specifically CMP-25: Tidal Habitat Restoration to Mitigate North Delta Hydrodynamic Effects on Chinook Salmon Juveniles and CMP-26: Channel Margin Habitat Restoration for Operations Impacts on Chinook Salmon Juveniles [Attachment 3F.1, Table 3F.1-3]) would also be applied to spring-run Chinook salmon to mitigate hydrodynamic effects such as flow reversals in the Sacramento River at Georgiana Slough (CMP-25) and effects from reduced inundation of riparian/wetland benches</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
				as a result of North Delta Diversion operations (CMP-26). The impact would be less than significant with mitigation. Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact AQUA-5: Effects of Operations and Maintenance of Water Conveyance Facilities on Central Valley Steelhead	Significant	MM CMP: Compensatory Mitigation Plan	Less Than Significant	As discussed by National Marine Fisheries Service (2016:19), Central Valley steelhead is in danger of extinction, with very low levels of natural production. Available data and studies for steelhead are limited relative to Chinook salmon and so there is some uncertainty in potential effects. As previously noted for winter-run Chinook salmon, there is uncertainty in the biological impacts because of the variability in flow-survival statistical relationships. However, per the significance criteria (Section 12.3.2, Thresholds of Significance), the potential for negative effects of the north Delta intakes (e.g., up to 4% less through-Delta migration survival per the Perry et al. model implemented for juvenile Chinook salmon) and the population status (Appendix 12A) leads to the conclusion that the impact would be significant. Compensatory mitigation (tidal perennial habitat restoration and channel margin restoration) described in Appendix 3F, and as previously discussed for winter-run Chinook salmon would be implemented to reduce the impact to less than significant. Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact AQUA-6: Effects of Operations and Maintenance of Water Conveyance Facilities on Delta Smelt	Significant	MM CMP: Compensatory Mitigation Plan CMP-27: Tidal Habitat Restoration for Operations Impacts on Delta Smelt	Less Than Significant	There is generally somewhat less Delta outflow under the Project than existing conditions during spring–fall as a result of less outflow being needed for meeting Delta salinity requirements. There is considerable uncertainty in the potential for negative effects to delta smelt food availability, predation, and recruitment as a result of these changes in Delta outflow, which are within the existing parameters of current regulations (e.g., D-1641; federal and state water project permits). Given the existing all-time low abundance indices of delta smelt (Appendix 12A), the impacts are concluded to be significant. Tidal habitat restoration of approximately 1,100 to 1,400 acres under Mitigation Measure CMP: Compensatory Mitigation Plan, specifically CMP-27 (Attachment 3F-1, Table 3F.1-3), would mitigate these impacts. Restoration would increase the extent of suitable delta smelt habitat (e.g., intertidal and subtidal habitat; California Department of Fish and Game 2011) with appropriate parameters (e.g., turbidity) providing habitat for occupancy (e.g., Sommer and Mejia 2013) or higher food availability in the vicinity (e.g., Hammock et al. 2019b). The impact would be less than significant with mitigation. Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact AQUA-7: Effects of Operations and Maintenance of Water Conveyance Facilities on Longfin Smelt	Significant	MM CMP: Compensatory Mitigation Plan CMP-28: Tidal Habitat Restoration for Operations Impacts on Longfin Smelt	Less Than Significant	In general, the analyses of the operations and maintenance impacts of the Project suggested minor impacts on longfin smelt, relative to existing conditions, including near-field effects of the north Delta intakes, south Delta entrainment, and very little potential for negative effects on food availability as a result of differences in spring Delta outflow. Any such impacts would not be significant because they are minor and would affect only a very small proportion of the longfin smelt population. The analyses of flow-related effects (differences in Delta outflow) on longfin smelt abundance suggested more potential for negative effects under the Project (i.e., mean difference of 2%–10% less depending on water year type) and a potentially significant impact given that they represent a population-level impact. There is uncertainty in the impact, however, given the appreciably greater variability of longfin smelt abundance index estimates

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
				<p>for a given alternative relative to the difference from existing conditions. Operations of the Project would be consistent with all applicable regulations to limit the potential for negative effects on fish and aquatic resources, including the existing spring outflow measures required by the California Department of Fish and Wildlife Incidental Take Permit (ITP). Nevertheless, the uncertain negative outflow-related effect is considered significant in light of the species’ California Endangered Species Act-listed status and low population abundance indices (Appendix 12A). As such, the Project would implement approximately 135.2acres of compensatory mitigation (Mitigation Measure CMP: Compensatory Mitigation Plan, specifically CMP-28: Tidal Habitat Restoration for Operations Impacts on Longfin Smelt [Attachment 3F.1, Table 3F.1-3]). Tidal habitat would expand the diversity, quantity, and quality of longfin smelt rearing and refuge habitat consistent with recent tidal habitat mitigation required for outflow impacts to the species and would therefore reduce the potential effects caused by reduced outflow. As shown by multiple recent tidal habitat restoration projects in the Delta, there are potential feasible opportunities for tidal habitat restoration directly applicable to longfin smelt, with demonstrated presence of longfin smelt. This tidal habitat restoration mitigation would reduce the impact to a less-than-significant level; therefore, the impact would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Terrestrial Biological Resources				
Impact BIO-1: Impacts of the Project on the Tidal Perennial Aquatic Natural Community	Significant	MM CMP: Compensatory Mitigation Plan	Less Than Significant	<p>The Project would cause the removal, conversion, and temporary disturbance of tidal perennial aquatic natural community due to project construction and maintenance. The temporary disturbances of tidal perennial aquatic habitat would be reduced by Environmental Commitments EC-1: Conduct Worker Awareness Training; EC-2: Develop and Implement Hazardous Materials Management Plans; EC-3: Develop and Implement Spill Prevention, Containment, and Countermeasure Plans; and EC-14: Construction Best Management Practices for Biological Resources (Appendix 3B). Even with these environmental commitments, however, the loss of tidal perennial aquatic community from construction and potential impacts from maintenance activities would be significant. Mitigation Measure CMP: Compensatory Mitigation Plan would offset permanent and temporary loss of tidal perennial aquatic habitat. Therefore, the impacts on the tidal perennial aquatic community from the Project would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-2: Impacts of the Project on Tidal Freshwater Emergent Wetlands	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement	Less Than Significant	<p>The Project would cause the removal, conversion, and temporary disturbance of tidal freshwater emergent wetlands due to project construction and maintenance. Temporary disturbances and indirect impacts on tidal freshwater emergent wetlands would be reduced by Environmental Commitments EC-1: Conduct Worker Awareness Training; EC-2: Develop and Implement Hazardous Materials Management Plans; EC-3: Develop and Implement Spill Prevention, Containment, and Countermeasure Plans; and EC-14: Construction Best Management Practices for Biological Resources. Even with these environmental commitments, however, the loss of tidal freshwater emergent wetlands from construction and potential impacts from maintenance activities would be significant. Mitigation Measure BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants would reduce impacts on tidal freshwater emergent wetlands during project construction. Mitigation Measure BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities would reduce impacts on tidal freshwater emergent wetland during</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
				<p>project maintenance. Mitigation Measure BIO-2c: Electrical Power Line Support Placement would minimize impacts on tidal freshwater emergent wetlands from electric power line installation. Mitigation Measure CMP: Compensatory Mitigation Plan would offset permanent and temporary loss of tidal freshwater emergent wetland. Therefore, the impacts on tidal freshwater emergent wetland from the Project would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-3: Impacts of the Project on Valley/Foothill Riparian Habitat	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants	Less Than Significant	<p>Constructing the Project would cause the removal, conversion, and temporary disturbance of valley/foothill riparian habitat. Maintenance activities could result in periodic temporary disturbances to valley/foothill riparian habitat. Temporary disturbances and indirect impacts on valley/foothill riparian habitat would be reduced by Environmental Commitments EC-1: Conduct Worker Awareness Training and EC-14: Construction Best Management Practices for Biological Resources. Even with these environmental commitments, however, the loss of valley/foothill riparian habitat from construction and potential impacts from maintenance activities would be significant. Mitigation Measure BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants would reduce impacts on valley/foothill riparian habitat during project construction. Mitigation Measure BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities would reduce impacts on valley/foothill riparian habitat during project maintenance. Mitigation Measure BIO-2c: Electrical Power Line Support Placement would minimize impacts on valley/foothill riparian habitat from electric power line installation. Mitigation Measure CMP: Compensatory Mitigation Plan would offset permanent and temporary loss of valley/foothill riparian habitat. Therefore, the impacts on valley/foothill riparian habitat from the Project would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-4: Impacts of the Project on the Nontidal Perennial Aquatic Natural Community	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants	Less Than Significant	<p>Constructing the Project would cause the removal, conversion, and temporary disturbance of nontidal aquatic perennial habitat. Maintenance activities could result in periodic temporary disturbances to nontidal perennial aquatic habitat. Temporary disturbances and indirect impacts on nontidal perennial aquatic habitat would be reduced by Environmental Commitments EC-1: Conduct Worker Awareness Training; EC-2: Develop and Implement Hazardous Materials Management Plans; EC-3: Develop and Implement Spill Prevention, Containment, and Countermeasure Plans; and EC-14: Construction Best Management Practices for Biological Resources. Even with these environmental commitments, however, the loss of nontidal perennial aquatic habitat from construction and potential impacts from maintenance activities would be significant. Mitigation Measure BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants would mitigate impacts on nontidal perennial aquatic habitat by identifying locations where special-status natural communities and special-status plants would be avoided. Under Mitigation Measure CMP: Compensatory Mitigation Plan, nontidal perennial aquatic habitat would be created or acquired and permanently protected to compensate for project impacts from project construction to ensure no significant loss of nontidal perennial aquatic habitat functions and values. Therefore, the impacts on nontidal perennial aquatic habitat from the Project would be less than significant with mitigation.</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
				Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-5: Impacts of the Project on Nontidal Freshwater Perennial Emergent Wetland	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants	Less Than Significant	<p>Constructing the Project would cause the removal, conversion, and temporary disturbance of nontidal freshwater perennial emergent wetlands. Maintenance activities could result in periodic temporary disturbances to this community. Temporary disturbances and indirect impacts on nontidal freshwater perennial emergent wetland would be reduced by Environmental Commitments EC-1: Conduct Worker Awareness Training; EC-2: Develop and Implement Hazardous Materials Management Plans; EC-3: Develop and Implement Spill Prevention, Containment, and Countermeasure Plans; and Environmental Commitment EC-14: Construction Best Management Practices for Biological Resources. Even with these environmental commitments, however, the loss of nontidal freshwater perennial emergent wetland from construction and potential impacts from maintenance activities would be significant. Mitigation Measure BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants would mitigate impacts on nontidal freshwater emergent wetlands by identifying locations where special-status natural communities and special-status plants would be avoided or where measures to minimize impact would be implemented. Under Mitigation Measure CMP: Compensatory Mitigation Plan, nontidal perennial emergent wetlands would be created or acquired and permanently protected to compensate for project impacts from project construction and ensure no significant loss of nontidal perennial aquatic habitat functions and values. Therefore, the impacts on nontidal freshwater perennial emergent wetland from the Project would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-7: Impacts of the Project on Alkaline Seasonal Wetland Complex	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement	Less Than Significant	<p>Project construction and maintenance would remove, convert, or temporarily disturb alkaline seasonal wetland complex. Temporary disturbances and indirect impacts on alkaline seasonal wetland complex would be reduced by Environmental Commitments EC-1: Conduct Worker Awareness Training; EC-2: Develop and Implement Hazardous Materials Management Plans; EC-3: Develop and Implement Spill Prevention, Containment, and Countermeasure Plans; and EC-14: Construction Best Management Practices for Biological Resources. Even with these environmental commitments, however, the loss of alkaline seasonal wetland complex from construction and potential impacts from maintenance activities would be significant. Mitigation Measure BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants would reduce impacts on alkaline seasonal wetlands during project construction. Mitigation Measure BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities would reduce impacts on alkaline seasonal wetlands during project maintenance. Mitigation Measure BIO-2c: Electrical Power Line Support Placement would minimize impacts on alkaline seasonal wetland from electric power line installation. Under Mitigation Measure CMP: Compensatory Mitigation Plan, alkaline seasonal wetland complex would be created or acquired and permanently protected to compensate for project impacts from project construction and ensure no significant loss of nontidal perennial aquatic habitat functions and values. The total acreage to be conserved would be based on the criteria presented in the CMP. Therefore, the impacts on alkaline seasonal wetland complex from the Project would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
Impact BIO-8: Impacts of the Project on Vernal Pool Complex	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities	Less Than Significant	<p>Constructing the Project would cause the removal, conversion, and temporary disturbance of vernal pool complex. Maintenance activities could result in periodic temporary disturbances to this community. Temporary disturbances and indirect impacts on vernal pool complex would be reduced by Environmental Commitments EC-1: Conduct Worker Awareness Training; EC-2: Develop and Implement Hazardous Materials Management Plans; EC-3: Develop and Implement Spill Prevention, Containment, and Countermeasure Plans; and EC-14: Construction Best Management Practices for Biological Resources. Even with these environmental commitments, however, the loss of vernal pool complex from construction and potential impacts from maintenance activities would be significant. Mitigation Measure BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants would reduce impacts on vernal pool complex during project construction. Mitigation Measure BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities would reduce impacts on vernal pool complex during project maintenance. As described in Appendix 3F and Attachment 3F.1, under Mitigation Measure CMP: Compensatory Mitigation Plan, vernal pool complex would be created or acquired and permanently protected to compensate for project impacts from project construction and ensure no significant loss of vernal pool complex functions and values. The total acreage to be conserved would be based on the criteria presented in the CMP. Therefore, the impacts on vernal pool complex from the Project would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-9: Impacts of the Project on Special-Status Vernal Pool Plants	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities	Less Than Significant	<p>Temporary disturbances and indirect impacts on special-status vernal pool plants would be reduced by Environmental Commitment EC-14: Construction Best Management Practices for Biological Resources. Even with this environmental commitment, however, the effects on vernal pool plants from construction and potential impacts from maintenance activities would be significant. Mitigation Measure BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants would reduce impacts on special-status vernal pool plants during project construction. Mitigation Measure BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities would reduce impacts on special-status vernal pool plants during project maintenance. Under Mitigation Measure CMP: Compensatory Mitigation Plan, habitat for special-status vernal pool plants would be created and permanently protected or mitigation credits would be acquired to compensate for project impacts and ensure no significant loss of habitat, as described in Appendix 3F and Attachment 3F.1. Therefore, the Project’s impacts on special-status vernal pool plants would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-10: Impacts of the Project on Special-Status Alkaline Seasonal Wetland Complex Plants	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities	Less Than Significant	<p>Temporary disturbances and indirect impacts special-status alkaline seasonal wetland complex plants would be reduced by Environmental Commitment EC-14: Construction Best Management Practices for Biological Resources. Even with this environmental commitment, however, the loss of alkaline wetland plants from construction and potential impacts from maintenance activities would be significant. Mitigation Measure BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants, would reduce impacts on special-status alkaline seasonal wetland complex plants during project construction. Mitigation Measure BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities would reduce impacts on special-status alkaline seasonal wetland complex plants during project maintenance. Under Mitigation Measure CMP:</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
				Compensatory Mitigation Plan, habitat for special-status alkaline seasonal wetland plants would be created and permanently protected or mitigation credits would be acquired to compensate for project impacts and ensure no significant loss of habitat, as described in Appendix 3F and Attachment 3F.1. Therefore, the project’s impacts on special-status alkaline seasonal wetland plants would be less than significant with mitigation. Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-11: Impacts of the Project on Special-Status Grassland Plants	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities	Less Than Significant	Temporary disturbances and indirect impacts on special-status grassland plants would be reduced by Environmental Commitment EC-14: Construction Best Management Practices for Biological Resources. Even with this environmental commitment, however, the loss of grassland plants from construction and potential impacts from maintenance activities would be significant. Mitigation Measure BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants would reduce impacts on special-status grassland plants during project construction. Mitigation Measure BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities would reduce impacts on special-status grassland plants during project maintenance. Under Mitigation Measure CMP: Compensatory Mitigation Plan, habitat for special-status grassland plants would be created and permanently protected or mitigation credits would be acquired to compensate for project impacts and to ensure no significant loss of habitat. Therefore, the Project’s impacts on special-status grassland plants would be less than significant with mitigation. Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-12: Impacts of the Project on Tidal Freshwater Emergent Wetland Plants	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities	Less Than Significant	Temporary disturbances and indirect impacts on special-status tidal freshwater emergent wetland plants would be reduced by Environmental Commitment EC-14: Construction Best Management Practices for Biological. Even with this environmental commitment, however, the loss of tidal freshwater emergent plants from construction and potential impacts from maintenance activities would be significant. Mitigation Measure BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants would reduce impacts on special-status tidal freshwater emergent wetland species during project construction. Mitigation Measure BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities would reduce impacts on tidal freshwater emergent wetland during project maintenance. Under Mitigation Measure CMP: Compensatory Mitigation Plan (Appendix 3F, Section 3F.3.2.5; Attachment 3F.1, Table 3F.1-2, CMP-2: Tidal Freshwater Emergent Wetland, and Table 3F.1-3, CMP-9: Special-Status Plants), habitat for special-status tidal freshwater emergent wetland plants would be created or acquired and permanently protected to compensate for project impacts and ensure no significant loss of special-status tidal perennial aquatic wetland habitat functions and values. Therefore, project impacts on special-status tidal freshwater emergent wetland plants would be less than significant with mitigation. Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-13: Impacts of the Project on Special-Status Nontidal Perennial Aquatic Plants	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants	Less Than Significant	Temporary disturbances and indirect impacts of nontidal perennial aquatic habitat would be reduced by Environmental Commitment EC-14: Construction Best Management Practices for Biological Resources. Even with this environmental commitment, however, the loss nontidal

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
		MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities		<p>perennial aquatic plants from construction and potential impacts from maintenance activities would be significant. Mitigation Measure BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants would reduce impacts on special-status nontidal perennial aquatic plants during project construction. Mitigation Measure BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities would reduce impacts on special-status nontidal perennial aquatic plants during project maintenance. Under Mitigation Measure CMP: Compensatory Mitigation Plan, habitat for special-status nontidal perennial aquatic plants would be created or acquired and permanently protected to compensate for project impacts and ensure no significant loss of special-status nontidal perennial aquatic plants or their habitat functions and values. The project impacts on these special-status nontidal perennial aquatic plants would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-14: Impacts of the Project on Vernal Pool Aquatic Invertebrates	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-14: Avoid and Minimize Impacts on Vernal Pool Aquatic Invertebrates and Critical Habitat for Vernal Pool Fairy Shrimp	Less Than Significant	<p>The impacts on vernal pool aquatic invertebrates from the Project would be less than significant with mitigation because the measures would replace lost habitat and reduce direct effects on the species, including habitat disturbance, by avoiding and minimizing activities during construction and maintenance that could adversely affect habitat, which include establishing non-disturbance buffers around pools with construction fencing, by surveying suitable habitat for vernal pool fairy shrimp and vernal pool tadpole shrimp, and by avoiding adverse modification of critical habitat and indirect effects on vernal pool aquatic invertebrate habitat through work area redesigns, to the extent practicable.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-16: Impacts of the Project on Vernal Pool Terrestrial Invertebrates	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-14: Avoid and Minimize Impacts on Vernal Pool Aquatic Invertebrates and Critical Habitat for Vernal Pool Fairy Shrimp	Less Than Significant	<p>The impacts on vernal pool terrestrial invertebrates from the Project would be less than significant with mitigation because mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat disturbance, by avoiding and minimizing activities during construction and maintenance that could adversely affect habitat, which include establishing non-disturbance buffers around habitat with construction fencing, and by avoiding indirect effects on vernal pool habitat to the extent practicable.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-18: Impacts of the Project on Valley Elderberry Longhorn Beetle	Significant	MM CMP: Compensatory Mitigation Plan CMP-18a: Sandhill Crane Roosting Habitat CMP-18b: Sandhill Crane Foraging Habitat CMP-19a: Swainson’s Hawk Nesting Habitat CMP-19b: Swainson’s Hawk Foraging Habitat CMP-22a: Tricolored Blackbird Nesting Habitat CMP-22b: Tricolored Blackbird Breeding Foraging Habitat MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities	Less Than Significant	<p>The impacts on valley elderberry longhorn beetle from the Project would be less than significant with mitigation because these mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat disturbance, by avoiding and minimizing activities that could injure or kill valley elderberry longhorn beetle, which includes establishing non-disturbance buffers around shrubs with construction fencing, limiting trimming of shrubs to stems less likely to contain larvae (<1 inch in diameter) and during periods when trimming is less likely to affect the vigor of shrubs, and avoiding work to the extent possible during the species active season when they are in flight around shrubs and dispersing.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
		MM BIO-18: Avoid and Minimize Impacts on Valley Elderberry Longhorn Beetle		
Impact BIO-20: Impacts of the Project on Curved-Foot Hygrotus Diving Beetle	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-14: Avoid and Minimize Impacts on Vernal Pool Aquatic Invertebrates and Critical Habitat for Vernal Pool Fairy Shrimp	Less Than Significant	<p>The impacts on curved-foot hygrotus beetle from the Project would be less than significant with mitigation because these mitigation measures would reduce direct effects on the species, including habitat disturbance, by avoiding and minimizing activities during construction and maintenance that could adversely affect habitat, establishing non-disturbance buffers around aquatic habitat with construction fencing and by implementing protective measures during maintenance activities.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-21: Impacts of the Project on Crotch Bumble Bee	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-21: Avoid and Minimize Impacts on Crotch Bumble Bee	Less Than Significant	<p>The impacts on Crotch bumble bee from the Project would be less than significant with mitigation because these mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat disturbance, by identifying and avoiding potential habitat to the extent possible during maintenance and construction activities through establishing avoidance buffers, by temporarily delaying work where colonies are identified, and replanting areas of disturbed habitat with suitable foraging plants.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-22: Impacts of the Project on California Tiger Salamander	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-22a: Avoid and Minimize Impacts on California Tiger Salamander MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife	Less Than Significant	<p>The impacts on California tiger salamander from the Project would be less than significant with mitigation because these mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat disturbance, by designing lighting that avoids spillover into habitats and thus avoiding disrupting dispersal movements; by avoiding construction and maintenance activities in and adjacent to habitat to the extent possible; timing construction activities, installing exclusion fencing, conducting preconstruction surveys, and other protective measures to avoid and minimize the potential for injury and mortality; and by putting in place traffic control measures at DWR facilities during operations to minimize the potential for vehicle strikes.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-23: Impacts of the Project on Western Spadefoot Toad	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife MM BIO-23: Avoid and Minimize Impacts on Western Spadefoot Toad	Less Than Significant	<p>The impacts on western spadefoot toad from the Project would be less than significant with mitigation because these mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat disturbance, by designing lighting that avoids spillover into habitats, thus avoiding disrupting dispersal movements; by avoiding construction and maintenance activities in and adjacent to habitat to the extent possible; timing construction activities, installing exclusion fencing, conducting preconstruction surveys, and other protective measures to avoid and minimize the potential for injury and mortality; and by putting in place traffic control measures at DWR facilities during operations to minimize the potential for vehicle strikes.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
Impact BIO-24: Impacts of the Project on California Red-Legged Frog	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife MM BIO-24a: Avoid and Minimize Impacts on California Red-Legged Frog and Critical Habitat MM BIO-24b: Compensate for Impacts on California Red-Legged Frog Habitat Connectivity	Less Than Significant	<p>The impacts on California red-legged frog from the Project would be less than significant with mitigation because these mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat disturbance, by designing lighting that avoids spillover into habitats and thus avoiding potential increases in predation and disrupting normal behaviors; by avoiding construction and maintenance activities in and adjacent to habitat to the extent possible; timing construction activities, installing exclusion fencing, conducting preconstruction surveys, and other protective measures to avoid and minimize the potential for injury and mortality; and by putting in place traffic control measures at DWR facilities during operations to minimize the potential for vehicle strikes.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-25: Impacts of the Project on Western Pond Turtle	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife MM BIO-25: Avoid and Minimize Impacts on Western Pond Turtle MM WQ-6 Develop and Implement a Mercury Management and Monitoring Plan	Less Than Significant	<p>The impacts on western pond turtle from the Project would be less than significant with mitigation because these mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat disturbance, by avoiding construction and maintenance activities in and adjacent to habitat to the extent possible; timing construction activities, installing exclusion fencing, conducting preconstruction surveys, and other protective measures to avoid and minimize the potential for injury and mortality; and by putting in place traffic control measures at DWR facilities during operations to minimize the potential for vehicle strikes.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-26: Impacts of the Project on Coast Horned Lizard	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife MM BIO-26: Avoid and Minimize Impacts on Special-Status Reptiles	Less Than Significant	<p>The impacts on coast horned lizard from the Project would be less than significant with mitigation because these mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat disturbance, by avoiding construction and maintenance activities in and adjacent to habitat to the extent possible; timing construction activities, conducting preconstruction surveys, and other protective measures to avoid and minimize the potential for injury and mortality; and by putting in place traffic control measures at DWR facilities during operations to minimize the potential for vehicle strikes.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-27: Impacts of the Project on Northern California Legless Lizard	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife MM BIO-26: Avoid and Minimize Impacts on Special-Status Reptiles	Less Than Significant	<p>The impacts on Northern California legless lizard from the Project would be less than significant with mitigation because these mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat disturbance, by avoiding construction and maintenance activities in and adjacent to habitat to the extent possible; timing construction activities, installing exclusion fencing, conducting preconstruction surveys, and other protective measures to avoid and minimize the potential for injury and mortality; and by putting in place traffic control measures at DWR facilities during operations to minimize the potential for vehicle strikes.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-28: Impacts of the Project on California Glossy Snake	Significant	MM CMP: Compensatory Mitigation Plan	Less Than Significant	<p>The impacts on California glossy snake from the Project would be less than significant with mitigation because these mitigation measures would reduce direct effects on the species,</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
		MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife MM BIO-26: Avoid and Minimize Impacts on Special-Status Reptiles		including habitat disturbance, by avoiding construction and maintenance activities in and adjacent to habitat to the extent possible; timing construction activities, conducting preconstruction surveys, and other protective measures to avoid and minimize the potential for injury and mortality; and by putting in place traffic control measures at DWR facilities during operations to minimize the potential for vehicle strikes. Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-29: Impacts of the Project on San Joaquin Coachwhip	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife MM BIO-26: Avoid and Minimize Impacts on Special-Status Reptiles	Less Than Significant	The impacts on San Joaquin coachwhip from the Project would be less than significant with mitigation because these mitigation measures would replace lost habitat with habitat potentially suitable and reduce direct effects on the species, including habitat disturbance, by avoiding construction and maintenance activities in and adjacent to habitat to the extent possible; timing construction activities, installing exclusion fencing, conducting preconstruction surveys, and other protective measures to avoid and minimize the potential for injury and mortality; and by putting in place traffic control measures at DWR facilities during operations to minimize the potential for vehicle strikes. Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-30: Impacts of the Project on Giant Garter Snake	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife MM BIO-30: Avoid and Minimize Impacts on Giant Garter Snake MM WQ-6 Develop and Implement a Mercury Management and Monitoring Plan	Less Than Significant	The impacts on giant garter snake from the Project would be less than significant with mitigation because these mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat disturbance, by avoiding construction and maintenance activities in and adjacent to habitat to the extent possible; timing construction activities, installing exclusion fencing, conducting preconstruction surveys, and other protective measures to avoid and minimize the potential for injury and mortality; and by putting in place traffic control measures at DWR facilities during operations to minimize the potential for vehicle strikes. Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-31: Impacts of the Project on Western Yellow-Billed Cuckoo	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM NOI-1: Develop and Implement a Noise Control Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement MM BIO-31: Avoid and Minimize Impacts on Western Yellow-Billed Cuckoo	Less Than Significant	The impacts on western yellow-billed cuckoo from the Project would be less than significant with mitigation because the mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat, noise, and visual disturbances, by providing environmental awareness training to construction personnel, by implementing protective measures during maintenance activities, and species-specific avoidance measures during construction. Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-32: Impacts of the Project on California Black Rail	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction	Less Than Significant	The impacts on California black rail from the Project would be less than significant with mitigation because the mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat, noise, and visual disturbances, by providing environmental

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
		MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM NOI-1: Develop and Implement a Noise Control Plan		awareness training to construction personnel, by implementing protective measures during maintenance activities, and species-specific avoidance measures during construction. Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-33: Impacts of the Project on Greater Sandhill Crane and Lesser Sandhill Crane	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM NOI-1: Develop and Implement a Noise Control Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement MM BIO-33: Avoid and Minimize Disturbance of Sandhill Cranes	Less Than Significant	Construction, operations, and maintenance of the water conveyance facilities for the Project could result in impacts on greater sandhill crane and lesser sandhill crane through the permanent and temporary loss of known roost sites and modeled foraging habitat and the potential disruption of normal behaviors. The temporary loss of habitat and potential impacts of the disruption of normal behaviors from project construction would be reduced by Environmental Commitments EC-1: Conduct Worker Awareness Training; EC-2: Develop and Implement Hazardous Materials Management Plans; EC-3: Develop and Implement Spill Prevention, Containment, and Countermeasure Plans; EC-11: Fugitive Dust Control; and EC-14: Construction Best Management Practices for Biological Resources (Appendix 3B); however, even with these commitments, the loss of habitat from the construction of the Project, and the potential for the disruption of normal behaviors from construction, operations, and maintenance activities on greater sandhill crane and lesser sandhill crane would be significant. The CMP would be required to offset the loss of roosting and foraging habitat by creating roosting and foraging habitat and protecting agricultural foraging habitat for sandhill cranes (Appendix 3F, Attachment 3F.1, Table 3F.1-3, CMP-18a: Sandhill Crane Roosting Habitat, and CMP-18b: Sandhill Crane Foraging Habitat), which would reduce the impact associated with habitat loss to less than significant. Because the greater sandhill crane is listed as “fully protected” under the California Fish and Game Code Section 3511, activities that would result in “take” as defined by Section 86 of the Fish and Game Code (i.e., “to hunt, pursue, catch, capture, or kill, or attempt to” undertake these activities) are prohibited. The Project has been designed to avoid any activities that would result in actions considered “take” of greater sandhill crane. The Project would use existing power lines or underground conduit to the extent possible for the purpose of avoiding potential injury or direct mortality of the greater sandhill crane and all new aboveground lines would be located outside of the roost sites or foraging habitat for greater sandhill crane. Mitigation Measure BIO-2c: Electrical Power Line Support Placement, which requires that project lines installed on existing poles or towers be placed in the same vertical prism as existing lines where feasible, as determined by project engineers in coordination with utility providers, and that all project lines within 3 miles of greater sandhill crane roost sites be fitted with bird flight diverters that are visible under all conditions and based on APLIC or more current guidance (Avian Power Line Interaction Committee 2006, 2012), would minimize any additional potential collisions of greater or lesser sandhill cranes from the Project. Mitigation Measures NOI-1: Develop and Implement a Noise Control Plan (Chapter 24); BIO-2b: Avoid and Minimize Impacts on Biological Resources from Maintenance Activities; AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction; AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences (Chapter 18); and BIO-33: Avoid and Minimize Disturbance of Sandhill Cranes would mitigate the impacts on greater sandhill crane and lesser sandhill crane to a less-than-significant level. Therefore, the project impacts on greater sandhill crane and lesser sandhill crane would be less than significant with mitigation because these measures would reduce direct impacts on these species and compensate for lost habitat. Mitigation measures would reduce direct impacts in the following ways: (1) implementing protective measures during maintenance activities, which would include assessing work areas for habitat and conducting surveys where appropriate and delaying maintenance activities (either by season or time of day); (2) designing lighting that avoids spillover into habitat; (3) reducing noise impacts through time-of-day restrictions on construction and noise-attenuating measures where feasible, as determined by the contractor;

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
				and (4) avoiding and minimizing disturbance of roosting and foraging cranes by conducting surveys and work outside of the winter crane season (September 15 through March 15). Mitigation measures would also establish roosting and foraging habitat to compensate for disturbance and displacement of sandhill cranes during construction. The feasibility of mitigation measures will be determined by the contractor in coordination with a qualified wildlife biologist.
				Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-34: Impacts of the Project on California Least Tern	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM NOI-1: Develop and Implement a Noise Control Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement MM BIO-34: Avoid California Least Tern Nesting Colonies and Minimize Indirect Effects on Colonies	Less Than Significant	The impacts on California least tern from the Project would be less than significant with mitigation because the mitigation measures would reduce direct effects on the species, including habitat, noise, and visual disturbances, by providing environmental awareness training to construction personnel, by implementing protective measures during maintenance activities, and species-specific avoidance measures for the species during construction.
				Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-35: Impacts of the Project on Cormorants, Herons, and Egrets	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM NOI-1: Develop and Implement a Noise Control Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement MM BIO-35: Avoid and Minimize Impacts on Cormorant, Heron, and Egret Rookeries	Less Than Significant	The impacts on cormorants, herons, and egrets from the Project would be less than significant with mitigation because the mitigation measures would replace lost habitat, reduce direct effects on the species, including habitat, noise, and visual disturbances, by providing environmental awareness training to construction personnel, by implementing protective measures during maintenance activities, and avoidance measures for cormorant, heron, or egret rookeries during construction.
				Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-36: Impacts of the Project on Osprey, White-Tailed Kite, Cooper’s Hawk, and Other Nesting Raptors	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM NOI-1: Develop and Implement a Noise Control Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement MM BIO-36a: Conduct Nesting Surveys for Special-Status and Non–Special-Status Birds and Raptors and	Less Than Significant	The impacts on special-status and non–special-status raptors from the Project would be less than significant with mitigation because the mitigation measures would replace lost habitat, reduce direct effects on the species, including habitat, noise, and visual disturbances, by providing environmental awareness training to construction personnel, by implementing protective measures during maintenance activities, and avoidance measures for raptors during construction.
				Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
		Implement Protective Measures to Avoid Disturbance of Nesting Birds and Raptors MM BIO-36b: Conduct Preconstruction Surveys and Implement Protective Measures to Avoid Disturbance of White-Tailed Kite		
Impact BIO-37: Impacts of the Project on Golden Eagle and Ferruginous Hawk	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM NOI-1: Develop and Implement a Noise Control Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement MM BIO-37: Conduct Surveys for Golden Eagle and Avoid Disturbance of Occupied Nests	Less Than Significant	<p>The impacts on ferruginous hawk and golden eagle from the Project would be less than significant with mitigation because the mitigation measures would replace lost habitat, reduce direct effects on the species, including habitat, noise, and visual disturbances, by providing environmental awareness training to construction personnel, by implementing protective measures during maintenance activities, and avoidance measures to avoid take of golden eagles, as defined by Section 86 of the California Fish and Game Code during construction.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-38: Impacts of the Project on Ground-Nesting Grassland Birds	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM NOI-1: Develop and Implement a Noise Control Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement MM BIO-36a: Conduct Nesting Surveys for Special-Status and Non–Special-Status Birds and Raptors and Implement Protective Measures to Avoid Disturbance of Nesting Birds and Raptors	Less Than Significant	<p>The impacts on northern harrier, short-eared owl, California horned lark, and grasshopper sparrow from the Project would be less than significant with mitigation because the mitigation measures would reduce direct effects on the species, including habitat, noise, and visual disturbances, by providing environmental awareness training to construction personnel, by implementing protective measures during maintenance activities, and avoidance measures for nesting birds during construction.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-39: Impacts of the Project on Swainson’s Hawk	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM NOI-1: Develop and Implement a Noise Control Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement MM BIO-39: Conduct Preconstruction Surveys and Implement Protective Measures to Minimize Disturbance of Swainson’s Hawk	Less Than Significant	<p>The impacts on Swainson’s hawk from the Project would be less than significant with mitigation because the mitigation measure would replace lost habitat, reduce direct effects on the species, including habitat, noise, and visual disturbances, by providing environmental awareness training to construction personnel, by implementing protective measures during maintenance activities, and avoidance measures for nesting Swainson’s hawk during construction.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
Impact BIO-40: Impacts of the Project on Burrowing Owl	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM NOI-1: Develop and Implement a Noise Control Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife MM BIO-40: Conduct Surveys and Minimize Impacts on Burrowing Owl	Less Than Significant	<p>The impacts on burrowing owl from the Project would be less than significant with mitigation because the mitigation measures would reduce direct effects on the species, including habitat, noise, and visual disturbances, by providing environmental awareness training to construction personnel, by implementing protective measures during maintenance activities, and avoidance measures for burrowing owl during construction.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-41: Impacts of the Project on Other Nesting Special-Status and Non–Special-Status Birds	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM NOI-1: Develop and Implement a Noise Control Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement MM BIO-36a: Conduct Nesting Surveys for Special-Status and Non–Special-Status Birds and Raptors and Implement Protective Measures to Avoid Disturbance of Nesting Birds and Raptors	Less Than Significant	<p>The impacts on special-status and non–special-status bird species from the Project would be less than significant with mitigation because the mitigation measures would replace lost habitat, reduce direct effects on these species, including habitat, noise, and visual disturbances, by providing environmental awareness training to construction personnel, by implementing protective measures during maintenance activities, and avoidance measures for nesting birds during construction.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-42: Impacts of the Project on Least Bell’s Vireo	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM NOI-1: Develop and Implement a Noise Control Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement MM BIO-42: Conduct Surveys and Minimize Impacts on Least Bell’s Vireo	Less Than Significant	<p>The impacts on least Bell’s vireo from the Project would be less than significant with mitigation because the mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat, noise, and visual disturbances, by providing environmental awareness training to construction personnel, by implementing protective measures during maintenance activities, and avoidance measures for least Bell’s vireo during construction.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-44: Impacts of the Project on Tricolored Blackbird	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction	Less Than Significant	<p>The impacts on tricolored blackbird from the Project would be less than significant with mitigation because the mitigation measures would replace lost habitat, reduce direct effects on the species, including habitat, noise, and visual disturbances, by providing environmental awareness training to construction personnel, by implementing protective measures during maintenance activities, and avoidance measures for tricolored blackbird during construction.</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
		MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM NOI-1: Develop and Implement a Noise Control Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-2c: Electrical Power Line Support Placement MM BIO-44: Conduct Preconstruction Surveys and Implement Protective Measures to Avoid Disturbance of Tricolored Blackbird		Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-45: Impacts of the Project on Bats	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-45a: Compensate for the Loss of Bat Roosting Habitat on Bridges and Overpasses MM BIO-45b: Avoid and Minimize Impacts on Roosting Bats	Less Than Significant	<p>The impacts on bats from the Project would be less than significant with mitigation because these measures would replace lost habitat and reduce direct effects on the species (including habitat modification) by (1) implementing protective measures during maintenance activities, which would include assessing work areas for habitat and conducting surveys for bats where appropriate and delaying maintenance activities where possible; (2) designing lighting that avoids spillover into habitats and choosing light sources less disruptive to wildlife and thus avoiding disrupting roost sites and foraging activity; and (3) prior to and during construction, identifying occupied roosts and implementing construction activities such that the avoid disrupting roosts, in particular maternal roosts, and establishing protective buffers around roosts.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-46: Impacts of the Project on San Joaquin Kit Fox	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife MM BIO-46: Conduct Preconstruction Survey for San Joaquin Kit Fox and Implement Avoidance and Minimization Measures	Less Than Significant	<p>The impacts on San Joaquin kit fox from the Project would be less than significant with mitigation because the mitigation measures would reduce direct effects on the species by (1) implementing protective measures during maintenance activities, which would include conducting den surveys where appropriate and avoiding certain activities where possible, and (2) implementing traffic controls on facility access roads during operations, which would minimize the potential for vehicle strikes if San Joaquin kit fox is present in these areas.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-47: Impacts of the Project on American Badger	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife MM BIO-47: Conduct Preconstruction Survey for American Badger and Implement Avoidance and Minimization Measures	Less Than Significant	<p>The impacts on American badger from the Project would be less than significant with mitigation because the mitigation measures would replace lost habitat and reduce direct effects on the species, including habitat disturbance, by (1) implementing protective measures during maintenance activities, which would include assessing work areas for habitat and conducting dens surveys where appropriate and avoiding certain activities where possible, (2) implementing traffic controls on facility access roads during operations, which would minimize the potential for vehicle strikes, and (3) implementing avoidance measures for active dens during construction.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-48: Impacts of the Project on San Joaquin Pocket Mouse	Significant	MM CMP: Compensatory Mitigation Plan	Less Than Significant	The impacts on San Joaquin pocket mouse from the Project would be less than significant with mitigation because these measures would replace lost habitat and reduce direct effects on the species, including habitat disturbance, by implementing protective measures during

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
		MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife		<p>maintenance activities, which would include assessing work areas for potential habitat, and by implementing traffic controls on facility access roads during operations, which would minimize the potential for vehicle strikes.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-51: Substantial Adverse Effect on State- or Federally Protected Wetlands and Other Waters through Direct Removal, Filling, Hydrological Interruption, or Other Means	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities	Less Than Significant	<p>The impact of discharge of fill into aquatic resources would be reduced to less than significant because the mitigation measures would avoid a net loss in aquatic resources and avoid and minimize periodic, temporary discharges of fill material into aquatic resources by assessing maintenance work areas for aquatic resources, establishing non-disturbance buffers around aquatic resources, training maintenance staff on the need to avoid the discharge of fill material into aquatic resources, and having a biological monitor present, where applicable.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-53: Interfere Substantially with the Movement of Any Native Resident or Migratory Fish or Wildlife Species or with Established Native Resident or Migratory Wildlife Corridors, or Impede the Use of Native Wildlife Nursery Sites	Significant	MM CMP: Compensatory Mitigation Plan MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-22b: Avoid and Minimize Operational Traffic Impacts on Wildlife MM BIO-53: Avoid and Minimize Impacts on Terrestrial Wildlife Connectivity and Movement	Less Than Significant	<p>The impacts on wildlife connectivity resources, habitat connectivity, and wildlife movement from the Project would be less than significant with mitigation because the mitigation measures would compensate for impacts on wildlife habitat and avoid and minimize habitat and species impacts that potentially could disrupt species movement and habitat selection, habitat access, and wildlife behavior, resulting in impacts on wildlife connectivity. These measures would avoid and minimize habitat and species impacts that could cause potential for injury, mortality, disruption of normal behaviors and disturbances to habitat that potentially may disrupt species movement, habitat selection, habitat access, and wildlife behavior, resulting in impacts on wildlife connectivity, by training construction staff on protecting habitat and species, reporting requirements, and the ramifications for not following these measures; implementing spill prevention and containment plans that would avoid material spills that could affect habitat and wildlife; preventing erosion and sedimentation of habitats and stormwater pollution, which may affect habitat and wildlife; preventing dust emissions that may impact habitat and wildlife; implementing construction BMPs and having a biological monitor present to ensure that non disturbance buffers and associated construction fencing are intact and all other protective measures are being implemented where applicable to protect habitat and wildlife; reducing fugitive light and lighting impacts that may disrupt nocturnal wildlife behavior and habitat selection; implementing environmental review and avoidance of habitat and wildlife impacts during maintenance activities; limiting vehicle speeds and implementing traffic control measures on DWR roads during operations to reduce species movement disruptions and vehicle-related mortality; and ensuring that the project prevents impacts on and facilitates habitat connectivity and safe wildlife movement.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-54: Conflict with the Provisions of an Adopted Habitat Conservation Plan, Natural Community Conservation Plan, or Other Approved Local, Regional, or State Habitat Conservation Plan	Significant	MM CMP: Compensatory Mitigation Plan MM BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants MM BIO-14: Avoid and Minimize Impacts on Vernal Pool Aquatic Invertebrates and Critical Habitat for Vernal Pool Fairy Shrimp MM BIO-18: Avoid and	Less Than Significant	<p>Because the Project would only remove a small proportion of available lands for conservation, and thus not obstruct the plans’ conservation goals, and with the mitigation measures to avoid and minimize impacts on covered species and habitats, the impact on an adopted HCP, NCCP, or other approved local, regional, or state habitat conservation plan would be less than significant with mitigation.</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
		Minimize Impacts on Valley Elderberry Longhorn Beetle MM BIO-22a: Avoid and Minimize Impacts on California Tiger Salamander MM BIO-24a: Avoid and Minimize Impacts on California Red-Legged Frog and Critical Habitat MM BIO-25: Avoid and Minimize Impacts on Western Pond Turtle MM BIO-26: Avoid and Minimize Impacts on Special-Status Reptiles MM BIO-30: Avoid and Minimize Impacts on Giant Garter Snake MM BIO-31: Avoid and Minimize Impacts on Western Yellow-Billed Cuckoo MM BIO-32: Conduct Preconstruction Surveys and Implement Protective Measures to Avoid Disturbance of California Black Rail MM BIO-33: Minimize Disturbance of Sandhill Cranes MM BIO-35: Avoid and Minimize Impacts on Cormorant, Heron, and Egret Rookeries MM BIO-36a: Conduct Nesting Surveys for Special-Status and Non–Special-Status Birds and Implement Protective Measures to Avoid Disturbance of Nesting Birds and Raptors MM BIO-36b: Conduct Preconstruction Surveys and Implement Protective Measures to Avoid Disturbance of White-Tailed Kite MM BIO-39: Conduct Preconstruction Surveys and Implement Protective Measures to Minimize Disturbance of Swainson’s Hawk MM BIO-40: Conduct Surveys and Minimize Impacts on Burrowing Owl MM BIO-44: Conduct Preconstruction Surveys and Implement Protective Measures to Avoid Disturbance of Tricolored Blackbird MM BIO-47: Conduct Preconstruction Survey for American Badger and Implement Avoidance and Minimization Measures MM AG-1: Preserve Agricultural Land		Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact BIO-55: Conflict with Any Local Policies or Ordinances Protecting Biological Resources, Such as a Tree Preservation Policy or Ordinance	Significant	MM CMP: Compensatory Mitigation Plan	Less Than Significant	<p>The temporary loss of habitats from project construction would be reduced by Environmental Commitments EC-1: Conduct Worker Awareness Training; EC-2: Develop and Implement Hazardous Materials Management Plans; EC-3: Develop and Implement Spill Prevention, Containment, and Countermeasure Plans; and EC-14: Construction Best Management Practices for Biological Resources (Appendix 3B). Even with these commitments, however, the permanent loss of habitat from the construction of the alternatives would be significant. The CMP would be required to offset the loss of wetlands, riparian, and habitat for special-status species (Appendix 3F), which would reduce impacts on these resources and thus the conflicts with local policies and ordinances to less than significant.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact BIO-56: Substantial Adverse Effects on Fish and Wildlife Resources	Significant	MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities	Less Than Significant	The impacts on rivers, streams, and lakes, and associated communities, subject to the notification requirements of California Fish and Game Code 1600 et seq. would be less than

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
Regulated under California Fish and Game Code Section 1600 et seq		MM AQUA-1a: Develop and Implement an Underwater Sound Control and Abatement Plan MM AQUA-1b: Develop and Implement a Barge Operations Plan MM AQUA-1c: Develop and Implement a Fish Rescue and Salvage Plan MM BIO-2a: Avoid or Minimize Impacts on Special-Status Natural Communities and Special-Status Plants MM BIO-2b: Avoid and Minimize Impacts on Terrestrial Biological Resources from Maintenance Activities MM BIO-18: Avoid and Minimize Impacts on Valley Elderberry Longhorn Beetle MM BIO-22a: Avoid and Minimize Impacts on California Tiger Salamander MM BIO-24a: Avoid and Minimize Impacts on California Red-Legged Frog and Critical Habitat MM BIO-25: Avoid and Minimize Impacts on Western Pond Turtle MM BIO-26: Avoid and Minimize Impacts on Special-Status Reptiles MM BIO-30: Avoid and Minimize Impacts on Giant Garter Snake MM BIO-31: Avoid and Minimize Impacts on Western Yellow-Billed Cuckoo MM BIO-32: Conduct Preconstruction Surveys and Implement Protective Measures to Avoid Disturbance of California Black Rail MM BIO-33: Minimize Disturbance of Sandhill Cranes MM BIO-35: Avoid and Minimize Impacts on Cormorant, Heron, and Egret Rookeries MM BIO-36a: Conduct Nesting Surveys for Special-Status and Non–Special-Status Birds and Implement Protective Measures to Avoid Disturbance of Nesting Birds and Raptors MM BIO-36b: Conduct Preconstruction Surveys and Implement Protective Measures to Avoid Disturbance of White-Tailed Kite MM BIO-39: Conduct Preconstruction Surveys and Implement Protective Measures to Minimize Disturbance of Swainson’s Hawk MM BIO-40: Conduct Surveys and Minimize Impacts on Burrowing Owl MM BIO-44: Conduct Preconstruction Surveys and Implement Protective Measures to Avoid Disturbance of Tricolored Blackbird MM BIO-45b: Avoid and Minimize Impacts on Roosting Bats MM BIO-46: Conduct Preconstruction Survey for San Joaquin Kit Fox and Implement Avoidance and Minimization Measures MM BIO-47: Conduct Preconstruction Survey for American Badger and Implement Avoidance and Minimization Measures		significant because the mitigation measures would provide for compensatory mitigation to offset impacts on habitat that support fish and wildlife species, including rare plants, and would require steps to avoid and minimize effects on these species by establishing work windows to minimize the level of construction activities during sensitive time periods (e.g., migration, nesting), by establishing non-disturbance buffers to protect sensitive resources, by conducting preconstruction surveys to avoid occupied areas to the extent practicable, and by having biological monitors present to ensure measures are implemented and that direct effects on species are avoided and minimized. Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Agricultural Resources				

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
Impact AG-3: Other Impacts on Agriculture as a Result of Constructing and Operating the Water Conveyance Facilities Prompting Conversion of Prime Farmland, Unique Farmland, Farmland of Local Importance, or Farmland of Statewide Importance	Significant	MM AG-3: Replacement or Relocation of Affected Infrastructure Supporting Agricultural Properties MM GW-1: Maintain Groundwater Supplies in Affected Areas	Less than Significant	<p>Construction and operation of the Project’s water conveyance facilities could indirectly affect agriculture within the study area through changes in groundwater elevation in localized areas affecting crop yields, disruption of agricultural infrastructure such as irrigation and drainage facilities, and operation-related changes in salinity affecting the water quality of irrigation water applied to crops. The potential for impacts resulting from changes in groundwater elevations during construction and operation would be minimized by design elements such placement of seepage cutoff wall placements around the north Delta intakes where such issues are most likely to arise. Implementation of these design elements to prevent changes in groundwater elevations that may affect neighboring properties, including farmland, would be tracked through groundwater monitoring programs. Furthermore, with Mitigation Measure GW-1: Maintain Groundwater Supplies in Affected Areas, identified in Chapter 8, the effects of temporary dewatering associated with the project are not anticipated to adversely disrupt agricultural operations in the vicinity of the intake sites that would result in conversion of Important Farmland to nonagricultural use.</p> <p>DWR considered how construction work for the project could affect local infrastructure supporting agricultural properties, including drainage and irrigation facilities. Such disruptions could result in the areas serviced by this infrastructure being fallowed. During project planning, known infrastructure used to serve agricultural properties were avoided to the greatest extent possible; however, the presence of additional infrastructure (e.g., buried pipelines that are not visible on aerial imagery and not identified in publicly available maps) may be revealed during future site level investigations. Although these disruptions may last only for the duration of project construction activity at a particular work area, such disruptions may persist for 7 to 15 years, depending on the facility being constructed. The effect would be permanent if the disruption to the infrastructure remains after construction is complete. This impact would be potentially significant.</p> <p>Mitigation Measure AG-3: Replacement or Relocation of Affected Infrastructure Supporting Agricultural Properties would require that any agricultural infrastructure that is disrupted by construction activities would be relocated or replaced to support continued agricultural activities; otherwise, the affected landowner would be fully compensated for any financial losses resulting from the disruption. Furthermore, as required under Mitigation Measure BIO-2c: Electrical Power Line Support Placement, the installation of power transition and distribution lines and necessary appurtenances within agricultural areas would require that DWR incorporate BMPs, where feasible, to minimize crop damage, reduce agricultural land impacts, and reduce the potential for interference with farm machinery. The impact would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Aesthetics and Visual Resources				
Impact AES-4: Create New Sources of Substantial Light or Glare That Would Adversely Affect Daytime or Nighttime Views of the Construction Areas or Permanent Facilities	Significant	MM AES-1b: Apply Aesthetic Design Treatments to Project Structures MM AES-1c: Implement Best Management Practices in Project Landscaping Plan MM AES-4a: Limit Construction Outside of Daylight Hours within 0.25 Mile of Residents at the Intakes MM AES-4b: Minimize Fugitive Light from Portable Sources Used for Construction	Less Than Significant	Once construction is completed and the project is in operation, the Project facilities would use limited nighttime lighting. Sources of glare would be blocked by levees, reduced by distance, or fleeting to motorists. Any building materials that would have potential to reflect glare would have a matte or nonreflective finish that would reduce or inhibit glare. Therefore, permanent, postconstruction impacts of light and glare attributable to the project would be less than significant.

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
		MM AES-4c: Install Visual Barriers along Access Routes, Where Necessary, to Prevent Light Spill from Truck Headlights toward Residences		Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Transportation				
Impact TRANS-4: Result in Inadequate Emergency Access	Significant	MM TRANS-1: Implement Site-Specific Construction Transportation Demand Management Plan and Transportation Management Plan	Less Than Significant	<p>Construction of the Project would increase the potential for emergency access conflicts in the vicinity of construction sites at multiple locations and would increase the potential for emergency vehicle delays on roadways used to access construction sites or in the vicinity of proposed roadway improvements. Even with the roadway and access road improvements incorporated into the Project, this potential is considered to be a significant impact because (1) a substantial increase in the volume of additional construction-related vehicle trips would occur on the regional transportation system and on Delta roadways during the construction period, and (2) up to 18 access points have the potential to experience emergency vehicle access delay due to ingress and egress of construction vehicles and roadway and bridge construction for the Project. The traffic management plan (TMP) actions in Mitigation Measure TRANS-1: Implement Site-Specific Construction Transportation Demand Management Plan and Transportation Management Plan would reduce this impact to a less-than-significant level by providing specific actions and coordination with emergency responders at construction sites to maintain adequate emergency access in the vicinity of construction sites.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Air Quality and Greenhouse Gases				
Impact AQ-1: Result in Impacts on Regional Air Quality within the Sacramento Metropolitan Air Quality Management District	Significant	MM AQ-1: Offset Construction-Generated Criteria Pollutants in the Sacramento Valley Air Basin	Less Than Significant	<p>Impacts associated with fugitive dust emissions would be minimized through a dust control plan (Environmental Commitment EC-11: Fugitive Dust Control) and BMPs at new concrete batch plants (Environmental Commitment EC-12: On-Site Concrete Batching Plants). Exhaust-related pollutants would be reduced through use of zero-emissions equipment and vehicles (where feasible), renewable diesel, Tier 4 diesel engines, newer on-road and marine engines, and other BMPs, as required by Environmental Commitments EC-7: Off-Road Heavy-Duty Engines through EC-10: Marine Vessels and EC-13: DWR Best Management Practices to Reduce GHG Emissions. These environmental commitments would minimize air quality impacts through application of on-site controls to reduce construction emissions; however, even with these commitments, exceedances of SMAQMD’s thresholds would occur, and the project would contribute a significant level of regional NOX and particulate matter pollution within the SVAB.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact AQ-2: Result in Impacts on Regional Air Quality within the San Joaquin Valley Air Pollution Control District	Significant	MM AQ-2: Offset Construction-Generated Criteria Pollutants in the San Joaquin Valley Air Basin	Less Than Significant	<p>Based on the performance of current incentive programs and reasonably foreseeable future growth, SJVAPCD has confirmed that enough emissions reduction credits would be available to offset emissions generated by the project for all years in excess of SJVAPCD’s thresholds (McLaughlin pers. comm.). Because SJVAPCD’s thresholds were established to prevent emissions from new projects in the SJVAB from contributing to CAAQS or NAAQS violations, mitigating emissions below the threshold levels would avoid potential conflicts with the ambient air quality plans and ensure that project construction would not contribute a significant level of air pollution such that regional air quality within the SJVAB would be degraded. Accordingly, the impact would be less than significant with mitigation.</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
				Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact AQ-3: Result in Impacts on Regional Air Quality within the Bay Area Air Quality Management District	Significant	MM AQ-3: Offset Construction-Generated Criteria Pollutants in the San Francisco Bay Area Air Basin	Less Than Significant	<p>Based on the performance of current incentive programs and reasonably foreseeable future growth, BAAQMD has confirmed that Mitigation Measure AQ-3: Offset Construction-Generated Criteria Pollutants in the San Francisco Bay Area Air Basin is technically feasible (Kirk pers. comm.). Because BAAQMD’s thresholds were established to prevent emissions from new projects in the SFBAAB from contributing to CAAQS or NAAQS violations, mitigating emissions below the threshold levels would avoid potential conflicts with the ambient air quality plans and ensure that project construction would not contribute a significant level of air pollution such that regional air quality within the SFBAAB would be degraded. Accordingly, the impact would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact AQ-9: Result in Impacts on Global Climate Change from Construction and O&M	Significant	MM AQ-9: Develop and Implement a GHG Reduction Plan to Reduce GHG Emissions from Construction and Net CVP Operational Pumping to Net Zero	Less Than Significant	<p>The CEQA Guidelines generally offer two paths to evaluating GHG emissions impacts in CEQA documents:</p> <ul style="list-style-type: none">• Projects can tier off a plan or similar document for the reduction of GHG emissions (as defined in CEQA Guidelines § 15183.5(b)) where the plan addresses GHG emissions for a range of project types within a geographic area.• Projects can evaluate and determine significance by calculating GHG emissions and assessing their significance using a performance standard (CEQA Guidelines § 15064.4). <p>As discussed in Section 23.3.2, Thresholds of Significance, this analysis uses both evaluation pathways to appropriately consider the planning and regulatory frameworks most applicable to the project’s emissions sources.</p> <p>O&M and SWP pumping activities are covered by DWR’s Update 2020, which was prepared by DWR to provide a departmental strategy for meeting the State’s 2030 and 2045 emissions reduction goals articulated in SB 32 and EO B-55-18 (and subsequently, AB 1279), respectively. Update 2020 is a plan for the reduction of GHG emissions and as such, GHG emissions from project O&M and SWP pumping activities are eligible to tier from the environmental document (California Department of Water Resources 2020b) for Update 2020 to evaluate project-level significance.</p> <p>Construction of the Project is not covered by DWR’s Update 2020 and, therefore, is not eligible for tiering to evaluate whether project-level GHG emissions would result in a significant impact under CEQA. Accordingly, this analysis evaluates the significance of GHG emissions resulting from construction and displaced purchases of CVP electricity against a net zero threshold. As discussed in Section 23.3.2, Thresholds of Significance, a net zero threshold was selected by DWR given the project’s long-term implementation timeframe and in recognition of scientific evidence that concludes carbon neutrality must be achieved by mid-century to avoid the most severe climate change impacts.</p> <p>While by different mechanisms, both pathways assess the Project against the larger threshold of carbon neutrality by 2045 (or earlier), as discussed below, which is consistent with the State’s long-term climate change goal and emissions reduction trajectory (AB 1279 and EO B-55-18).</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
				<p>The Project would not affect DWR’s established emissions reduction goals or baseline (1990) emissions and therefore would not result in a change in total DWR emissions that would be considered significant. The Project would not conflict with any of DWR’s specific action GHG emissions reduction measures and implements all applicable project-level GHG emissions reduction measures as set forth in Update 2020. The Project is, therefore, consistent with the analysis performed in Update 2020.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact AQ-10: Result in Impacts on Global Climate Change from Land Use Change	Significant	MM CMP: Compensatory Mitigation Plan	Less Than Significant	<p>The impact would be less than significant under CEQA for the Project because cumulative emissions from land use change are projected to decrease relative to baseline by 2070. Initial construction activities would result in GHG increases early in project implementation. The Project would achieve a yearly net negative emissions rate approximately 4 to 6 years after groundbreaking, and a cumulative net negative GHG impact 15 to 28 years later. As shown in Table 23-76, cumulative net reductions projected through 2070 are estimated to range from 16,235 to 30,150 metric tons CO2e for the Project. Because cumulative GHG emissions from land use change would not exceed net zero, the project would not result in a significant impact on GHG emissions or impede DWR’s or the state’s ability to achieve their GHG reduction goals.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Hazards, Hazardous Materials, and Wildfire				
Impact HAZ-2: Create a Significant Hazard to the Public or the Environment through Reasonably Foreseeable Upset and Accident Conditions Involving the Release of Hazardous Materials into the Environment	Significant	MM HAZ-2: Perform a Phase I Environmental Site Assessment Prior to Construction Activities and Remediate	Less Than Significant	<p>Overall, considering the potential for release of hazardous materials during construction, operations and maintenance of the Project, the potential exists for accidental spills and exposure to hazardous materials to occur. The environmental commitments could partially reduce impacts related to hazardous materials but not to a less-than-significant level because of the uncertainty that exists about the locations and nature of potential hazardous materials sites and the potential for construction worker and public exposure to hazardous materials. Implementing Mitigation Measure HAZ-2: Perform a Phase I Environmental Site Assessment Prior to Construction Activities and Remediate would include a Phase I environmental site assessment before construction, the identification and evaluation of potential sites of concern within the construction footprint, and the development of a remediation plan before construction and operations commence. This would reduce all impacts related to accidental release of hazardous materials into the environment to a less-than-significant level with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>
Impact HAZ-4: Be Located on a Site That Is Included on a List of Hazardous Materials Sites Compiled Pursuant to Government Code Section 65962.5 and, as a Result, Create a Substantial Hazard to the Public or the Environment	Significant	MM HAZ-2: Perform a Phase I Environmental Site Assessment Prior to Construction Activities and Remediate	Less Than Significant	<p>The Project would construct facilities on or near known Cortese List sites. Ground-disturbing activities and dewatering at or near sites that have not been fully remediated could expose workers and the public to contaminated soil and/or groundwater resulting in adverse health effects. The potential for exposure during construction would be a significant impact because of the proximity of these sites to Project and the potential for hazardous materials exposure during site excavation and grading. Operations and maintenance activities of the Project would not result in employee exposure because a plan (e.g., Environmental Site Assessment) for remediating hazardous sites would be implemented prior to project operations. Mitigation Measure HAZ-2: Perform a Phase I Environmental Site Assessment Prior to Construction</p>

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
				Activities and Remediate would reduce the potential for significant impacts to a less-than-significant level by requiring preconstruction investigations and remediation to reduce the potential for encountering contaminants and other hazardous materials at construction sites. Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact HAZ-5: Result in a Safety Hazard Associated with an Airport or Private Airstrip	Significant	MM HAZ-5: Wildlife Hazards Management Plan and Wildlife Deterrents	Less Than Significant	Airspace safety hazards occur when project components, such as buildings or construction equipment, encroach on the airspace of an airport runway. The locations of airports within 2 miles of the Project are shown on Figure 25-5. Eleven airports are within 2 miles of the construction footprint. No aspect of the Project would include equipment or structures that would be taller than 200 feet. Also pursuant to the State Aeronautics Act, DWR would adhere to FAA and Caltrans recommendations and comply with the recommendations of the OE/AAA. In areas where the project intersects with the Byron Airport influence area, construction of structures more than 100 feet above ground level could cause an obstruction or hazard to air navigation. However, construction would not introduce equipment or temporary structures in locations that could obstruct an airport or conflict with airport land uses. In addition, consultation with the Contra Costa Airport Land Use Commission would ensure that potential impacts of airspace interference would be reduced. As such, impacts on airports within 2 miles of the construction footprint due to construction of the Project would be less than significant. Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Impact HAZ-6: Impair Implementation of or Physically Interfere with an Adopted Emergency Response Plan or Emergency Evacuation Plan	Significant	MM TRANS-1: Implement Site-Specific Construction Transportation Demand Management Plan and Transportation Management Plan	Less Than Significant	With Mitigation Measure TRANS-1, additional evaluations and discussions with local agencies would be required during the design phase to determine the most appropriate method to coordinate between project-provided emergency response services at the construction sites and integration with local agencies. Because project construction would not take place without a Transportation Demand Management Plan and good-faith coordination with local agencies on appropriate emergency response services, impacts from construction or operations and maintenance of any of the alternatives would be reduced to less than significant with mitigation. Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Public Health				
Impact PH-1: Increase in Vector-Borne Diseases	Significant	MM PH-1a: Avoid Creating Areas of Standing Water During Preconstruction Future Field Investigations and Project Construction MM PH-1b: Develop and Implement a Mosquito Management Plan for Compensatory Mitigation Sites on Bouldin Island and at I-5 Ponds	Less Than Significant	Operation and maintenance of the water conveyance facilities would not be expected to result in the creation of potentially suitable mosquito breeding habitat and thus would not likely increase the public’s exposure to vector-borne diseases in the study area relative to existing conditions. Mitigation Measure PH-1a: Avoid Creating Areas of Standing Water During Preconstruction, Field Investigations, and Project Construction would minimize the potential for any impact on public health related to increasing suitable vector habitat within the study area during construction and reduce this impact to a less-than-significant level by reducing suitable mosquito habitat at Project facilities.

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA	Proposed Mitigation	Impact Conclusion After Mitigation- CEQA	Findings of Fact
				Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.
Paleontological Resources				
Impact PALEO-1: Cause Destruction of a Unique Paleontological Resource as a Result of Surface Ground Disturbance	Significant	MM PALEO-1a: Prepare and Implement a Monitoring and Mitigation Plan for Paleontological Resources MM PALEO-1b: Educate Construction Personnel in Recognizing Fossil Material	Less Than Significant	<p>The potential for destruction of unique paleontological resources, as defined in Section 28.3.2, Thresholds of Significance, in those portions of the study area affected by project construction would constitute a significant impact under CEQA because excavation for project facilities would occur in locations known to be sensitive for paleontological resources and localized project excavation would be considerable. Mitigation Measures PALEO-1a: Prepare and Implement a Monitoring and Mitigation Plan for Paleontological Resources, and PALEO-1b: Educate Construction Personnel in Recognizing Fossil Material would reduce the impacts to a less-than-significant level by ensuring that a qualified professional paleontologist would develop a monitoring and mitigation plan and determine which activities would occur in units sensitive for paleontological resources; educating construction personnel in recognizing paleontological resources; and having qualified monitors in place to monitor for paleontological resources and temporarily stop construction (per the PRMMP) should paleontological resources be discovered. For excavation at the tunnel shafts where in situ monitoring cannot occur, the shaft spoils would be monitored. The level of impact for all alignment alternatives would be similar but would vary in magnitude based on the amount of excavation that would occur (Table 28-4). In summary, the impacts of surface-related ground disturbance would be less than significant with mitigation.</p> <p>Findings: Changes or alterations have been required in, or incorporated into, the project that avoid the significant environmental effect as identified in the Final EIR. Impacts will be less than significant with mitigation.</p>

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Table 3: Project Impacts that are Less-than-Significant/No Impact Before Mitigation

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA
Flood Protection	
Impact FP-1: Cause a Substantial Increase in Water Surface Elevations of the Sacramento River between the American River Confluence and Sutter Slough	Less than Significant
Impact FP-2: Alter the Existing Drainage Pattern of the Site or Area, including through the Alteration of the Course of a Stream or River, or Substantially Increase the Rate or Amount of Surface Runoff in a Manner That Would Result in Flooding On- or Off-Site or Impede or Redirect Flood Flows	Less than Significant
Groundwater	
Impact GW-1: Changes in Stream Gains or Losses in Various Interconnected Stream Reaches	Less than Significant
Impact GW-2: Changes in Groundwater Elevations	Less than Significant
Impact GW-3: Reduction in Groundwater Levels Affecting Supply Wells	Less than Significant
Impact GW-4: Changes to Long-Term Change in Groundwater Storage	Less than Significant
Impact GW-5: Increases in Groundwater Elevations near Project Intake Facilities Affecting Agricultural Drainage	Less than Significant
Impact GW-6: Damage to Major Conveyance Facilities Resulting from Land Subsidence	Less than Significant
Impact GW-7: Degradation of Groundwater Quality	Less than Significant
Water Quality	
Impact WQ-1: Impacts on Water Quality Resulting from Construction of the Water Conveyance Facilities	Less than Significant
Impact WQ-2: Effects on Boron Resulting from Facility Operations and Maintenance	Less than Significant
Impact WQ-3: Effects on Bromide Resulting from Facility Operations and Maintenance	Less than Significant
Impact WQ-4: Effects on Chloride Resulting from Facility Operations and Maintenance	Less than Significant
Impact WQ-5: Effects on Electrical Conductivity Resulting from Facility Operations and Maintenance	Less than Significant
Impact WQ-7: Effects on Nutrients Resulting from Facility Operations and Maintenance	Less than Significant
Impact WQ-8: Effects on Organic Carbon Resulting from Facility Operations and Maintenance	Less than Significant
Impact WQ-9: Effects on Dissolved Oxygen Resulting from Facility Operations and Maintenance	Less than Significant
Impact WQ-10: Effects on Selenium Resulting from Facility Operations and Maintenance	Less than Significant
Impact WQ-11: Effects on Pesticides Resulting from Facility Operations and Maintenance	Less than Significant
Impact WQ-12: Effects on Trace Metals Resulting from Facility Operations and Maintenance	Less than Significant
Impact WQ-13: Effects on Turbidity/Total Suspended Solids Resulting from Facility Operations and Maintenance	Less than Significant
Impact WQ-14: Effects on Cyanobacteria Harmful Algal Blooms Resulting from Facility Operations and Maintenance	Less than Significant
Impact WQ-15: Risk of Release of Pollutants from Inundation of Project Facilities	Less than Significant
Impact WQ-16: Effects on Drainage Patterns as a Result of Project Facilities	Less than Significant
Impact WQ-17: Consistency with Water Quality Control Plans	No Impact
Geology and Seismicity	
Impact GEO-1: Loss of Property, Personal Injury, or Death from Structural Failure Resulting from Rupture of a Known Earthquake Fault or Based on Other Substantial Evidence of a Known Fault	Less than Significant
Impact GEO-2: Loss of Property, Personal Injury, or Death from Strong Earthquake-Induced Ground Shaking	Less than Significant
Impact GEO-3: Loss of Property, Personal Injury, or Death from Earthquake-Induced Ground Failure, including Liquefaction and Related Ground Effects	Less than Significant

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA
Impact GEO-4: Loss of Property, Personal Injury, or Death from Ground Settlement, Slope Instability, or Other Ground Failure	Less than Significant
Impact GEO-5: Loss of Property, Personal Injury, or Death from Structural Failure Resulting from Project-Related Ground Motions	Less than Significant
Impact GEO-6: Loss of Property, Personal Injury, or Death from Seiche or Tsunami	Less than Significant
Soils	
Impact SOILS-1: Accelerated Soil Erosion Caused by Vegetation Removal and Other Disturbances as a Result of Constructing the Proposed Water Conveyance Facilities	Less than Significant
Impact SOILS-2: Loss of Topsoil from Excavation, Overcovering, and Inundation as a Result of Constructing the Proposed Water Conveyance Facilities	Less than Significant
Impact SOILS-3: Property Loss, Personal Injury, or Death from Instability, Failure, and Damage as a Result of Constructing the Proposed Water Conveyance Facilities on or in Soils Subject to Subsidence	Less than Significant
Impact SOILS-4: Risk to Life and Property as a Result of Constructing the Proposed Water Conveyance Facilities in Areas of Expansive or Corrosive Soils	Less than Significant
Fish and Aquatic Resources	
Impact AQUA-4: Effects of Operations and Maintenance of Water Conveyance Facilities on Central Valley Fall-Run/Late Fall–Run Chinook Salmon	Less than Significant
Impact AQUA-8: Effects of Operations and Maintenance of Water Conveyance Facilities on Southern DPS Green Sturgeon	Less than Significant
Impact AQUA-9: Effects of Operations and Maintenance of Water Conveyance Facilities on White Sturgeon	Less than Significant
Impact AQUA-10: Effects of Operations and Maintenance of Water Conveyance Facilities on Pacific Lamprey and River Lamprey	Less than Significant
Impact AQUA-11: Effects of Operations and Maintenance of Water Conveyance Facilities on Native Minnows (Sacramento Hitch, Sacramento Splittail, Hardhead, and Central California Roach)	Less than Significant
Impact AQUA-12: Effects of Operations and Maintenance of Water Conveyance Facilities on Starry Flounder	Less than Significant
Impact AQUA-13: Effects of Operations and Maintenance of Water Conveyance Facilities on Northern Anchovy	Less than Significant
Impact AQUA-14: Effects of Operations and Maintenance of Water Conveyance Facilities on Striped Bass	Less than Significant
Impact AQUA-15: Effects of Operations and Maintenance of Water Conveyance Facilities on American Shad	Less than Significant
Impact AQUA-16: Effects of Operations and Maintenance of Water Conveyance Facilities on Threadfin Shad	Less than Significant
Impact AQUA-17: Effects of Operations and Maintenance of Water Conveyance Facilities on Black Bass	Less than Significant
Impact AQUA-18: Effects of Operations and Maintenance of Water Conveyance Facilities on California Bay Shrimp	Less than Significant
Impact AQUA-19: Effects of Operations and Maintenance of Water Conveyance Facilities on Southern Resident Killer Whale	Less than Significant
Impact AQUA-20: Effects of Construction of Water Conveyance Facilities on California Sea Lion	Less than Significant
Terrestrial Biological Resources	
Impact BIO-6: Impacts of the Project on Nontidal Brackish Emergent Wetland	No Impact
Impact BIO-15: Impacts of the Project on Conservancy Fairy Shrimp	No Impact
Impact BIO-17: Impacts of the Project on Sacramento and Antioch Dunes Anthicid Beetles	No Impact
Impact BIO-19: Impacts of the Project on Delta Green Ground Beetle	No Impact
Impact BIO-43: Impacts of the Project on Suisun Song Sparrow and Saltmarsh Common Yellowthroat	No Impact
Impact BIO-49: Impacts of the Project on Salt Marsh Harvest Mouse	No Impact
Impact BIO-50: Impacts of the Project on Riparian Brush Rabbit	No Impact
Impact BIO-52: Impacts of Invasive Species Resulting from Project Construction and Operations on Established Vegetation	Less than Significant
Impact BIO-57: Impacts of the Project on Monarch Butterfly	Less than Significant
Land Use	
Impact LU-1: Displacement of Existing Structures and Residences and Effects on Population and Housing	Less than Significant

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA
Impact LU-2: Incompatibility with Applicable Land Use Designations, Goals, and Policies, Adopted for the Purpose of Avoiding or Mitigating an Environmental Effect as a Result of the Project	Less than Significant
Impact LU-3: Create Physical Structures Adjacent to and through a Portion of an Existing Community that Would Physically Divide the Community as a Result of the Project	No Impact
Impact REC-1: Increase the Use of Existing Neighborhood and Regional Parks or Other Recreational Facilities Such That Substantial Physical Deterioration of the Facility Would Occur or Be Accelerated	Less than Significant
Transportation	
Impact TRANS-2: Conflict with a Program, Plan, Ordinance, or Policy Addressing the Circulation System	Less than Significant
Impact TRANS-5: Potential Effects on Marine Navigation Caused by Construction, Operation, and Maintenance of Intakes	Less than Significant
Public Services and Utilities	
Impact UT-1: Result in Substantial Physical Impacts Associated with the Provision of, or the Need for, New or Physically Altered Governmental Facilities, the Construction of Which Could Cause Significant Environmental Impacts on Public Services Including Police Protection, Fire Protection, Public Schools, and Other Public Facilities (e.g., Libraries, Hospitals)	Less than Significant
Impact UT-2: Require or Result in the Relocation or Construction of New or Expanded Service System Infrastructure, the Construction or Relocation of Which Could Cause Significant Environmental Impacts for Any Service Systems Such as Water, Wastewater Treatment, Stormwater Drainage, Electric Power Facilities, Natural Gas Facilities, and Telecommunications Facilities	Less than Significant
Impact UT-3: Exceed the Capacity of the Wastewater Treatment Provider(s) that Would Serve the Alternative’s Anticipated Demand in Addition to the Provider’s Existing Commitments	Less than Significant
Impact UT-4: Generate Solid Waste in Excess of Federal, State or Local Standards, or Be in Excess of the Capacity of Local Infrastructure, or Otherwise Impair the Attainment of Solid Waste Reduction Goals	Less than Significant
Energy	
Impact ENG-1: Result in Substantial Significant Environmental Impacts Due to Wasteful, Inefficient, or Unnecessary Consumption of Energy Resources during Project Construction or Operation	Less than Significant
Impact ENG-2: Conflict with or Obstruct Any State/Local Plan, Goal, Objective, or Policy for Renewable Energy or Energy Efficiency	No Impact
Air Quality and Greenhouse Gases	
Impact AQ-4: Result in Impacts on Air Quality within the Yolo-Solano Air Quality Management District	Less than Significant
Impact AQ-6: Result in Exposure of Sensitive Receptors to Substantial Toxic Air Contaminant Emissions	Less than Significant
Impact AQ-7: Result in Exposure of Sensitive Receptors to Asbestos, Lead-Based Paint, or Fungal Spores That Cause Valley Fever	Less than Significant
Impact AQ-8: Result in Exposure of Sensitive Receptors to Substantial Odor Emissions	Less than Significant
Impact AQ-10: Result in Impacts on Global Climate Change from Land Use Change	Less than Significant
Noise and Vibration	
Impact NOI-2: Generate Excessive Groundborne Vibration or Groundborne Noise Levels	Less than Significant
Impact NOI-3: Place Project-Related Activities in the Vicinity of a Private Airstrip or an Airport Land Use Plan, or, Where Such a Plan Has Not Been Adopted, within 2 Miles of a Public Airport or Public Use Airport, Resulting in Exposure of People Residing or Working in the Project Area to Excessive Noise Levels	No Impact
Hazards, Hazardous Materials, and Wildfire	
Impact HAZ-1: Create a Substantial Hazard to the Public or the Environment through the Routine Transport, Use, or Disposal of Hazardous Materials	Less than Significant
Impact HAZ-3: Expose Sensitive Receptors at an Existing or Proposed School Located within 0.25 Mile of Project Facilities to Hazardous Materials, Substances, or Waste	No Impact
Impact HAZ-5: Result in a Safety Hazard Associated with an Airport or Private Airstrip	Less than Significant
Impact HAZ-7: Expose People or Structures, Either Directly or Indirectly, to a Substantial Risk of Loss, Injury, or Death Involving Wildland Fires	Less than Significant

Potential Project Impact	Impact Conclusions Before Mitigation- CEQA
Public Health	
Impact PH-2: Exceedance(s) of Water Quality Criteria for Constituents of Concern Such That Drinking Water Quality May Be Affected	Less than Significant
Impact PH-3: Substantial Mobilization of or Increase in Constituents Known to Bioaccumulate	Less than Significant
Impact PH-4: Adversely Affect Public Health Due to Exposing Sensitive Receptors to New Sources of EMF	Less than Significant
Impact PH-5: Impact Public Health Due to an Increase in Microcystis Bloom Formation	Less than Significant
Mineral Resources	
Impact MIN-1: Loss of Availability of Locally Important Natural Gas Wells as a Result of the Project	No Impact
Impact MIN-2: Loss of Availability of Extraction Potential from Natural Gas Fields as a Result of the Project	No Impact
Impact MIN-3: Loss of Availability of Locally Important Aggregate Resources (Mines and MRZs) as a Result of the Project	No Impact
Impact MIN-4: Loss of Availability of Locally Important Aggregate Resources as a Result of the Project	No Impact

Findings Regarding the Public Trust Doctrine

A. Introduction

Actions by state agencies involving the planning and allocation of water resources, including but not limited to actions involving nonnavigable tributaries¹ and groundwater² that impact public trust uses on navigable waters, implicate the common law “public trust doctrine.”³ “The range of public trust uses is broad, encompassing not just navigation, commerce, and fishing, but also the public right to hunt, bathe or swim. Furthermore, the concept of a public use is flexible, accommodating changing public needs.”⁴ “For example, an increasingly important public use is the preservation of trust lands ‘in their natural state...’”⁵

The doctrine “is an affirmation of the duty of the state to protect the people’s common heritage of streams, lakes, marshlands and tidelands, surrendering that right of protection only in rare cases when the abandonment of that right is consistent with the purposes of the trust.”⁶ “[T]raceable to Roman law,” the doctrine “rests on several related concepts. First, that the public rights of commerce, navigation, fishery, and recreation are so intrinsically important and vital to free citizens that their unfettered availability to all is essential in a democratic society...”⁷ Second, “certain interests are so particularly the gifts of nature’s bounty that they ought to be reserved for the whole of the populace.”⁸ “Finally, there is often a recognition ... that certain uses have a peculiarly public nature that makes their adaptation to private use inappropriate.”⁹ For example, it is “thought to be incumbent upon the government to regulate water uses for the general benefit of the community and to take account thereby of the public nature and the interdependency which the physical quality of the resource implies.”¹⁰

Importantly, the public doctrine does not operate as an absolute protection of the resources that come under its ambit.¹¹ Under the doctrine, “[t]he state has an affirmative duty to take the public

¹ *National Audubon Society v. Superior Court* (1983) 33 Cal.3d 419, 437 (*National Audubon*) [holding the public trust doctrine protects navigable waters “from harm caused by diversion of nonnavigable tributaries”].

² *Env’t L. Found. v. State Water Res. Control Bd.* (2018) 26 Cal.App.5th 844, 859 “[T]he public trust doctrine applies if extraction of groundwater adversely impacts a navigable waterway to which the public trust doctrine does apply.”]

³ *National Audubon, supra*, 33 Cal.3d at p. 446; *Env’t L. Found., supra*, 26 Cal.App.5th at p. 859 [the “determinative fact” in evaluating whether a state agency action implicates the public trust doctrine “is the impact of the activity on the public trust resource”].

⁴ *San Francisco Baykeeper, Inc. v. State Lands Com.* (2015) 242 Cal.App.4th 202, 233 (*SF Baykeeper*), citing *City of Berkeley v. Superior Court* (1980) 26 Cal.3d 515, 521, and *National Audubon, supra*, 33 Cal.3d at p. 434.

⁵ *SF Baykeeper, supra*, 242 Cal.App.4th at p. 233, quoting *National Audubon, supra*, 33 Cal.3d at pp. 434-435.

⁶ *Id.* at p. 441.

⁷ *Zack’s Inc. v. City of Sausalito* (2008) 165 Cal.App.4th 1163, 1175-1176 (*Zack’s*), citing *Martin v. Waddell* (1842) 41 U.S. 367, 413-414.

⁸ *Zack’s, supra*, 65 Cal.App.4th at p. 1176, quoting Sax, *The Public Trust Doctrine in Natural Resource Law: Effective Judicial Intervention* (1970) 68 Mich. L.Rev. 471, 484-485.

⁹ *Ibid.*

¹⁰ *Ibid.*

¹¹ *Santa Barbara Channelkeeper v. City of San Buenaventura* (2018) 19 Cal.App.5th 1176, 1186 “[P]ublic trust interests, like other interests in water use in California, are not absolute.”]

trust into account in the planning and allocation of water resources, and to protect public trust uses whenever *feasible*.”¹² “[B]oth the public trust doctrine and the water rights system embody important precepts which make the law more responsive to the diverse needs and interests involved in the planning and allocation of water resources. To embrace one system of thought and reject the other would lead to an unbalanced structure, one which would either decry as a breach of trust appropriations essential to the economic development of this state, or deny any duty to protect or even consider the values promoted by the public trust.”¹³ Thus, “[a]s a matter of practical necessity[,] the state may have to approve appropriations despite foreseeable harm to public trust uses. In so doing, however, the state must bear in mind its duty as trustee to consider the effect of the taking on the public trust,” and “to preserve, so far as consistent with the *public interest*, the uses protected by the trust.”¹⁴

Similar principles apply to agency actions affecting fish and wildlife in California. Indeed, in addition to the common law public trust doctrine, there is “a public trust duty derived from statute, specifically [California] Fish and Game Code section 711.7, pertaining to fish and wildlife.”¹⁵ The California Supreme Court observed that “[t]here is doubtless an overlap between the two public trust doctrines—the protection of water resources is intertwined with the protection of wildlife,” though “the duty of government agencies to protect wildlife is primarily statutory.”¹⁶ “[W]hatever its historical derivation, it is clear that the public trust doctrine encompasses the protection of undomesticated birds and wildlife. They are natural resources of inestimable value to the community as a whole.”¹⁷

In addition, it is the policy of the “state that all state agencies ... shall seek to conserve endangered species and threatened species and shall utilize their authority in furtherance of the purposes of the” California Endangered Species Act.¹⁸ State agencies should not approve projects that would jeopardize the continued existence of any endangered species or threatened species if there are reasonable and prudent alternatives available consistent with conserving the species or its habitat that would prevent jeopardy.¹⁹

Although the legal principles set forth above are well established, “[t]here is no set ‘procedural matrix’ for determining state compliance with the public trust doctrine.”²⁰ While “the public trust doctrine operates independently of CEQA[,]”²¹ courts have recognized that CEQA review that includes an adequate public trust analysis can satisfy the public trust doctrine.²² Notably, CEQA

¹² *National Audubon*, *supra*, 33 Cal.3d at p. 446, italics added; *State Water Res. Control Bd. Cases* (2006) 136 Cal.App.4th 674, 778 [in determining whether it is “feasible” to protect public trust values, an agency “must determine whether protection of those values, or what level of protection, is ‘consistent with the public interest’”].

¹³ *Id.* at p. 445.

¹⁴ *Id.* at pp. 446-447, italics added.

¹⁵ *Environmental Protection and Information Center v. California Dept. of Forestry & Fire Protection* (2008) 44 Cal.4th 459, 515.

¹⁶ *Ibid.*

¹⁷ *Center for Biological Diversity, Inc. v. FPL Group, Inc.* (2008) 166 Cal.App.4th 1349, 1363.

¹⁸ Cal. Fish & G. Code, § 2055.

¹⁹ Cal. Fish & G. Code, § 2053.

²⁰ *SF Baykeeper*, *supra*, 242 Cal.App.4th at p. 234, quoting *Citizens for East Shore Parks v. California State Lands Commission* (2011) 202 Cal.App.4th 549, 576 (*Citizens for East Shore Parks*).

²¹ *World Bus. Acad. v. California State Lands Com* (2018) 24 Cal.App.5th 476, 510 (*World Bus.*).

²² See *San Francisco Baykeeper, Inc. v. State Lands Com.* (2018) 29 Cal.App.5th 562, 581 (*SF Baykeeper II*); see also *Citizens for East Shore Parks*, *supra*, 202 Cal.App.4th at pp. 576-577 [stating that “*National Audubon* and *Carstens* indicate evaluating project impacts within a regulatory scheme like CEQA is sufficient ‘consideration’ for public

requires the imposition of “feasible alternatives or mitigation measures available that would substantially lessen any significant effects that the project would have on the environment[.]”²³ including those on water-related resources, such as aquatic and terrestrial species and their habitats.

Here, the Final Environmental Impact Report (EIR), as certified by DWR, sets forth sufficient analyses to satisfy the public trust doctrines. Therefore, the Final EIR will assist both the State Water Resources Control Board (Board) and the California Department of Fish and Wildlife (CDFW), as CEQA responsible agencies, to satisfy, as applicable, obligations under the common law public trust doctrine and the statutory public trust doctrine aimed at protecting wildlife and fish species.²⁴

Finally, the state is the trustee of the public trust for the benefit of the people.²⁵ In *National Audubon*, the California Supreme Court held that a “responsible body” must take the public trust into account and, there, identified the Board as the appropriate agency.²⁶ Here, DWR’s approval of the Delta Conveyance Project Alternative 5, Bethany Reservoir Alignment, (hereafter referred to as the “Project”) does not constitute the allocation of water resources. Moreover, DWR may not commence construction of the Project unless the Board issues an order approving a new point of diversion of the State Water Project (SWP).²⁷ Therefore, DWR’s approval of the Project does not allow changes in allocation of water resources or physical Project construction with the potential to affect public trust uses and resources.²⁸ For this reason, DWR acknowledges that DWR may not be the state agency with the common law fiduciary duty to make public trust findings on the Project. Nevertheless, DWR has exercised its discretion to provide these findings with the understanding that, even if they are not required of DWR, the analysis should assist the Board and CDFW to satisfy, as applicable, obligations under the common law public trust doctrine as well as the statutory public trust doctrine aimed at protecting wildlife and fish species.

B. Compliance with Public Trust Doctrines

DWR as CEQA lead agency has developed environmental commitments, best management practices, compensatory mitigation, and mitigation measures intended to, as required by CEQA, reduce otherwise “significant environmental effects” of the Project, including potential Project effects on public trust uses and resources, to less-than-significant levels whenever feasible. As demonstrated in Volume 1 of the Final EIR and discussed further in responses to comments in Volume 2 of the Final EIR, Project effects that are less than significant or have been mitigated to a less-than-significant level include, but are not limited to, effects on the following public trust uses and

trust purposes”], citing *National Audubon*, *supra*, 33 Cal.3d at p. 446, fn. 27, and *Carstens v. Cal. Coastal Com.* (1986) 182 Cal.App.3d 277, 289-291 (*Carstens*); but see *SF Baykeeper*, *supra*, 242 Cal.App.4th at p. 242 [holding the State Lands Commission failed to satisfy the public trust doctrine where it did not affirmatively take the public trust into account “in the context of a CEQA review or otherwise”].

²³ CEQA Guidelines, § 15021, subd. (a)(2); see also *id.*, § 15002, subd. (a)(3).

²⁴ See *SF Baykeeper II*, *supra*, 29 Cal.App.5th at p. 581 [upholding express public trust findings made by the State Lands Commission for leases authorizing a private lessee to mine sand from the San Francisco Bay where the findings were supported by substantial evidence in the project’s EIR].

²⁵ *National Audubon*, *supra*, 33 Cal.3d at p. 434.

²⁶ *Id.* at pp. 447-448.

²⁷ Wat. Code, § 85088.

²⁸ Compare *Env’t L. Found.*, *supra*, 26 Cal.App.5th at p. 852 [holding that both the Board and County of Siskiyou had a “common law duty to consider the public trust interests before allowing groundwater extraction that potentially harms a navigable waterway”].)

resources: navigation, fish and aquatic resources, terrestrial biological resources, water-related recreation, and water quality.

As demonstrated in the EIR, substantial evidence supports the conclusion that all potential project impacts on navigation, fish and aquatic resources, terrestrial biological resources, water-related recreation, and water quality are less than significant or can be mitigated to less-than-significant levels, thereby resulting in protection of the public trust resources. However, the Project will result in several significant and unavoidable environmental impacts. Specifically, the EIR concludes that the Project will result in the following sixteen significant and unavoidable environmental impacts:

- Impact AG-1: Convert a Substantial Amount of Prime Farmland, Unique Farmland, Farmland of Local Importance, or Farmland of Statewide Importance as a Result of Construction of Water Conveyance Facilities
- Impact AG-2: Convert a Substantial Amount of Land Subject to Williamson Act Contract or under Contract in Farmland Security Zones to a Nonagricultural Use as a Result of Construction of Water Conveyance Facilities
- Impact AES-1: Substantially Degrade the Existing Visual Character or Quality of Public Views (from Publicly Accessible Vantage Points) of the Construction Sites and Visible Permanent Facilities and Their Surroundings in Nonurbanized Areas
- Impact AES-2: Substantially Damage Scenic Resources including, but Not Limited to, Trees, Rock Outcroppings, and Historic Buildings Visible from a State Scenic Highway
- Impact AES-3: Have Substantial Adverse Impacts on Scenic Vistas
- Impact CUL-1: Impacts on Eligible Built-Environment Historical Resources from Construction and Operation of the Project
- Impact CUL-2: Impacts on Unidentified and Unevaluated Built-Environment Historical Resources Resulting from Construction and Operation of the Project
- Impact CUL-3: Impacts on Identified Archaeological Resources Resulting from the Project
- Impact CUL-4: Impacts on Unidentified Archaeological Resources That May Be Encountered in the Course of the Project
- Impact CUL-5: Impacts on Buried Human Remains
- Impact TRANS-1: Increased Average VMT Per Construction Employee versus Regional Average
- Impact AQ-5: Result in Exposure of Sensitive Receptors to Substantial Localized Criteria Pollutant Emissions
- Impact NOI-1: Generate a Substantial Temporary or Permanent Increase in Ambient Noise Levels in the Vicinity of the Project in Excess of Standards Established in the Local General Plan or Noise Ordinance, or Applicable Standards of Other Agencies
- Impact PALEO-2: Cause Destruction of a Unique Paleontological Resource as a Result of Tunnel Construction and Ground Improvement
- Impact TCR-1: Impacts on the Delta Tribal Cultural Landscape Tribal Cultural Resource Resulting from Construction, Operations, and Maintenance of the Project Alternatives
- Impact TCR-2: Impacts on Individual Tribal Cultural Resources Resulting from Construction, Operations, and Maintenance of the Project Alternatives

After implementation of feasible CEQA mitigation measures, the Project will result in the sixteen significant and unavoidable environmental impacts listed above. While DWR has concluded that these sixteen significant and unavoidable environmental impacts do not constitute direct impacts on public trust resources and values, DWR has nevertheless considered the potential for these impacts to affect public trust resources and values. DWR recognizes that the significant and unavoidable impacts of the Project may have indirect effects on public trust values. Ultimately, however, these significant impacts are tradeoffs that must be considered in the context of the public interests advanced by the Project.²⁹

The mitigation measures set forth in the EIR will reduce the above-listed significant and unavoidable impacts of the Project to the extent feasible, taking into account economic, environmental, legal, social, and technological factors. However, no feasible mitigation measures or alternatives have been identified that avoid or substantially lessen these environmental impacts. DWR has also carefully considered each of these significant and unavoidable impacts of the Project and their potential to affect public trust resources. As discussed further below, these impacts do not render the Project inconsistent with the public trust doctrine.

C. The Delta Conveyance Project is in the Public Interest Despite the Occurrence of the Above Significant Unavoidable Effects

1. The Delta Conveyance Project Strengthens California's Ability to Protect Water Resources

On April 29, 2019, Governor Newsom signed Executive Order N-10-19 directing the California Natural Resources Agency, California Environmental Protection Agency, and California Department of Food and Agriculture to develop a comprehensive strategy to build a climate-resilient water system and ensure healthy waterways through the twenty-first century. After a public input period, Governor Newsom released the *California Water Resilience Portfolio* on July 28, 2020. The *California Water Resilience Portfolio* identifies a suite of complementary actions to ensure safe and resilient water supplies, flood protection and healthy waterways for the state's communities, economy, and environment. One of the projects identified in the portfolio is new diversion and conveyance facilities in the Delta to safeguard the SWP.

Factors such as the continuing subsidence of lands, risk of seismic activity and levee failures within the Delta, sea level rise, precipitation change, warmer temperatures, and wider variations in hydrologic conditions associated with climate change threaten the reliability of the current SWP water conveyance system. Additionally, pumping restrictions applied by regulatory agencies to address water quality and aquatic species concerns at the south Delta diversion continue to prevent the SWP from reliably capturing water when it is available, especially from large storm events.

Protecting the reliability of SWP water deliveries is critically important. Approximately 27 million Californians receive clean, affordable water that flows through the SWP infrastructure in the Delta. Water supplied by the SWP has benefits for the entire state and has helped California become the fifth largest economy in the world. Planning a future for California while not protecting the SWP from future changes would put California's water supply and economy at risk.

²⁹ See, e.g., *World Bus.*, *supra*, 24 Cal.App.5th at p. 509 [upholding State Lands Commission's consideration of its public trust obligations in approving lease extensions for a nuclear power plant because the record showed that the Commission "balance[d] the public trust rights to navigation, fisheries, and environmental protection against the public need for efficient electrical production"].

1 The Project is part of the state's strategy in adapting the SWP water supply to climate change. It
2 protects against future water supply losses caused by reasonably foreseeable consequences of
3 climate change and extreme weather events, sea level rise, and seismic risks. It also helps ensure
4 that the SWP can capture, move, and store water to capitalize on large, but infrequent, storm events.

5 **2. Water Resources Will Be Put to Beneficial Use to the Fullest Extent of Which They Are**
6 **Capable While Protecting Public Trust Values to the Extent Feasible**

7 The guiding principle of California's water law and policy is contained in Article X, Section 2, of the
8 California Constitution. This section requires that all uses of the state's water be both reasonable
9 and beneficial. It places a significant limitation on water rights by prohibiting the waste,
10 unreasonable use, unreasonable method of use, or unreasonable method of diversion of water.³⁰
11 Additionally, a hallmark of the common law public trust doctrine is that projects impacting
12 navigable waterways must have a connection to water-related activities that provide benefits to the
13 public statewide, and not sacrifice public benefit for private or purely local advantage.³¹ By
14 implementing measures for increased reliability of water delivery, along with associated
15 environmental commitments, compensatory mitigation, and mitigation measures set forth in the
16 EIR, the Project will meet the state's responsibilities under the common law public trust doctrine
17 and Article X, Section 2, of the California Constitution that water resources be put to beneficial use to
18 the fullest extent of which they are capable while protecting public trust values to the extent
19 feasible.

20 **3. The Delta Conveyance Project Furthers State Policies Set Forth in the Delta Reform Act of**
21 **2009**

22 Approval of the proposed new points of diversion would serve the public interest by furthering state
23 policies set forth in the Delta Reform Act of 2009. The Delta Reform Act identifies "the two coequal
24 goals of providing a more reliable water supply for California and protecting, restoring, and
25 enhancing the Delta ecosystem."³² As the Legislature explicitly recognized, "the Sacramento-San
26 Joaquin Delta ... serves Californians concurrently as both the hub of the California water system and
27 the most valuable estuary and wetland ecosystem on the west coast of North and South America."³³
28 "The economies of major regions of the state depend on the ability to use water within the Delta
29 watershed or to import water from the Delta watershed. More than two-thirds of the residents of
30 the state and more than two million acres of highly productive farmland receive water exported
31 from the Delta watershed."³⁴ The Project should make SWP water deliveries more dependable, thus
32 providing a more stable business environment for the economies of those areas, including major
33 industries such as high technology, agriculture, manufacturing, and service sectors.

34 **D. Conclusion**

35 The Project is grounded in concepts of efficiency and public benefit and uses best available science
36 for design and implementation. As mitigated, the Project will not result in significant impacts to
37 navigation, fish and aquatic resources, terrestrial biological resources, water-related recreation,

³⁰ Cal. Const., art. X, § 2; Cal. Wat. Code, § 1240.

³¹ *National Audubon, supra*, 33 Cal.3d at pp. 434-441; *The Public Trust Doctrine*, State Lands Commission, page 9, available at http://archives.slc.ca.gov/Meeting_Summaries/2001_Documents/09-17-01/Items/091701R88.pdf.

³² Cal. Pub. Resources Code, § 29702, subd. (a).

³³ Cal. Wat. Code, § 85002.

³⁴ *Id.*, § 85004, subd. (a).

1 water quality, or other public trust resources and values. However, the Project will result in the
2 above-listed significant and unavoidable environmental impacts.

3 DWR has taken public trust resources and values into account in considering the merits, and
4 impacts, of the Project. Notwithstanding the Project's significant and unavoidable environmental
5 impacts, the Project is in the public's and State's best interests due to its many public benefits as
6 discussed above and further elaborated in the EIR, CEQA Findings of Fact, and Statement of
7 Overriding Considerations. The Project reflects a proper balancing of public trust values with the
8 public interests that will be served by the Project. In approving the Project, DWR has imposed
9 environmental commitments, best management practices, compensatory mitigation, and mitigation
10 measures identified in the EIR that will protect, to the extent feasible consistent with the public
11 interest,³⁵ public trust resources and values including, but not limited to, the public rights to
12 navigation, fish and aquatic resources, terrestrial biological resources, water-related recreation, and
13 water quality. Therefore, as demonstrated herein and by supporting evidence in the project files, the
14 Project is consistent with the public trust doctrine.

15 Furthermore, rights to use water are subject to the Board's obligation under the public trust
16 doctrine as trustee of certain resources for Californians. The Board is charged with the
17 comprehensive planning and allocation of water resources in California.³⁶ Any change in purpose,
18 place of use, or point of diversion requires approval by the Board.

19 Before the Board issues a permit, it must take into account all prior rights and the availability of
20 water in the basin. The Board considers, too, the flows needed to preserve in-stream uses such as
21 recreation and fish and wildlife habitat.³⁷ DWR, as the permit applicant, will follow the process set
22 forth in the Board's regulations, which includes public notice and a hearing process to address
23 objections. The EIR prepared for the Project should provide sufficient environmental documentation
24 to support action by the Board. A key finding the Board must make before a permit can be issued is
25 that the applicant's use is in the public interest, which is an overriding concern in all Board
26 decisions.

27 Implementation of projects that are consistent with the Bay-Delta Plan's water quality objectives
28 generally satisfy the state's public trust obligations addressed by the Bay-Delta Plan's objectives and
29 program of implementation.³⁸ The Board will have a chance to evaluate the Project's consistency
30 with Bay-Delta Plan water quality objectives and public trust compliance after DWR submits a
31 petition for additional points of diversion for the Project. The Project is also subject to the
32 continuing authority of the Board in accordance with law and in the interest of the public welfare to
33 protect public trust uses and to prevent waste, unreasonable use, unreasonable method of use, or

³⁵ *State Water Res. Control Bd. Cases, supra*, 136 Cal.App.4th at p. 778 [in determining whether it is "feasible" to protect public trust values, an agency "must determine whether protection of those values, or what level of protection, is 'consistent with the public interest'"].

³⁶ Robie, *Effective Implementation of the Public Trust Doctrine in California Water Resources Decision-Making: A View From the Bench* (2012) 45 U.C. Davis L. Rev. 1155, 1161, quoting *National Audubon, supra*, 33 Cal.3d at p. 449.

³⁷ See, e.g., Cal. Wat. Code, § 85806.

³⁸ *State Water Res. Control Bd. Cases, supra*, 136 Cal.App.4th at pp. 778-779 [rejecting that the Board, in a water rights proceeding, "was obligated under the public trust doctrine to implement more generous flow objectives" than required by the Bay-Delta Plan. In adopting the Bay-Delta Plan, "[i]t was for the Board in its discretion and judgment to balance all of the[] competing interests in adopting water quality objectives and formulating a program of implementation to achieve those objectives."].

- 1 unreasonable method of diversion of water.³⁹ Should the Board modify the existing water quality
2 objectives in the future in consideration of its public trust obligations or otherwise, the Project
3 would be required to operate consistent with all applicable water quality objectives.

³⁹ *Stanford Vina Ranch Irrigation Co. v. State* (2020) 50 Cal.App.5th 976, 1005, fn. 9 [“[T]he public trust doctrine exists ‘alongside the rule of reasonableness.’ [Citation.] [The Board may rely on] [e]ach doctrine independently [to] limit[] the private use of water in this state.”]; *Env’t L. Found., supra*, 26 Cal.App.5th at p. 862 [“the Board’s authority to protect the public trust is independent of and not bounded by the limitations on the Board’s authority to oversee the permit and license system”]; *United States v. State Water Res. Control Bd.* (1986) 182 Cal.App.3d 82, 150, citing *National Audubon, supra*, 33 Cal.3d at p. 447; see also *Santa Clarita Water Co. v. Lyons* (1984) 161 Cal.App.3d 450, 462 [The “Board has exclusive control ... over appropriation of water”]; see also State Water Board Water Right Revised Decision 1641 (2000), p. 148 [“The continuing authority of the Board also may be exercised by imposing further limitations on the diversion and use of water by the permittee in order to protect public trust uses.”].

Final EIR Modifications

DWR made minor edits throughout Volume 1 of the Final EIR, such as modifications to punctuation and correction of misspellings and typos. In addition, DWR made minor formatting changes throughout Volume 1 of the Final EIR, such as modification to headings, corrections to page numbers, and corrections of formatting issues found in graphs, charts, and tables. Minor edits or formatting changes to the Draft EIR reflected in Volume 1 of the Final EIR do not result in any new significant environmental impacts or a substantial increase in the severity of an environmental impact that was previously analyzed in the Draft EIR.

In addition to grammar and formatting changes, new information was added to the Final EIR to clarify, amplify (i.e., expands in stating or describing, as by details or illustrations; clarifies by expanding), or makes insignificant modifications to discussion and analysis in the Draft EIR. Key modifications included in the Volume 1 of the Final EIR are identified in the table below with a summary regarding why the modifications do not result in the disclosure of a new significant impact, result in an increase in the severity or magnitude of an impact, or do not result in the need for additional required mitigation to which DWR is unwilling to commit. The Final EIR provides further information regarding modifications that occurred between the Draft EIR and the Final EIR. This information can be found in Final EIR, Volume 2, Common Response 1, CEQA Process, General Approach to Analysis, and Other Environmental Review Issues, which explains CEQA recirculation requirements and why the information and modifications contained in the Final EIR do not meet recirculation requirements either individually or collectively; Final EIR, Volume 2, Common Response 3, Alternatives Development and Description, which also describes some of the substantive project description refinements included in the table below and why they do not trigger the need for recirculating the Draft EIR; Final EIR, Volume 2, Common Response 11, Terrestrial Biological Resources and Compensatory Mitigation Plan, which describes refinements to the Compensatory Mitigation Plan; and Final EIR, Volume 2, Common Response 15, Air Quality and Greenhouse Gases, which describes refinements to air quality modeling and assumptions. Individual responses to comments in Volume 2, Chapter 4, Response to Comments Tables, also address refinements made to the Draft EIR in response to those individual comments where applicable. The summary table below cites relevant sections of Volume 1 of the Final EIR where appropriate.

Modification	Modification Consideration
Clarifications to Table 1-1, Summary of Potential Agencies and Review, Approval, or Other Responsibilities, in Addition to Those under CEQA in Final EIR, Volume 1, Chapter 1, <i>Introduction</i> .	The clarifying text added to Table 1-1 is about different agencies and their potential roles and responsibilities. The table was not used in the impact analysis. Therefore, the added information merely amplifies discussion in the Draft EIR and does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.
Clarifications to use of sedimentation basins and drying lagoons for all alternatives during operations in Final EIR, Volume 1, Chapter 3, <i>Description of the Proposed Project and Alternatives</i> , Section 3.4.1.2, <i>Sedimentation Basins and Drying Lagoons</i> .	The inclusion of the information regarding the sedimentation basins and drying lagoons further clarifies how the sedimentation basins and drying lagoons would operate and the duration in which operation would occur. These clarifications complement and amplify the information previously included in Draft EIR Chapter 3, <i>Description of the Proposed Project and Alternatives</i> , and evaluated throughout the EIR and do not materially change the description of the sedimentation basins and drying lagoons. The added information does not result in a new or more severe impact requiring additional analysis, change impact conclusions presented in the Draft EIR, or require additional mitigation measures to which DWR is unwilling to commit. Therefore, the new information does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.
Inclusion of undergrounding of 1.9 miles of SCADA lines between Freeport and north of Intake A across from Clarksburg consistent with description in Final EIR, Volume 1, Chapter 3, <i>Description of the Proposed Project and Alternatives</i> , Section 3.4.11, <i>SCADA Facilities</i> , clarifying that some of the SCADA lines would be undergrounded along existing roads and project access routes (as shown in Figure 3-14).	The Draft EIR stated that wherever possible, underground SCADA routes would be located along existing roads and project access routes. The Draft EIR evaluated the type and magnitude of impacts associated with installing SCADA lines underground, as well overhead. As described in Final EIR, Volume 2, Common Response 3, <i>Alternatives Development and Description</i> , the alignment between Freeport and north of Intake A across from Clarksburg was included in the study areas in the Draft EIR and undergrounding the alignment would result in highly localized, temporary, and minor soil disturbances and would require the use of similar construction equipment and construction trips as already included in the EIR evaluation for all resources. The inclusion of this information in the Final EIR complements the description in the Draft EIR that SCADA lines would be undergrounded where appropriate. The new information does not represent new or more severe impacts requiring additional analysis, change impact conclusions presented in the Draft EIR, or require additional mitigation measures to which DWR is unwilling to commit. Therefore, the new information does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.
Clarification of the use of non-specular material for aboveground power lines in Final EIR, Volume 1, Chapter 3, <i>Description of the Proposed Project and Alternatives</i> , Section 3.4.10, <i>Electrical Facilities</i> .	The inclusion of the information regarding non-specular material further clarifies the type of materials used for above power lines. Non-specular material is material that reflects light diffusely and evenly or scatters light. The inclusion of the use of this material complements the information previously included in Draft EIR Chapter 3, <i>Description of the Proposed Project and Alternatives</i> , and evaluated throughout the EIR and do not materially change the description of the aboveground power lines. The added information does not

Modification	Modification Consideration
Refinements to location and acreage of temporary uses within the overall footprint at the Southern Complex where the Southern Complex is discussed in Final EIR, Volume 1, Chapter 3, <i>Description of the Proposed Project and Alternatives</i> , for alternatives (except Alternative 5).	<p>represent new or more severe impacts requiring additional analysis, change impact conclusions presented in the Draft EIR, or require additional mitigation measures to which DWR is unwilling to commit. Therefore, the information does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.</p> <p>Chapter 3, <i>Description of the Proposed Project and Alternatives</i>, was updated to more accurately reflect the types of activities that would occur within the construction area. As an example, the area required for reusable tunnel material (RTM) storage decreased between the Draft and Final EIR based on new estimates provided by the project engineers. However, these changes would not affect the land area required to construct and operate the project or the resulting environmental impacts that may result from land conversion. In addition, small refinements to the project's footprint would result in minor differences in total acreages reported in the Draft and Final EIR. These small refinements would not affect the magnitude or significance of environmental impacts reported in the Draft EIR. The added information does not result in a new or more severe impact requiring additional analysis, change impact conclusions presented in the Draft EIR, or require additional mitigation measures to which DWR is unwilling to commit. Therefore, the information does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.</p>
Reconfiguring of Bethany Reservoir Pumping Plant and Surge Basin facilities primarily within the Bethany Complex footprint for Alternative 5 to allow approximately 35 acres to remain undisturbed within the footprint of these facilities, as described in Final EIR, Volume 1, Chapter 3, <i>Description of the Proposed Project and Alternatives</i> , Section 3.14.1, <i>Bethany Complex</i> , and Final EIR, Volume 2, Common Response 3, <i>Alternatives Development and Description</i> .	<p>As identified in Chapter 3, <i>Description of the Proposed Project and Alternatives</i>, and further described in Common Response 3, <i>Alternatives Development and Description</i>, the reconfiguration of the Bethany Complex in the Final EIR would not create new surface impacts relative to the Draft EIR, require additional mitigation measures, or result in a change to any of the evaluations or impact conclusions contained in the Draft EIR related to any resource analyzed in the EIR. Furthermore, the operation of the facilities under the reconfigured Bethany Complex in the Final EIR would be the same as described in the Draft EIR and there would be no changes to any operation-related impacts. Specifically, the two driveways located outside the original footprint evaluated in the Draft EIR of the Bethany Complex would not result in impacts greater or of a different type than disclosed in the Draft EIR, given the minimal area disturbed by the two driveways, and the change in disturbance type at the Bethany Complex, from temporary surface impacts in the Draft EIR to permanent surface impacts in the Final EIR, would not change the severity or magnitude of the impacts already disclosed in the resource chapters of the EIR (i.e., Chapters 7 through 32). Therefore, the reconfiguration does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.</p>

Modification	Modification Consideration
Inclusion of broader discussion and clarifications of access road and rehabilitation in Final EIR, Volume 1, Chapter 3, <i>Description of the Proposed Project and Alternatives</i> , Section 3.4.7, <i>Access Roads</i> .	The inclusion of the access road information further clarifies the location and timing of road rehabilitation. These clarifications complement the descriptions of road rehabilitation previously included in Draft EIR Chapter 3, <i>Description of the Proposed Project and Alternatives</i> , and evaluated throughout the EIR and do not materially change the description of the road rehabilitation or the analyses. The added information does not represent new or more severe impacts requiring additional analysis, change impact conclusions presented in the Draft EIR, or require additional mitigation measures to which DWR is unwilling to commit. Therefore, the information does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.
Inclusion of left-turn merge lane along 1 mile of Twin Cities Road 44 feet wide with three 12-foot-wide paved lanes in Final EIR, Volume 1, Appendix 3D, <i>Intakes, Roads, and Shafts Summary Tables</i>	<p>The addition of the left-turn merge lane would not cause additional or more severe traffic impacts because it would improve, rather than worsen, traffic flow on Twin Cities Road. It would allow through traffic to pass without waiting for vehicles turning left to clear and not affect vehicle miles traveled (VMT) or conflict with a program, plan, ordinance, or policy addressing the circulation system because it is a roadway improvement that would not increase VMT beyond that already analyzed in the Draft EIR for construction and operation. Pursuant to required Mitigation Measure TRANS-1, first responders would pass through the area during construction, and, after construction, first responders would be able to use the left-turn merge lane.</p> <p>Other environmental resources would not be affected by the construction of the left-turn merge lane beyond the type and severity of impacts evaluated and disclosed in the Draft EIR because the left-turn merge lane would primarily be located within the boundaries of the Twin Cities Road road-widening improvements proposed under the project alternatives along existing road section(s). A highly limited and minimal additional area of disturbance (i.e., 1.5 acres) in a disturbed area located primarily within the existing road right-of-way would occur. Any known or unknown environmental resources that could occur in this strip of disturbed land have been considered in Chapters 7 through 32 of the EIR because this area is within the study area included for environmental resources. Mitigation measures identified in the EIR related to permanent disturbances would be implemented and the permanent disturbance of this additional limited area of 1.5 acres would not substantially increase the severity of impacts analyzed in the Draft EIR. Therefore, this highly limited and minimal additional area of disturbance would not constitute a substantial increase in severity of impacts disclosed in the Draft EIR. The construction of the left-turn merge lane would take place concurrently with other construction activities associated with the project alternatives at Twin Cities Road and would not result in an increase in air quality emissions beyond what was already analyzed</p>

Modification	Modification Consideration
	in the Draft EIR because the same type and duration of equipment use would occur. The added information regarding the left-turn merge lane does not result in a new or more severe impact requiring additional analysis, change impact conclusions presented in the Draft EIR, or require additional mitigation measures to which DWR is unwilling to commit. Therefore, the addition of the left-turn merge lane does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.
Some refinements were made to the project description in Final EIR, Volume 1, Chapter 3, <i>Description of the Proposed Project and Alternatives</i> , to clarify operations in Section 3.16.3, <i>Integration of North Delta Intakes with South Delta Facilities</i> .	The operations description was revised to further clarify that DWR would divert excess flows in winter and spring and is not proposing to change upstream reservoir operations. Final EIR, Volume 2, Common Response 1, <i>CEQA Process, General Approach to Analysis, and Other Environmental Review Issues</i> , describes the scope of the analysis contained in the Final EIR, including areas upstream of the north Delta intakes. Final EIR, Volume 2, Common Response 3, <i>Alternatives Development and Description</i> , also explicitly responds to the concerns about upstream operations. Final EIR, Volume 2, Common Response 3 also responds to comments requesting analysis under Temporary Urgency Change Orders. The operation of the project gives the state the opportunity to capture high flows during periods of excess flows, up to what is permitted under the existing DWR water rights. Diversions at the proposed north Delta intakes would mostly occur in the winter and spring, when the conditions described above are most likely to occur. Because the project would operate this way (i.e., capture high flows on top of what can be diverted in the south Delta), DWR does not anticipate use of the proposed north Delta diversion during dry conditions where the south Delta would not be operating at capacity, such as times when a Temporary Urgency Change Order is in place. These clarifications in Final EIR, Volume 1, Chapter 3, <i>Description of the Proposed Project and Alternatives</i> , and further described in Final EIR, Volume 2, Common Response 3 complement the descriptions of operations previously included in Draft EIR Chapter 3; operations modeled using CalSim 3; and operations evaluated throughout the EIR. The added information regarding operations does not result in a new or more severe impact requiring additional analysis, change impact conclusions presented in the Draft EIR, or require additional mitigation measures to which DWR is unwilling to commit. Therefore, the information does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.
Inclusion of figures based on DSM2 modeling results in Final EIR, Volume 1, Chapter 5, <i>Surface Water</i> , regarding reverse flows in the Sacramento River near Freeport.	The inclusion of these graphs is to graphically depict DSM2 model results provided in Final EIR, Volume 1, Appendix 5A, Modeling Technical Appendix, Section C, <i>One Dimensional Delta Hydrodynamics and Water Quality Modeling Results</i> , Attachment 1, <i>DSM2 Model Results for Existing Conditions and Alternatives at 2020</i> . This supports the information that was previously included in the Draft EIR regarding reverse flows in the Sacramento River

Modification	Modification Consideration
	near Freeport and complements the modeled data included in Draft EIR and Final EIR. Therefore, the new figures merely clarify/amplify the discussion in the Draft EIR and does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.
Refinements to Final EIR, Volume 1, Chapter 8, <i>Groundwater</i> , Impact GW-4 regarding the discussion of operation groundwater modeling results related to groundwater storage to clarify the meaning of the modeling results; inclusion of electrical conductivity in Mitigation Measure GW-1.	Refinements were made to Mitigation Measure GW-1, which now includes a provision to also monitor for changes in electrical conductivity (EC) at the same wells that would be used to monitor for changes in groundwater elevations. The EC monitoring would occur over the same period as for monitoring groundwater elevations. The addition of EC monitoring to Mitigation Measure GW-1 was not made because of a new groundwater significance finding between the Draft and Final EIR, as explained in Final EIR, Volume 2, Common Response 10, <i>Surface Water Quality and Groundwater Resources</i> , but rather to support the less-than-significant impact determination regarding groundwater quality. Changes to mitigation measures that do not increase the severity of the environmental impacts disclosed in the draft EIR do not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5. (<i>Yerba Buena Neighborhood Consortium, LLC v. Regents of Univ. of California</i> (2023) 95 Cal. App. 5th 779, 808.)
Clarifications to Impact GW-1, Impact GW-2, and Impact GW-3 in Final EIR, Volume 1, Chapter 8, <i>Groundwater</i> , regarding use of Mitigation Measure GW-1.	The wording of Impacts GW-1, GW-2, and GW-3 in EIR Chapter 8, <i>Groundwater</i> , was revised to make it clearer that the impacts on groundwater resources described in the Draft EIR are less than significant before the implementation of the monitoring and response measures described in Mitigation Measure GW-1. Therefore, the new information merely clarifies/amplifies the discussion in the Draft EIR and does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.
Clarification of methodology in Final EIR, Volume 1, Chapter 9, <i>Water Quality</i> .	Clarifying information was included in Section 9.3.1, <i>Methods for Analysis</i> , of Chapter 9, <i>Water Quality</i> , to clarify the source, organization, aggregation of water quality data used in the impact analyses. The methodology for determining impacts was not modified and impact analyses and determinations were not modified as a result of the clarification. As described in Final EIR, Volume 2, Common Response 10, <i>Surface Water Quality and Groundwater Resources</i> , the historical, reconstructed water year types on the California Data Exchange Center website were used to aggregate the modeling results because these are publicly available and widely referenced in research and analysis related to the Delta. The presentation of average constituent levels by water year type is informational and the impact conclusions are based on all modeled changes, particularly those represented in the exceedance plots containing modeling output for the entire 93-year simulation period, as well as modeled changes in frequency of exceedance of water quality objectives. Therefore,

Modification	Modification Consideration
	the new information merely clarifies/amplifies the discussion in the Draft EIR and does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.
Inclusion of Mitigation Measure WQ-4 in Final EIR, Volume 1, Chapter 9, <i>Water Quality</i> , and Appendix 9M, <i>Contra Costa Water District Interconnection Facility Mitigation Measure</i> , regarding the Contra Costa Water District Interconnection Facility, to further reduce the less-than-significant impacts on chloride discussed in Impact WQ-4.	<p>Mitigation Measure WQ-4: <i>Contra Costa Water District Interconnection Facility</i> has been included in the Final EIR to further reduce less-than-significant impacts on chloride previously disclosed under Impact WQ-4: <i>Effects on Chloride Resulting from Facility Operations and Maintenance</i> in Chapter 9, <i>Water Quality</i>. Changes to, or addition of, mitigation measures that do not increase the severity of the environmental impacts disclosed in the Draft EIR do not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5. (<i>Yerba Buena Neighborhood Consortium, LLC v. Regents of Univ. of California</i> (2023) 95 Cal. App. 5th 779, 808.)</p> <p>Appendix 9M, <i>Contract Costa Water District Interconnection Facility Mitigation Measure</i>, was included in the Final EIR to provide an evaluation of the environmental impacts of constructing and operating the interconnection facility. All environmental resources are analyzed in Appendix 9M. Impacts on most resources are determined to be less than significant or less than significant with mitigation incorporated. However, project impacts identified as significant and unavoidable in the Draft EIR (e.g., agricultural resources, traffic, cultural resources, Tribal Cultural Resources) would remain significant and unavoidable with implementation of Mitigation Measure WQ-4 as disclosed in Appendix 9M. Although significant and unavoidable impacts would occur, there would not be a substantial increase in the severity of significance given the location of Mitigation Measure WQ-4, the limited duration of construction, and the relatively small area of disturbance during construction. The evaluation of the new mitigation measure concluded that implementing the measure would not result in any new significant impacts or substantially increase the severity of impacts not already disclosed in the Draft EIR, nor would it require additional mitigation measures that DWR is unwilling to implement. Therefore, the new mitigation measure does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.</p>
Additional clarifications regarding construction methods and geotechnical investigations in Final EIR, Volume 1, Chapter 10, <i>Geology and Seismicity</i> , Section 10.3.1.1, <i>Process and Methods of Review for Geology and Seismicity</i> , to provide details on Delta Conveyance Design and Construction Authority	Information was added to Final EIR, Volume 1, Chapter 10, <i>Geology and Seismicity</i> , Section 10.3.1.1, <i>Process and Methods of Review for Geology and Seismicity</i> , to clarify the types of information used in the analysis, how that information was used, and how new and future data would be used in the design process. As described in the section, available geological and geotechnical information was reviewed and considered in the EPR screening analyses to understand subsurface geology and groundwater conditions related to preliminary

Modification	Modification Consideration
(DCA) activities and design criteria.	<p>design criteria and the need for specific construction methods. Additional information gained during geotechnical investigations that occurred during preparation of the DCA Engineering Project Reports (EPRs) and EIR further validated the geotechnical assumptions and construction methods that were used for the conceptual designs of each facility in the EPRs. Additional geological and geotechnical investigations would be conducted during the design phase to further develop design criteria and provide geotechnical design parameters for proposed facilities.</p> <p>These clarifications regarding how DCA will conduct geotechnical investigations and use information gained to inform activities and design criteria as well as construction methods complement the descriptions of the construction methods provided in Final EIR, Volume 1, Chapter 3, <i>Description of the Proposed Project and Alternatives</i>, and evaluated throughout the EIR and do not materially change the description of the construction methods or the analyses based on the construction methods. Furthermore, this information is not used in the impact analysis in Final EIR, Volume 1, Chapter 10 or elsewhere. Therefore, the new information merely clarifies/amplifies the discussion in the Draft EIR and does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.</p>
Inclusion of juvenile Chinook salmon screen passage time analysis at 19°C in Final EIR, Volume 1, Chapter 12, <i>Fish and Aquatic Resources</i> , Impact AQUA-2, which further supports the impact determination of less than significant with mitigation incorporated.	<p>The inclusion of this new information in the discussion of Impact AQUA-2 augments the original analysis in the Draft EIR, which was focused on screen passage at 12°C. The new information complements the analysis previously performed on screen passage and further supports the previous impact determination of less than significant with mitigation incorporated. CMP-25: <i>Tidal Habitat Restoration to Mitigate North Delta Hydrodynamic Effects on Chinook Salmon Juveniles</i> and CMP-26: <i>Channel Margin Habitat Restoration for Operations Impacts on Chinook Salmon Juveniles</i>, as described in Attachment 3F.1, <i>Compensatory Mitigation Design Parameters</i>, are still required and no changes to the mitigation were made because of this new information. The new information merely confirms previous conclusions, and thus does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5. (See <i>San Francisco Baykeeper v. California State Lands Commission</i> (2015) 242 Cal.App.4th 202, 224-225 [new modeling confirming earlier conclusion about effects of mining on Bay environment did not trigger recirculation]; <i>Beverly Hills Unified School Dist. v. Los Angeles County Metropolitan Transportation Commission</i> (2015) 241 Cal.App.4th 627, 660-666 [Final EIR containing substantial amounts of new information, including numerous new seismic studies did not trigger recirculation].)</p>

Modification	Modification Consideration
Clarifications and additions of factors explaining patterns in north Delta exports and south Delta exports; clarification of footnotes in summary tables of results; and clarification of 5% significance threshold value used for impact analyses in Final EIR, Volume 1, Chapter 12, Fish and Aquatic Resources.	These clarifications further explain or add to the information regarding patterns in north Delta exports, tables of results, or the use of 5% significance threshold value. They complement the information that was previously provided in the Draft EIR and do not modify the methodology(ies) used for determining impacts or modify impact determinations. Therefore, the new information merely clarifies/amplifies the discussion in the Draft EIR and does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.
Inclusion of Impact AQUA-20 in Final EIR, Volume 1, Chapter 12, <i>Fish and Aquatic Resources</i> , regarding California sea lions, which discloses a less-than-significant impact.	The purpose of the analysis contained in the EIR is to disclose and evaluate potentially significant impacts. DWR did not address California sea lions in the Draft EIR because the study area is not within the traditional breeding or nonbreeding range of the population and therefore DWR had not previously identified potential effects on California sea lions as a potentially significant impact. DWR included an analysis of potential impacts on California sea lions in Chapter 12, <i>Fish and Aquatic Resources</i> , of the Final EIR, Volume 1, because of public comment. As disclosed in Chapter 12 of the Final EIR, Volume 1, the project would not result in a population-level effect on the species because the project would not permanently impede potential movement or foraging by individuals through the study area, and the study area is not within the traditional breeding or nonbreeding range for the population. Because few, if any, individuals would be affected during construction or operation of the project, the impact under CEQA is less than significant. Recirculation is required where the Final EIR discloses a new significant environmental impact of a project that was not analyzed in the Draft EIR. New information included in a Final EIR explaining why an impact alleged by a commenter is less than significant does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.
Refinements to Final EIR, Volume 1, Chapter 13, <i>Terrestrial Biological Resources</i> , including: adding specificity to Mitigation Measure BIO-53 to address design specifications, monitoring, and adaptive management; clarifying that if California Department of Fish and Wildlife (CDFW) develops guidance for sandhill crane surveys and work windows DWR will use the guidance; clarifying tricolored blackbird analysis in Impact BIO-44.	<p>As described below, the added information for habitat connectivity, sandhill cranes, and tricolored blackbird, does not represent new or more severe impacts requiring additional analysis, change impact conclusions presented in the Draft EIR, or require additional mitigation measures to which DWR is unwilling to commit. Therefore, the information does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.</p> <p>Mitigation Measure BIO-53 was revised to further clarify the wildlife crossing and connectivity specialist credentials, how the specialist will contribute to the project design phase to ensure adequate wildlife crossing and connectivity element design and outcomes, more detailed wildlife connectivity enhancement measures, and operational monitoring</p>

Modification	Modification Consideration
	<p>and adaptive management for connectivity and crossings. These modifications provide additional detail to Mitigation Measure BIO-53 but, as described in Final EIR, Volume 2, Common Response 11, <i>Terrestrial Biological Resources and Compensatory Mitigation Plan</i>, do not result in a change to an impact determination. The change to the mitigation measure does not trigger recirculation because it does not introduce new mitigation to which DWR is unwilling to commit. Changes to, or addition of, mitigation measures that do not increase the severity of the environmental impacts disclosed in the draft EIR do not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5. (<i>Yerba Buena Neighborhood Consortium, LLC v. Regents of Univ. of California</i> (2023) 95 Cal. App. 5th 779, 808.)</p> <p>Clarification was added to Impact BIO-33 regarding the potential for sandhill cranes to arrive earlier than September 15 and stay later than March 15 because the construction of the project will occur for many years. DWR added text explaining that if CDFW develops guidance regarding sandhill crane surveys and work windows, DWR will adjust survey dates and dates included in mitigation measures to minimize potential impacts on sandhill cranes. Changes to, or addition of, mitigation measures that do not increase the severity of the environmental impacts disclosed in the draft EIR do not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5. (<i>Yerba Buena Neighborhood Consortium, LLC v. Regents of Univ. of California</i> (2023) 95 Cal. App. 5th 779, 808.).</p> <p>Impact BIO-44, Appendix 3F, <i>Compensatory Mitigation Plan for Special-Status Species and Aquatic Resources</i>, and Attachment 3F.1, <i>Compensatory Mitigation Design Parameters</i>, have been modified to recognize breeding foraging habitat loss as a potential impact on tricolored blackbird and propose mitigation to compensate for this impact. Because many non-breeding foraging and roosting habitat types also serve as breeding foraging types, this change will also protect those habitat types. The revision to Attachment 3F.1 does not result in a change in impact determination for tricolored blackbird identified in Final EIR, Volume 1, Chapter 13, <i>Terrestrial Biological Resources</i>, but adds additional mitigation to further reduce potential adverse effects on tricolored blackbird that were previously disclosed in the Draft EIR. Mitigation Measure BIO-44 has been revised to include surveys during the nonbreeding season (August 1–March 14) 1 year prior to the start of construction and then the year of construction to establish use of roosting habitat. Mitigation Measure BIO-44 includes the commitment that three surveys will be conducted within 15 days prior to nighttime construction, with one of the surveys within 5 days prior</p>

Modification	Modification Consideration
	<p>to the start of nighttime construction and the establishment of a 300-foot nondisturbance buffer around occupied roost sites. This revision does not result in a change in impact determination for tricolored blackbird identified in Final EIR, Volume 1, Chapter 13. Although Impact BIO-44 was updated, the additional information merely confirms previous conclusions, and thus does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5. (See <i>San Francisco Baykeeper v. California State Lands Commission</i> (2015) 242 Cal.App.4th 202, 224-225 [new modeling confirming earlier conclusion about effects of mining on Bay environment did not trigger recirculation]; <i>Beverly Hills Unified School Dist. v. Los Angeles County Metropolitan Transportation Commission</i> (2015) 241 Cal.App.4th 627, 660-666 [Final EIR containing substantial amounts of new information, including numerous new seismic studies did not trigger recirculation].) Furthermore, changes to, or addition of, mitigation measures that do not increase the severity of the environmental impacts disclosed in the draft EIR do not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5. (<i>Yerba Buena Neighborhood Consortium, LLC v. Regents of Univ. of California</i> (2023) 95 Cal. App. 5th 779, 808.)</p>
<p>Inclusion of monarch butterfly in Final EIR, Volume 1, Chapter 13, <i>Terrestrial Biological Resources</i>, because it is a U.S. Fish and Wildlife candidate species being considered for listing, which discloses a less-than-significant impact, and removal of western bumble bee from Chapter 13 and associated appendices because a recent California Department of Fish and Wildlife publication shows the species' known range is outside of the study area.</p>	<p>The purpose of the analysis contained in the EIR is to disclose and evaluate potentially significant impacts. DWR had not previously identified potential effects on monarch butterflies as a potentially significant impact because overwintering habitat, which is limited for the species, would not be affected by the project and there are no known overwintering populations within 10 miles of the study area. The Final EIR includes Impact BIO-57, which evaluates the monarch butterfly because it is a U.S. Fish and Wildlife candidate species being considered for listing and may be listed in the near future. The analysis determines impacts on monarch butterfly to be less than significant. Recirculation is required where the Final EIR discloses a new significant environmental impact of a project that was not analyzed in the draft EIR. New information included in a Final EIR explaining why an impact is less than significant does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.</p> <p>The Final EIR removed western bumble bee from Impact BIO-21 because recent California Department of Fish and Wildlife publication shows the species' known range is outside of the study area. Similarly, CMP-29 was refined to restrict compensatory mitigation to mitigate for habitat for Crotch bumble bee. This revision does not trigger the need for recirculation because it does not introduce a new significant impact, cause a substantial increase in the severity of an environmental impact, or require additional mitigation measures to which DWR is unwilling to commit. Therefore, the information does not</p>

Modification	Modification Consideration
	constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.
Clarifications in Final EIR, Volume 1, Chapter 16, <i>Recreation</i> , regarding location of I-5 ponds in existing conditions and clarifying details regarding I-5 ponds in Impact REC-1 and Impact REC-2.	Information was previously included regarding the I-5 ponds in Chapter 16, <i>Recreation</i> . Clarifying and additional text regarding these areas as they relate to recreation and implementation of the Compensatory Management Plan was included in Final EIR, Volume 1, Chapter 16 in the impact analysis. This revision does not trigger the need for recirculation because it does not introduce a new significant impact, cause a substantial increase in the severity of an environmental impact, or require additional mitigation measures to which DWR is unwilling to commit. Therefore, the information does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.
Clarifications in Final EIR, Volume 1, Chapter 14, <i>Land Use</i> , regarding locations of existing easements.	Clarification was added to Final EIR, Volume 1, Chapter 14, <i>Land Use</i> , explaining that although the land use study area overlaps with conservation easements, this overlap is not an impact on land use and therefore is not addressed in the land use chapter. The impacts on the natural communities and species habitats within the study area, including within conservation easements, are quantified and analyzed in Final EIR, Volume 1, Chapter 13, <i>Terrestrial Biological Resources</i> . Therefore, the new information merely clarifies/amplifies the discussion in the Draft EIR and does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.
Refinements to air quality and greenhouse gas (GHG) modeling based on engineering clarifications (e.g., off-road equipment type and horsepower, duration of marine vessel use); to use newer versions of analysis models (e.g., CalEEMod version 2022.1.1.3, eGRID2021); and to more accurately capture project description components (e.g., barges), including clarifications regarding modeling results and analysis in Final EIR, Volume 1, Chapter 23, <i>Air Quality and Greenhouse Gases</i> , and accompanying appendices.	Refinements to air quality modeling and the resulting updates are provided in Final EIR, Volume 1, Chapter 23, <i>Air Quality and Greenhouse Gases</i> , and accompanying appendices. Where appropriate, specific modeling assumptions were updated to account for the most recent engineering data and ensure alignment of the air quality analysis with the project description contained in Final EIR, Volume 1, Chapter 3, <i>Description of the Proposed Project and Alternatives</i> . Analysis modeling was also updated to use newer versions of California Emissions Estimator Model (CalEEMod) and eGRID. While both of these models were updated after the close of the public comment period for the Draft EIR, DWR elected to revise the analysis in the Final EIR to confirm that use of the newer model versions would not change any of the impact conclusions reached in the Draft EIR. Additional targeted refinements were also made to the analysis in response to specific public comments, including corrected association of equipment emission factors by horsepower, accounting of transmission and distribution losses during construction, and expansion of DWR's commitment of engine electrification. The level of transparency and documentation provided by the Draft EIR and the Final EIR is equivalent to, and in some cases exceeds, what is often provided for CEQA documents where models such as

Modification	Modification Consideration
	CalEEMod are exclusively used to quantify emissions. As demonstrated throughout Chapter 23 and the supporting appendices of the Final EIR, and further detailed in Final EIR, Volume 2, Common Response 15, <i>Air Quality and Greenhouse Gases</i> , the refinements to air quality and greenhouse gas (GHG) modeling confirm previous conclusions and impact determinations presented in the Draft EIR, and thus does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5. (See <i>San Francisco Baykeeper v. California State Lands Commission</i> (2015) 242 Cal.App.4th 202, 224-225 [new modeling confirming earlier conclusion about effects of mining on Bay environment did not trigger recirculation]; <i>Beverly Hills Unified School Dist. v. Los Angeles County Metropolitan Transportation Commission</i> (2015) 241 Cal.App.4th 627, 660-666 [Final EIR containing substantial amounts of new information, including numerous new seismic studies did not trigger recirculation].)
Inclusion of clarifying information regarding pumping energy usage in Final EIR, Volume 1, Chapter 22, <i>Energy</i> .	Revisions have been made to some of the energy use data reported in Final EIR, Volume 1, Chapter 22, <i>Energy</i> , including energy required to construct and operate the Delta Conveyance Project. The revisions reflect the most recent estimates of equipment needed to construct the Delta Conveyance Project and resulting energy consumption and updates to the energy needed to operate the project. The revised information would not result in a change to the CEQA impact conclusions reported in Chapter 22. Therefore, the new information merely clarifies/amplifies the discussion in the Draft EIR and does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.
Clarifications in mitigation measures and environmental commitments/best management practices throughout the EIR, including Final EIR, Volume 1, Appendix 3B, <i>Environmental Commitments and Best Management Practices</i> , to provide more clarity regarding the activities, location, timing, roles, or responsibilities, based on technical review.	As described in Final EIR, Volume 2, Common Response 1, <i>CEQA Process, General Approach to Analysis, and Other Environmental Review Issues</i> , DWR has refined some mitigation measures to clarify the mechanisms for and timing of implementation of environmental protections, including refinements in Appendix 3F, <i>Compensatory Mitigation plan for Special-Status Species and Aquatic Resources</i> . These refinements to mitigation measures would not cause any new significant environmental impact or substantially increase the severity of a previously disclosed environmental impact. All refinements to mitigation have been included to further enhance or improve environmental protections. Refinements made to environmental commitments were for permit consistency or to address public comments. These refinements included adding refueling specification (Environmental Commitments EC-2 and EC-3); requiring that the tops and bottoms of spoils disposal areas be rounded and slope faces contoured (Environmental Commitment EC-4a); further specifying erosion control materials (Environmental Commitment EC-4a); reinforcing state priorities for zero-emission equipment, providing further detail on diesel equipment, and limiting the age of marine vessels used for intake construction (Environmental

Modification	Modification Consideration
<p>Compensatory mitigation refinements in Final EIR, Volume 1, Appendix 3F, <i>Compensatory Mitigation Plan for Special-Status Species and Aquatic Resources</i>, and throughout the EIR as appropriate; Refinements to design commitments and guidelines for special-status plants California tiger salamander, tricolored blackbird, Swainson's hawk, and the addition of design commitments for Crotch bumble bee.</p> <p>Additional refinements to the CMP include the inclusion of mitigation measure ratios, the 10% stay-ahead commitment to mitigation; clarifications that mitigation sites will be designed, managed, and maintained to provide habitat requirements for a diversity of targeted wildlife species; removal of tidal habitat restoration on Bouldin Island; and clarification regarding potential locations of grassland mitigation, in addition to the initial mitigation sites and other site protection instruments.</p>	<p>Commitments EC-7, EC-8, and EC-10); removing reference to studying on-site concrete batching since this analysis was already performed and the project has been designed to maximize use of on-site batch plants (Environmental Commitment EC-13); and adding further specificity to construction BMPs for biological resources (Environmental Commitment EC-14). As with mitigation measures, all refinements have been included to further enhance or improve environmental protections and would not cause new significant environmental impacts or substantially increase the severity of a previously disclosed environmental impact. Changes to, or addition of, mitigation measures that do not increase the severity of the environmental impacts disclosed in the draft EIR do not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5. (<i>Yerba Buena Neighborhood Consortium, LLC v. Regents of Univ. of California</i> (2023) 95 Cal. App. 5th 779, 808.)</p> <p>Final EIR, Volume 2, Common Response 11, <i>Terrestrial Biological Resources and Compensatory Mitigation Plan</i>, describes the revisions that have been made to the CMP and associated resource-related modifications. As discussed in Final EIR, Volume 2, Common Response 11, in the section titled <i>Revisions to the Compensatory Mitigation Plan</i>, these revisions do not result in a change to any impact conclusions or require additional mitigation measures to which DWR is unwilling to commit. For terrestrial biological resources, no changes to an CEQA impact determination or mitigation measure are necessary because the CMP revisions either add specificity to an existing measure, provide additional mitigation for a species beyond what is required to reach a determination of a less-than-significant impact, or are located within areas that have already been identified as compensatory mitigation locations, as described in the <i>Biological Resources</i> section of Final EIR, Volume 2, Common Response 11. For other resources, CMP revisions cause minimal change to a resource, do not affect a resource, or lessen the impact on a resource, as described in the <i>Other Resources</i> section of Final EIR, Volume 2, Common Response 11. The following changes to the CMP do not trigger recirculation because changes to, or addition of, mitigation measures that do not increase the severity of the environmental impacts disclosed in the draft EIR do not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5. (<i>Yerba Buena Neighborhood Consortium, LLC v. Regents of Univ. of California</i> (2023) 95 Cal. App. 5th 779, 808.)</p> <p>Refinements to Design Commitments and Guidelines</p> <p>Final EIR, Volume 2, Common Response 11 describes the following refinements that were</p>

Modification	Modification Consideration
	<p data-bbox="825 237 1854 329">made to the design commitments and guidelines in the CMP, Attachment 3F.1, and why they would not result in a change to any impact conclusions or require additional mitigation measures:</p> <p data-bbox="825 375 1902 894"><i>CMP-0: General Design Guidelines</i> was updated to provide more detail about DWR's commitment to compensate for habitat impacts that could occur as a result of the CMP; Additional detail was added to <i>CMP-9</i> to better define suitable habitat and to clarify conditions of propagation of seed as mitigation for special-status plants; for California tiger salamander, <i>CMP-13</i> was modified to require that mitigation habitat will be located adjacent or connected to occupied upland or aquatic habitat; for tricolored blackbird, <i>CMP-22a</i> was revised to define high and very high-quality breeding season foraging habitat and <i>CMP-22b</i> was modified to add compensation for impacts on breeding season foraging habitat at a ratio of 1:1, which would consist of the creation or enhancement of grassland, vernal pool complex, alkaline seasonal wetland, or suitable cultivated lands or the implementation of a site protection instrument; for Swainson's hawk, <i>CMP-19</i> was modified to revise the land cover and crop types included in the very high, high, and moderate categories of foraging habitat value types. Furthermore, <i>CMP-29</i> was added; it describes compensation design guidelines specific to Crotch bumble bee to further clarify how grassland mitigation will support Crotch bumble bee to compensate for potential impacts on the species and its habitat.</p> <p data-bbox="825 938 1230 966">Additional Revisions to the CMP</p> <p data-bbox="825 1011 1871 1071">As described in Final EIR, Volume 2, Common Response 11, the CMP was also updated to include the following revisions:</p> <p data-bbox="825 1117 1890 1408">The addition of mitigation ratios developed in consultation with CDFW and USFWS through the project permitting process; additional language to describe in more detail the sequence and timing of mitigation implementation including the 10% stay-ahead commitment for mitigation; further detail to clarify the commitment by DWR that compensation lands will be managed to provide habitat for multiple species and to clarify the conversions of existing land cover to created, enhanced, or unchanged habitat in comparison with existing land cover; the removal of tidal habitat restoration on Bouldin Island; and the potential for additional grassland mitigation to occur in construction areas identified as permanent (affected for greater than 1 year) impacts.</p>

Modification	Modification Consideration
Clarifications regarding water transfers in Appendix 3H, <i>Non-Project Water Transfer Analysis for Delta Conveyance</i> , and additions to Final EIR, Volume 1, Chapter 9, <i>Water Quality</i> , and Chapter 12, <i>Fish and Aquatic Resources</i> , methods sections.	Appendix 3H, <i>Non-Project Water Transfer Analysis for Delta Conveyance</i> , was revised by adding clarifying text regarding how water transfers were considered in the EIR, which supports the statements in the EIR and responses to comments on the EIR. The additional text clarifies that the Delta Conveyance Project would not facilitate additional exports because the available capacity of the current SWP facilities to be used for transfers is not fully utilized. The explanation of carriage water in Appendix 3H was expanded to better clarify how carriage water requirements are determined as part of a water transfer. Both Final EIR, Volume 1, Chapter 9, <i>Water Quality</i> , and Final EIR, Volume 1, Chapter 12, <i>Fish and Aquatic Resources</i> , were updated to better explain how transfers through the Delta Conveyance Project facilities would not adversely affect water quality or aquatic resources or change the impact findings made for each resource topic. The added information does not result in a new or more severe impact requiring additional analysis, change impact conclusions presented in the Draft EIR, or require additional mitigation measures to which DWR is unwilling to commit. Therefore, the information does not constitute significant new information requiring recirculation under CEQA Guidelines Section 15088.5.

EXHIBIT B COVERSHEET

STATEMENT OF OVERRIDING CONSIDERATIONS

No. of Pages: 4

Exhibit Attachments: None

STATEMENT OF OVERRIDING CONSIDERATIONS

California Public Resources Code section 21081, subdivision (b), and State CEQA Guidelines section 15093 provide that, when a public agency decision-maker approves a project that may have potentially significant, unavoidable environmental impacts identified in an environmental impact report, the decision-making body must state in writing the reasons to support its action based on the completed EIR and/or other information in the administrative record.

Here, the Santa Clara Valley Water District (Valley Water) is considering an approval of an Amendment to the January 2021 Agreement to fund data collection and field work investigations, including ground-disturbing geotechnical work, water quality and hydrogeologic investigations, agronomic testing, the installation of monitoring equipment, construction test projects, pre-construction design work, and engineering work (collectively, "Pre-Construction Work") that will guide the ultimate design, appropriate construction methods, and monitoring programs for the Department of Water Resources' ("DWR") Delta Conveyance Project ("DCP"). The DCP entails the development of new diversion and conveyance facilities in the Sacramento-San Joaquin Delta ("Delta") to safeguard the State Water Project ("SWP"), which provides water supplies to Valley Water. Valley Water is not considering approval of the DCP at this time, nor is Valley Water committing to a future approval of the DCP by approving the Pre-Construction Work.

DWR prepared and certified an Environmental Impact Report ("EIR") (State Clearinghouse Number 2020010227) that analyzed the potential environmental impacts of the DCP, inclusive of potential impacts associated with the Pre-Construction Work. The EIR concluded that the DCP, inclusive of the Pre-Construction Work, may have significant and unavoidable impacts on the environment, and these impacts are listed below and prefaced by their identification number from the EIR:

- Impact AG-1: Convert a Substantial Amount of Prime Farmland, Unique Farmland, Farmland of Local Importance, or Farmland of Statewide Importance as a Result of Construction of Water Conveyance Facilities
- Impact AG-2: Convert a Substantial Amount of Land Subject to Williamson Act Contract or under Contract in Farmland Security Zones to a Nonagricultural Use as a Result of Construction of Water Conveyance Facilities
- Impact AES-1: Substantially Degrade the Existing Visual Character or Quality of Public Views (from Publicly Accessible Vantage Points) of the Construction Sites and Visible Permanent Facilities and Their Surroundings in Nonurbanized Areas
- Impact AES-2: Substantially Damage Scenic Resources including, but Not Limited to, Trees, Rock Outcroppings, and Historic Buildings Visible from a State Scenic Highway
- Impact AES-3: Have Substantial Significant Impacts on Scenic Vistas
- Impact CUL-1: Impacts on Built-Environment Historical Resources Resulting from Construction and Operation of the Project
- Impact CUL-2: Impacts on Unidentified and Unevaluated Built-Environment Historical Resources Resulting from Construction and Operation of the Project
- Impact CUL-3: Impacts on Identified Archaeological Resources Resulting from the Project
- Impact CUL-4: Impacts on Unidentified Archaeological Resources That May Be Encountered in the Course of the Project

- Impact CUL-5: Impacts on Buried Human Remains
- Impact TRANS-1: Increased Average VMT Per Construction Employee versus Regional Average
- Impact AQ-5: Result in Exposure of Sensitive Receptors to Substantial Localized Criteria Pollutant Emissions
- Impact NOI-1: Generate a Substantial Temporary or Permanent Increase in Ambient Noise Levels in the Vicinity of the Project in Excess of Standards Established in the Local General Plan or Noise Ordinance, or Applicable Standards of Other Agencies
- Impact PALEO-2: Cause Destruction of a Unique Paleontological Resource as a Result of Tunnel Construction and Ground Improvement
- Impact TCR-1: Impacts on the Delta Tribal Cultural Landscape Tribal Cultural Resource Resulting from Construction, Operations, and Maintenance of the Project Alternatives
- Impact TCR-2: Impacts on Individual Tribal Cultural Resources Resulting from Construction, Operations, and Maintenance of the Project Alternatives

In the judgment of the Board of Directors, each benefit of the Pre-Construction Work, as set forth below, outweighs—both individually and collectively—each of these potentially significant and unavoidable impacts for the reasons set forth below.

1. **The Pre-Construction Work is necessary for the safe and efficient design of the DCP.** The information collected from and generated by the Pre-Construction Work would be used to develop the DCP safely, efficiently, and in manner that minimizes impacts to the environment. For example, the information collected would be used to develop, among other things, detailed design of the DCP's structure and bridge foundations, new or modified levee cross sections, and ground improvement methodology. Moreover, information from the Pre-Construction Work would determine selection of tunnel boring machine methods, dewatering methods and quantities, below-grade construction methods (such as at the shafts and the pumping plant), need for impact pile driving, and methods to reduce ground settlement risk at all construction sites and along the tunnel alignment. The information would also be used to determine the specific depths and widths of groundwater cutoff walls to be installed at select construction sites. Additionally, soil samples obtained during soil borings would be analyzed to determine the structural capabilities of the soil to construct tunnel shaft pads and levee improvements, among other things. Soil and water quality tests would also be conducted to determine the potential for the presence of high concentrations of metals, organic materials, or hazardous materials that would require specific treatment and/or disposal methods. Thus, the Pre-Construction Work would generate information necessary to guide any construction of the DCP in a manner that would minimize its potential environmental impacts and most efficiently achieve the DCP's objectives.
2. **The DCP, which cannot be developed without the Pre-Construction Work, would restore and protect the reliability of SWP Water Deliveries South of the Delta.** The primary purpose of the SWP is to convey water to local and regional water suppliers, including Valley Water, across California that, in turn, supply end users engaged in the beneficial uses of that water. Protection of the SWP is thus important to Valley Water. The Pre-Construction Work will help ensure that the DCP, if constructed, will help protect SWP water deliveries to Valley Water by addressing seismic risks. Notably, the current SWP system relies heavily on natural channels within the Delta to convey water and is extremely vulnerable to seismic events because most land in the central Delta has

subsided well below sea level. If levees fail because of a seismic event, seawater intrusion from the western Delta could create salinity conditions that could require ceasing diversions from the SWP's current point of diversion in the south Delta. The capability of the DCP to continue operations would improve the ability of SWP Delta facilities to function after a seismic event by operating diversion facilities north of existing SWP facilities. The operations of the DCP would allow continued water supply diversions should south Delta export facilities become inoperable.

The DCP cannot proceed without the Pre-Construction Work, and the DCP would allow continued water deliveries to Valley Water and operational flexibility in the event of a catastrophic levee failure from seismic activity that could temporarily disrupt water supply or affect water quality.

3. **The DCP, which cannot be developed without the Pre-Construction Work, would restore and protect the reliability of SWP Water Deliveries South of the Delta by addressing reasonably foreseeable consequences of climate change and extreme weather events.** The DCP is part of the State of California's strategy to adapt the SWP water supply to climate change. As described in the Final EIR certified for the DCP, Volume 1, Chapter 30, *Climate Change*, projected future conditions under climate change, such as higher average temperature and more extreme variability in annual precipitation patterns, is anticipated to further diminish overall water supply and reliability of water delivery to Valley Water. Climate change is already taking a toll on California's water supplies in the form of more frequent and more severe droughts. A warmer atmosphere would modify precipitation and runoff patterns and affect extreme hydrologic events like floods and droughts. It is anticipated that droughts would increase in severity and duration, resulting in periods of critical dryness, further reducing Delta inflows during these dry periods. At the same time, associated increases in the frequency and severity of flashy storms in the cool season could increase high-flow events and flood risk in the Delta. These trends point to the need for alternate methods of water diversion and conveyance to effectively respond to changing water flow regimes under future climate change. In this context, Valley Water considers capture and conveyance in the Delta as important potential adaptations in protecting the SWP from future climatic change and mitigating system losses due to changing precipitation patterns and seasonal runoff. Having alternative points of diversion in the north Delta would increase resiliency in managing combined effects of sea level rise, including potential impacts on Delta morphology, and changes to timing and quantity of seasonal runoff. As water demand and supply challenges continue to increase, the DCP is designed to enhance resilience to climate change impacts and ensure that safe and reliable water deliveries to Valley Water continue far into the future (California Department of Water Resources 2023b).
4. **The DCP, which cannot be developed without the Pre-Construction Work, would restore and protect the reliability of State Water Project Water Deliveries South of the Delta by addressing sea level rise.** The DCP would protect Valley Water's SWP water supplies by facilitating adaption to sea level rise and potential changes in hydrologic conditions associated with climate change. As described in Final EIR, Volume 1, Appendix 6A, *Water Supply 2040 Analysis*, the DCP would improve SWP water supply reliability under current and future conditions, including extreme high sea level rise. As Valley Water relies on SWP water supply, the Pre-Construction Work, and the DCP that it would enable, would provide significant benefits to Valley Water.

5. **The Pre-Construction Work is necessary to obtain a more accurate cost estimate in relation to prudent financial planning and decision making of Valley Water's Board of Directors.** The ultimate financial costs of the DCP continue to be refined as further feasibility, planning, and design information is obtained. Until more information is known regarding the precise construction techniques, unique localized conditions that may increase or decrease construction costs, and potential schedule for any future construction, the financial cost of the DCP will continue to evolve. Valley Water wishes to further confirm the ultimate DCP costs, in order to allow for better disclosure to its rate-payers and in relation to prudent financial planning and decision making. The Pre-Construction Work is necessary to achieve those ends.

Through this Statement of Overriding Considerations, and based on the substantial evidence in the administrative record, Valley Water's Board of Director's has weighed the Pre-Construction Work's benefits against its environmental impacts and finds that the Pre-Construction Work's potentially significant and unavoidable environmental impacts are "acceptable" in light of the environmental, economic, legal, social, technological, and/or other considerations set forth herein, and that each benefit of the Pre-Construction Work outweighs, both individually and collectively, the potentially significant and unavoidable environmental impacts.

EXHIBIT C COVERSHEET

NOTICE OF DETERMINATION

No. of Pages: 2

Exhibit Attachments: None



NOTICE OF DETERMINATION

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Santa Clara Valley Water District

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625 Court Street, Room B-01
Woodland, CA 95695 | <input checked="" type="checkbox"/> San Joaquin County Clerk
44 North San Joaquin Street
Second Floor, Suite 260
Stockton, CA 95204 |
| <input checked="" type="checkbox"/> Contra Costa County Clerk
555 Escobar Street
Martinez, CA 94553 | <input checked="" type="checkbox"/> Solano County Clerk
675 Texas Street, Suite 2700
Fairfield, CA 94533 |

Subject: *Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resource Code.*

Contact Person: Elise Latedjou-Durand	Telephone No: (408) 630-3205	State Clearinghouse No: 2020010227
Project Title: Delta Conveyance Project		
Project Location: Alameda, Contra Costa, Sacramento, Solano, San Joaquin, and Yolo Counties		
<p>On December 21, 2023, California Department of Water Resources (DWR) certified the environmental impact report ("EIR") for, and approved, the Delta Conveyance Project. The Delta Conveyance Project consists of the construction, operation, and maintenance of new State Water Project ("SWP") water diversion and conveyance facilities in the Delta that would be operated in coordination with existing SWP facilities.</p> <p>The Delta Conveyance Project includes the following key components and actions:</p> <ul style="list-style-type: none">Two intake facilities along the Sacramento River in the north Delta near the community of Hood with on-bank intake structures that would include fish screens.		

- A concrete-lined tunnel, and associated vertical tunnel shafts, to convey flow from the intakes about 45 miles to the south of the Bethany Reservoir Pumping Plant and Surge Basin at a location south of the existing SWP Clifton Court Forebay.
- A Bethany Reservoir Pumping Plant to lift the water from inside the tunnel below ground into the Bethany Reservoir Aqueduct for conveyance to the Bethany Reservoir Discharge Structure and into the existing Bethany Reservoir.
- Other ancillary facilities to support construction and operation of the conveyance facilities including, but not limited to, access roads, concrete batch plants, fuel stations, and power transmission and/or distribution lines.
- Efforts to identify geotechnical, hydrogeologic, agronomic, and other field conditions that will guide appropriate construction methods and monitoring programs for final engineering design and construction data collection and field work investigations, including ground-disturbing geotechnical work, water quality and hydrogeologic investigations, agronomic testing, the installation of monitoring equipment, construction test projects, pre-construction design work, and engineering work ("Pre-Construction Work")

Santa Clara Valley Water District (Valley Water), as a responsible agency, has not approved the Delta Conveyance Project but has, however, issued a limited approval relating to funding of Pre-Construction Work for the Delta Conveyance Project.

This is to advise that Valley Water, as a Responsible Agency, has considered the Delta Conveyance Final EIR as prepared by the Lead Agency and has approved the Pre-Construction Work project on _____, 2024. Valley Water has made the following determinations regarding the above-described project:

1. The project ☒ will, ☐ will not, have a significant effect on the environment.
2. ☒ Environmental Impact Report was previously prepared by DWR for the Delta Conveyance Project, which included and analysis of the Pre-Construction, pursuant to the provisions of CEQA for the Delta Conveyance Project pursuant to the provisions of CEQA.
3. Mitigation measures ☒ were, ☐ were not made a condition of the approval of the Delta Conveyance Project, including the Pre-Construction Work, By DWR.
4. A mitigation reporting or monitoring program ☒ was ☐ was not adopted by DWR.
5. A Statement of Overriding Considerations ☒ was, ☐ was not adopted for the Pre-Construction Work
6. Findings ☒ were, ☐ were not made pursuant to CEQA Guidelines §15091 and the provisions of
CEQA for the Delta Conveyance Project

This is to certify that the above-referenced EIR and the record of proceedings relating to Valley Water above-described action is available to the General Public at the following location:

<https://www.deltaconveyanceproject.com/planning-processes/california-environmental-quality-act/final-eir/final-eir-document>

Rick L. Callender, Esq.
Chief Executive Officer

Date:

Sent via email; no hard copy to follow.

January XX, 2025

Subject: Contribution or Advance of Money for Delta Conveyance Planning Activities

Dear Ms. Lin,

This letter is sent pursuant to Section 5 of the Agreement for the Advance of Contribution of Money to the Department of Water Resources (DWR) for Preliminary Planning and Design Costs Related to a Potential Delta Conveyance Project between DWR and Santa Clara Valley Water District (Valley Water) dated January 6, 2021 (“Funding Agreement”).

On January 14, 2025, Valley Water’s Board of Directors approved the contribution or advance of \$9,690,000 to DWR for use in accordance with the terms of the Funding Agreement. A copy of the Board’s Resolution is enclosed with this letter.

The contribution or advance will be collected from Valley Water in equal monthly installments by inclusion of a charge on its Statement of Charges for 2026-2027 that DWR will issue to Valley Water. The charge shall be referred to as the “2026-2027 Pay-Go Charge” and subject to the terms and conditions of Section 5 of the Funding Agreement.

Please confirm your agreement to the foregoing by countersigning in the space provided below and returning an original copy of this letter agreement to Aaron Baker at 5750 Almaden Expressway, San Jose, California, 95118.

Respectfully,

Tina Nguyen Yoke, C.P.M.
Acting Chief Executive Officer

Department of Water Resources

Enclosure: Resolution XX



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Delta Conveyance Project Update

January 14, 2025



Bethany Reservoir
Photo Courtesy of DWR

Modernize Conveyance & Address Vulnerabilities

DCP is a key component of the Governor's Water Resilience Portfolio



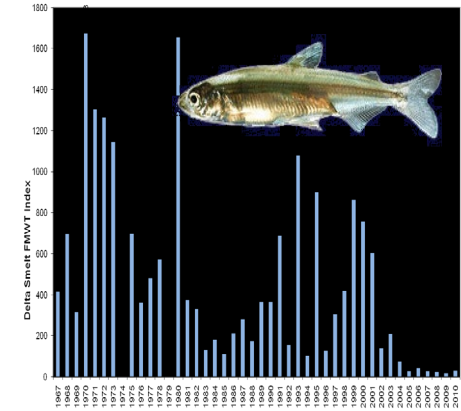
Address sea level rise and climate change



Minimize water supply disruption due to seismic risk



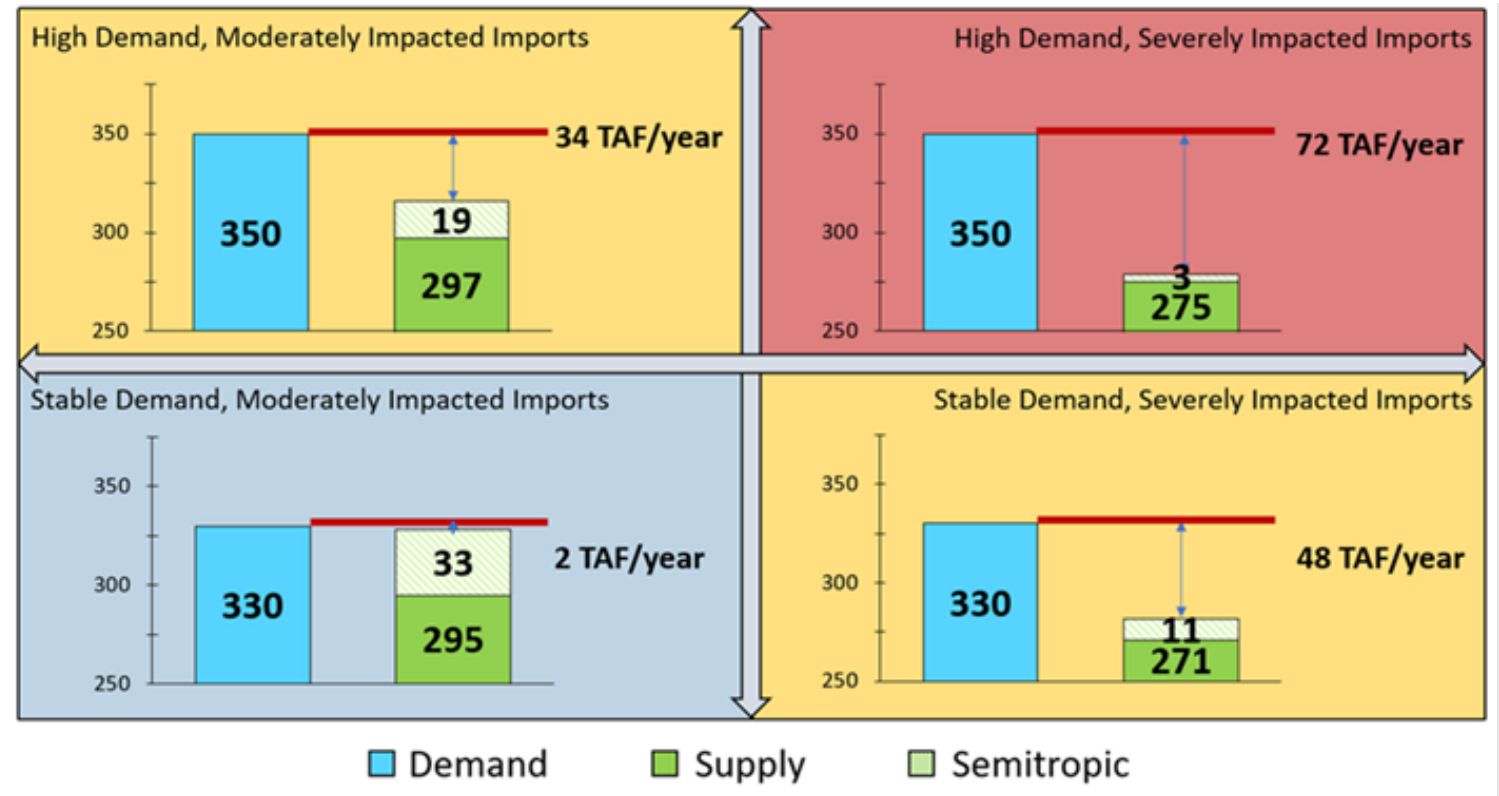
Protect water supply reliability



Provide operational flexibility to improve aquatic conditions

Valley Water's Supply Needs and Challenges

Multi-year droughts
Climate change impact
Aging infrastructure
Affordability

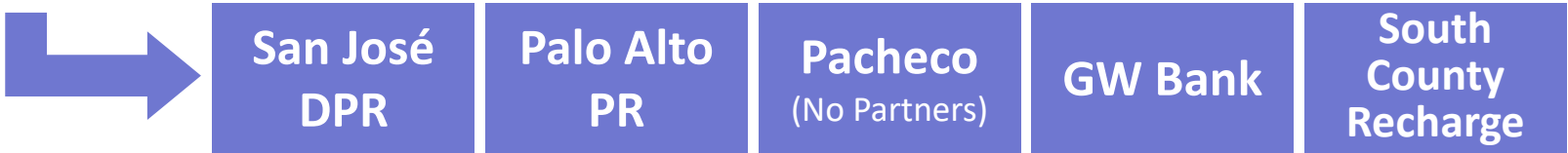


Strategies for Water Supply Reliability

Lower Cost (~\$4 Billion)



Local Control (~\$5.9 Billion)



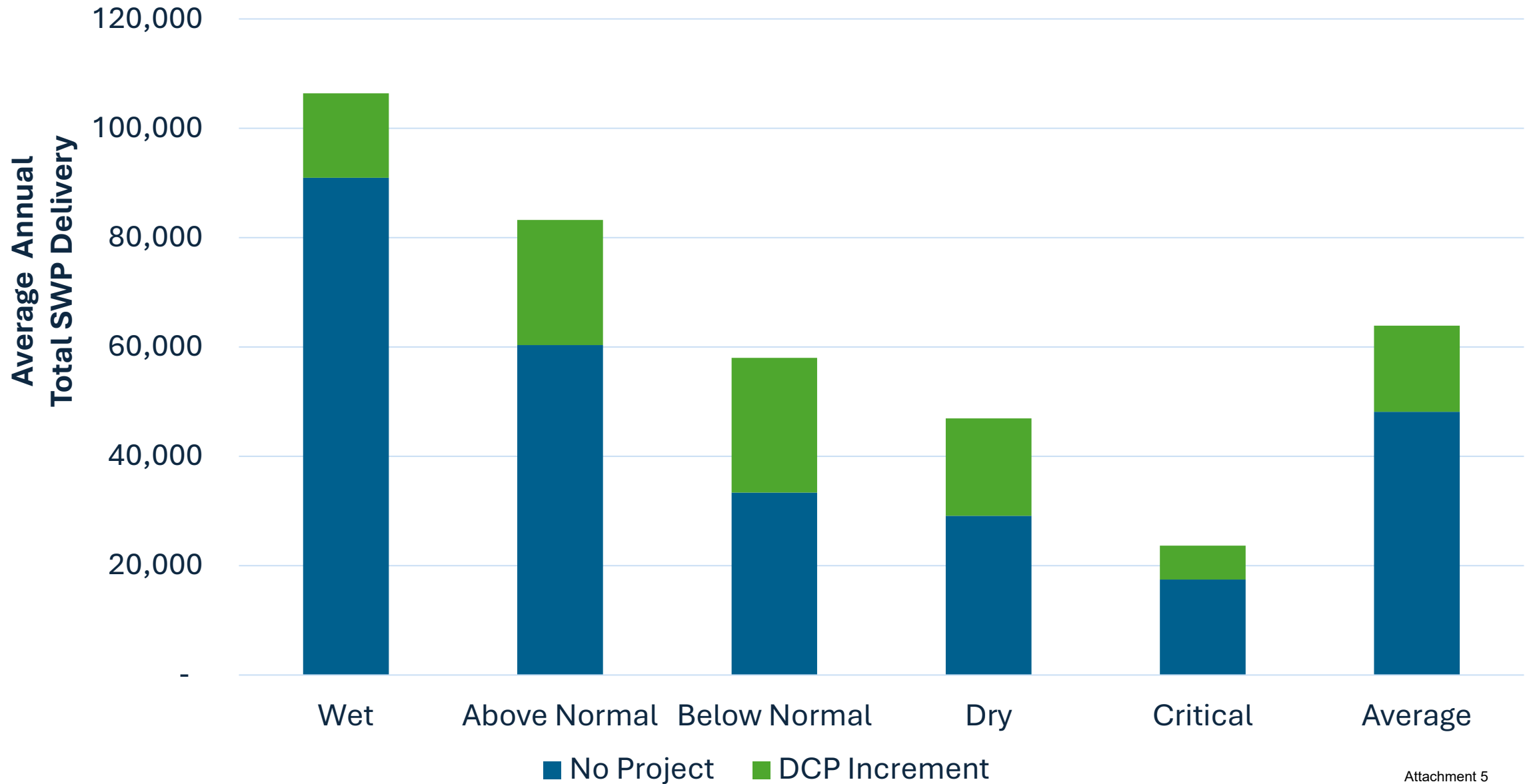
Diversified (~\$5.3 Billion)



Valley Water's DCP Benefits

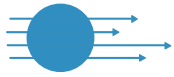
- Protection of existing SWP supplies against sea level rise and climate change
- Water Supply: 13 TAF/year (average, 2070)
- Conveyance of transfer water in all year types
- Complements other Water Supply Master Plan projects
- SWP seismic resiliency

Valley Water's Share of DCP Water in 2070



Valley Water's Guiding Principles for Participation

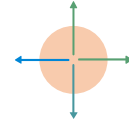
Valley Water Board Resolution 19-69, adopted September 24, 2019



**Santa Clara County
needs are primary**



**All parties
pay fair share**



**Addresses
community input**



**Water supply
is affordable**



**Equity and costs
are important**



**Flexibility to acquire
supplemental water**

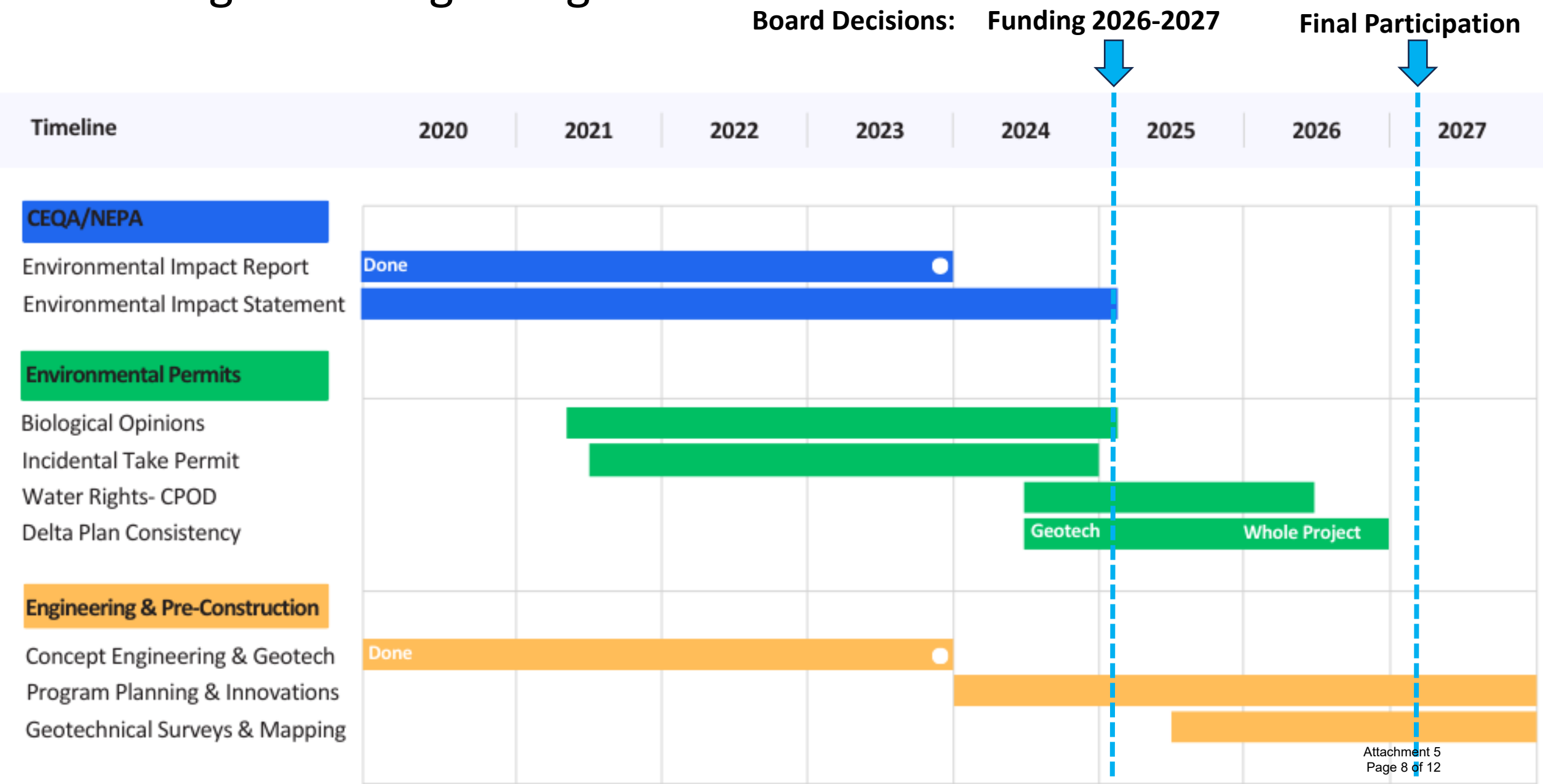


**Keep negotiating for
Santa Clara County**



**Public engagement is
paramount to success**

Permitting and Design Progress



Funding Request: Planning & Pre-Construction Work for 2026-2027

Total Funding Need for Calendar Years 2026-2027: \$300,000,000
Valley Water’s share (3.23%): \$9,690,000

	FY 2025-2026	FY 2026-2027	FY 2027-2028
Valley Water’s Share	\$1,938,000	\$4,845,000	\$2,907,000
Estimated Monthly Rate Impact to Average Household (\$/month)	\$0.4	\$1.01	\$0.61

DWR Adopted the Final EIR, which included Pre-Construction Work



Planning & Pre-Construction Work

- General management and administration
- Community engagement and outreach
- Program management support
- Property and easements
- **Surveys**
- Permitting: Water Rights, Delta Stewardship Council Certification of Consistency, Clean Water Act (404 & 401)
- **Geotechnical field investigations**
- **Mitigation**
- Engineering

Prior to Funding Pre-Construction Work Valley Water must:

- Consider the Final EIR
- Make Responsible Agency Findings
- Adopt DWR's CEQA Findings of Fact (Attachment 3, Exhibit A)
- Adopt Statement of Overriding Consideration for Pre-Construction Work (Attachment 3, Exhibit B)
- File Notice of Determination for the Pre-Construction Work (Attachment 3, Exhibit C)

Project Partners' Funding Decision Status



Indicates participating agencies that have already approved funding for 2026-2027

Contractor (Project Share)	Status	Contractor (Project Share)	Status
Alameda County FC&WCD, Zone 7 (2.2%)	✓	Alameda County WD (1.15%)	✓
Santa Clara Valley Water District (3.23%)		San Luis Obispo County FC&WCD (0.6%)	
Dudley Ridge WD (1.02%)		Kern County Water Agency (11.22%)	
Antelope Valley-East Kern Water Agency (3.95%)		Coachella Valley Water District (3.78%)	✓
Crestline-Lake Arrowhead Water Agency (3.78%)	✓	Desert Water Agency (1.52%)	✓
Metropolitan Water District (47.2%)	✓	Mojave Water Agency (2.45%)	✓
Palmdale Water Agency (1.06%)	✓	San Bernadino Valley MWD (2.8%)	✓
Santa Clarita Valley Water Agency	✓	San Gabriel Valley MWD (0.79%)	✓
San Geronio Pass WA (2.0%)	✓	Ventura County Watershed Protection District (0.55%)	✓

January 14, 2025



Santa Clara Valley Water District Board of Directors Meeting | Agenda Item XX

Delta Conveyance Project

Carrie Buckman

Environmental Program Manager
CA Department of Water Resources

Graham Bradner

Executive Director
Delta Conveyance Design & Construction Authority

Important, Successful Year

- Certified EIR
- Updated Cost Estimate
- Published Benefit Cost Analysis
- Supported Agency Funding Decisions
- Conducted Dozens of PWA Presentations
- Secured 12 Yes Board Votes
- Strong support from Governor Newsom

Decadeslong Delta tunnel water project may finally be nearing a historic decision

BY DAN WALTERS
MAY 24, 2024



Department of Water Resources Approves Delta Conveyance Project

Final EIR Certified; Engineering, Design and Permitting to Move Forward

Analysis: Benefits of the Delta Conveyance Project Far Exceed Costs

Published: May 16, 2024

PRESS RELEASE: Water agencies across California vote affirmatively to support the Delta Conveyance Project; protect critical water supply against climate change

👤 Press Release/Notice 📄 Press Release/Other 🕒 November 22, 2024 💬 0 👁 84

Climate Models Predict “Weather Whiplash”

-32% to +47%
changes in
projected annual runoff!

Increased
precipitation falling as
rain instead of snow

More extreme
drought and flood cycles

Intense precipitation
events scattered within
dry stretches

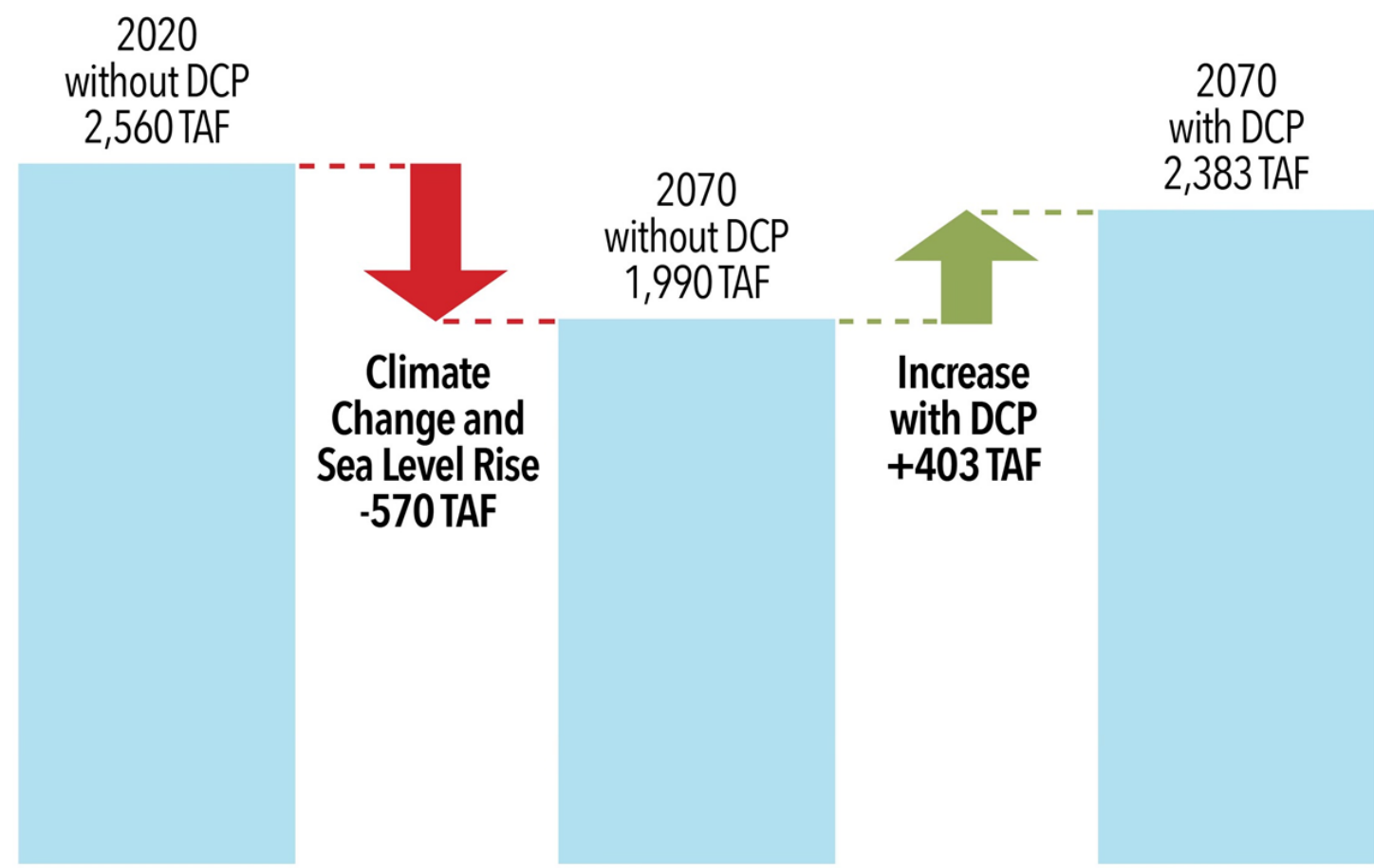
Currently, extreme precipitation events with high water flows cannot be fully captured and moved

How would the Delta Conveyance Project Help?

- Adding intakes in the north Delta would allow the capture and movement of water in the winter that would otherwise be unavailable.
- North Delta intakes would add capacity to safely divert in the winter during high flow conditions, while meeting water quality and species protections.
- This added ability to divert high flows will help guard against declining baseline water deliveries, protect water agencies' baseline supplies, and minimize future losses.
- Modernizing the aging SWP infrastructure will protect against seismic risk and sea level rise and aid in ensuring that we capture, move and store water when it is available and when it is safe for fish and water quality.



State Water Project Deliveries



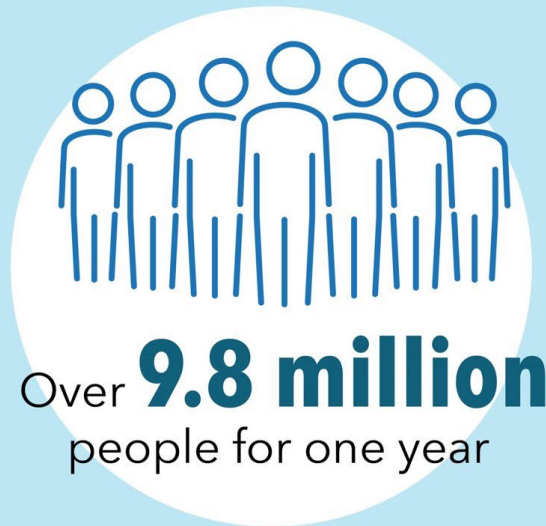
The Delta Conveyance Project would yield about half a million acre-feet of water per year

Missed Opportunities



January 1, 2024 - June 13, 2024

941,000 acre-feet of water = enough water to supply:



or



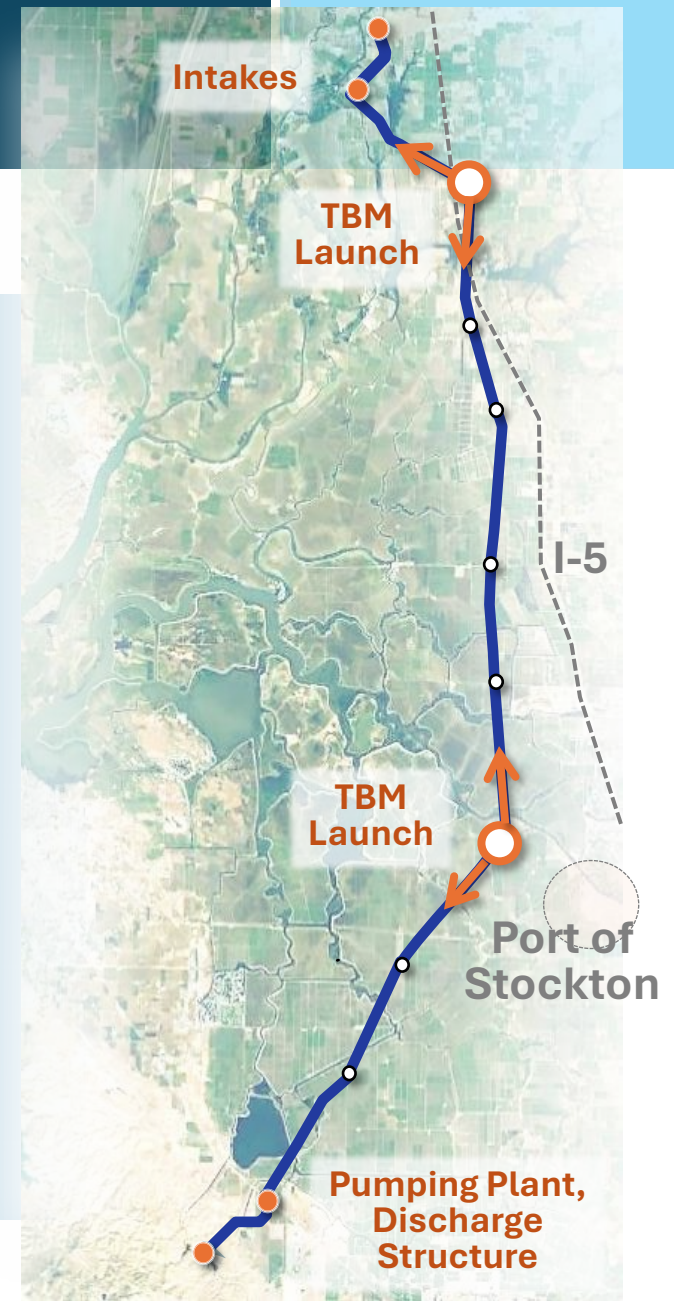
Bethany Reservoir Alignment – A Very Different Project

Bethany Reservoir Alignment – 6,000 cfs (~10% design)

- Two (2) new intakes in the North Delta
- Conveyance tunnel: 45 miles of 36-ft ID single tunnel, 11 shafts
- New pumping plant, aqueducts and discharge structure connecting directly to Bethany Reservoir

Project developed to reduce impacts:

- Focused on siting major facilities, understanding local traffic conditions, and reducing construction effects
- Smaller footprint – considered ways to minimize noise, traffic, power needs, aesthetic effects, boating and waterway effects, and land disturbance
- Route avoids heart of the Delta



DCP Cost Estimate Update



- **2020 Cost Assessment = \$15.9B (2020\$, undiscounted)**
- **2024 Cost Estimate = \$20.1B (2023\$, undiscounted)**
 - Costs based on Bethany Reservoir Alignment engineering documentation, unit rates, quantities, and durations
 - Includes \$960M for mitigation and \$200M for Community Benefits Program
 - Design & construction innovations show potential to manage cost and risks
 - Multiple reconciliations with independent estimates to improve confidence



\$15.9B (2020) escalates to \$20.2B (2023) vs. \$20.1B (2023)

DCP Readily Passes the Benefit/Cost Test



BENEFITS

- **Water supply reliability and quality:** offset negative impacts of climate change on water deliveries
- **Seismic resilience:** maintain deliveries even after a major seismic event

COSTS

- **Construction:**
Updated cost estimate and secondary estimate
- **Operations and maintenance**
- **Unmitigated environmental impacts**

*Economic evaluation performed by Berkeley Research Group:
Benefit/Cost Ratio = 2.20*

Components of the Community Benefits Program

DCP Community Fund

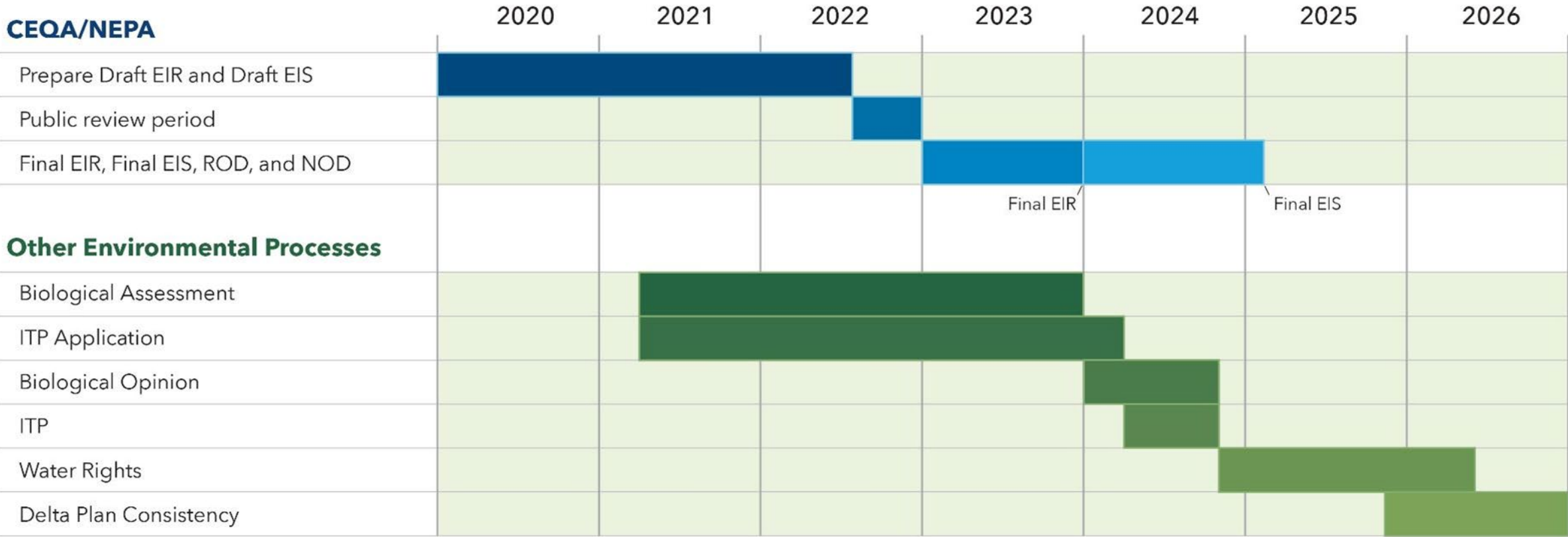
Proposed overarching fund to support community-prioritized projects in the Delta



DCP Implementation Commitments

- Hiring targets, job training, and education
- Local business utilization
- Infrastructure and facilities

Schedule to Complete Key Permits



Next Steps



Continue to identify design and construction innovations to improve constructability and manage costs and risks

Conduct investigations and surveys to better define site conditions and advance the engineering of the project

Secure key permits related to water rights, state and federal Endangered Species Act, and Delta Plan consistency

Advance planning efforts for the Community Benefits Program and use of water management tools



Thank You! Questions?

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Max Overland

From: Britton Pyland (daigen2021@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Tuesday, January 7, 2025 12:03 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

This is important

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

For years, the Bay-Delta ecosystem has been severely depleted of its essential freshwater flows, causing the destruction of natural habitat for endemic species and worsening the livelihood of residents in Delta communities. This project will absolutely hasten the decline of the Delta.

Ratepayers will face increased water bills and property taxes, with no assurance of a sustainable water supply if Valley Water continues to spend millions of dollars - nearly \$650 million by the final construction vote - on this project! Remember that the board is ultimately accountable to their ratepayers who do not want their bills to rise amid an era of constant inflation and an affordability crisis.

The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Britton Pyland
2951 Derby St, Unit 221A
Berkeley, CA 94705
daigen2021@gmail.com
(341) 356-1076

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Dennis Fox (dennis.james.fox@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Tuesday, January 7, 2025 11:29 AM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Can we all please face reality and understand that climate change is not going away. It's here to stay and will only get worse. The Delta Tunnel Project is a huge boondoggle that will never pay for itself but will saddle your customers with rate increases that provide no benefit. Please abandon this old-world approach to fighting against nature.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

For years, the Bay-Delta ecosystem has been severely depleted of its essential freshwater flows, causing the destruction of natural habitat for endemic species and worsening the livelihood of residents in Delta communities. This project will absolutely hasten the decline of the Delta.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Dennis Fox
2428 Pebble Beach Drive
San Jose, CA 95125

dennis.james.fox@gmail.com
(408) 265-1019

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Yani Zou (yanizou@hotmail.com) Sent You a Personal Message <kwautomail@phone2action.com>
Sent: Tuesday, January 7, 2025 11:05 AM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Santa Clara Valley Water District,
Please vote NO on Delta Tunnel Project. The Delta Tunnel ?will reduce water flows and devastate the already-fragile San Francisco Bay Delta ecosystem. The \$9.69 million can be more effectively invested in local communities.
Thank you!

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

For years, the Bay-Delta ecosystem has been severely depleted of its essential freshwater flows, causing the destruction of natural habitat for endemic species and worsening the livelihood of residents in Delta communities. This project will absolutely hasten the decline of the Delta.

Ratepayers will face increased water bills and property taxes, with no assurance of a sustainable water supply if Valley Water continues to spend millions of dollars - nearly \$650 million by the final construction vote - on this project! Remember that the board is ultimately accountable to their ratepayers who do not want their bills to rise amid an era of constant inflation and an affordability crisis.

The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Yani Zou
1984 Latham Street
Mountain View, CA 94040

yanizou@hotmail.com
(650) 810-6965

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Arthur Allen (awmikeallen@yahoo.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Tuesday, January 7, 2025 10:35 AM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding
Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

The Delta is already stressed and
The Salmon are on the road to extinction

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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Ratepayers will face increased water bills and property taxes, with no assurance of a sustainable water supply if Valley Water continues to spend millions of dollars - nearly \$650 million by the final construction vote - on this project! Remember that the board is ultimately accountable to their ratepayers who do not want their bills to rise amid an era of constant inflation and an affordability crisis.

The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Arthur Allen
340 Madrone Ave
Larkspur, CA 94939
awmikeallen@yahoo.com
(415) 927-1380

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Diane Matthew (dsmatthew@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Tuesday, January 7, 2025 10:05 AM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

I'm 80 years old and can't believe that this very unwise idea is still out there.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

For years, the Bay-Delta ecosystem has been severely depleted of its essential freshwater flows, causing the destruction of natural habitat for endemic species and worsening the livelihood of residents in Delta communities. This project will absolutely hasten the decline of the Delta.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Diane Matthew
P.O. Box 470
Lagunitas, CA 94938
dsmatthew@gmail.com
(415) 488-1748

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Melanie Cross (melaniecross@earthlink.net) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Tuesday, January 7, 2025 9:02 AM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

The desire for more water from consumers of both residential and commercial uses is never ending. Supplying it from the Bay-Delta is not the solution. I suggest areas of California that need more water could provide it themselves with wind and solar powered desalinated water.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

For years, the Bay-Delta ecosystem has been severely depleted of its essential freshwater flows, causing the destruction of natural habitat for endemic species and worsening the livelihood of residents in Delta communities. This project will absolutely hasten the decline of the Delta.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Melanie Cross
945 Matadero Avenue
Palo Alto, CA 94306
melaniecross@earthlink.net

(650) 847-1350

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Judith Lacy (blu_moon96@yahoo.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Tuesday, January 7, 2025 8:54 AM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

For years, the Bay-Delta ecosystem has been severely depleted of its essential freshwater flows, causing the destruction of natural habitat for endemic species and worsening the livelihood of residents in Delta communities. This project will absolutely hasten the decline of the Delta.

Ratepayers will face increased water bills and property taxes, with no assurance of a sustainable water supply if Valley Water continues to spend millions of dollars - nearly \$650 million by the final construction vote - on this project! Remember that the board is ultimately accountable to their ratepayers who do not want their bills to rise amid an era of constant inflation and an affordability crisis.

The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Judith Lacy
1377 boysea drive
San jose, CA 95118
blu_moon96@yahoo.com
(408) 448-1326

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Penelope Ward (penelope.ward@verizon.net) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 5:45 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Penelope Ward
1401 Bonnell Dr.,
Topanga, CA 90290
penelope.ward@verizon.net
(310) 455-3215

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Ed Fisher (eofisher@gmail.com) Sent You a Personal Message <kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 6:15 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Ed Fisher
619 East California Boulevard
Pasadena, CA 91106
eofisher@gmail.com
(626) 379-5427

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Mary Ames (amesink@earthlink.net) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 6:08 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Mary Ames
30657 Sky Terrace Drive
Temecula, CA 92592
amesink@earthlink.net
(951) 506-0274

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Currie Hambright (currieh2@yahoo.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 5:42 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Currie Hambright
2307 paseo saucedal
carlsbad, CA 92009
currieh2@yahoo.com
(858) 922-9631

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Gita Dev (gd@devarchitects.com) Sent You a Personal Message <kwautomail@phone2action.com>
Sent: Wednesday, January 8, 2025 12:00 AM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Water is life to all creatures so we need to keep freshwater in the Delta ecosystem to keep it alive. Let's not destroy the life of the Delta.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Gita Dev
485 mt hm rd
woodside, CA 94062
gd@devarchitects.com
(415) 733-5577

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Eleanor Lewis (etlewis1@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Tuesday, January 7, 2025 9:57 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

I live in Santa Clara County and care deeply about protecting the delta. Spending any funds on this project is a terrible idea, we should be investing in conservation not destroying an ecosystem.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Eleanor Lewis
2917 Simkins Ct
Palo Alto, CA 94542
etlewis1@gmail.com
(510) 209-7377

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Susan Oliver (moonpause@yahoo.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Tuesday, January 7, 2025 4:48 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

I urge you to vote no onn agenda item 3.5.. Thank you.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Susan Oliver
4085 Mt. Barnard
San Diego, CA 92111
moonpause@yahoo.com
(858) 952-9935

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Janice Jones (jan@metrostation.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Tuesday, January 7, 2025 3:25 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Janice Jones
2612 Tulare Av
El Cerrito, CA 94530
jan@metrostation.com
(510) 235-8434

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Frank Eldredge (feldredge@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Tuesday, January 7, 2025 1:49 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

As a native Californian and advocate for our state's natural resources, I'm writing to urge you to vote against funding for the Delta Tunnel. Please give careful consideration to the impact that diverting substantial flows of freshwater will have on the health of the San Francisco Bay and endangered species. Many species, such as salmon and steelhead, are facing extinction at current levels of flows. Another major diversion of freshwater would be very detrimental to our Delta and Bay. Please vote for environmental sustainability, not for sending more water to Big Agriculture and urban areas in Southern California.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Frank Eldredge
1239 ROYCOTT WAY
SAN JOSE, CA 95125

fieldredge@gmail.com
(408) 569-0726

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Randy Derhammer (drderhammer@sbcglobal.net) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Tuesday, January 7, 2025 1:09 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Randy Derhammer
413 Olive St.
Paso Robles, CA 93446
drderhammer@sbcglobal.net
(805) 239-2338

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: BRITT CLEMM (brittcl Emm@att.net) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Tuesday, January 7, 2025 12:53 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

BRITT CLEMM
3453 BENTON ST
SANTA CLARA, CA 95051
brittcl Emm@att.net
(212) 236-4890

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Debra Reuter (debireuter@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Tuesday, January 7, 2025 7:28 AM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

I respectfully ask that you vote no to allocating more funds to the Delta Conveyance Project. This project would cause irreparable harm to the SF Bay Delta ecosystem, adversely affect Indigenous communities and contribute to poor air quality in Stockton. Please take good care of this environment for current and future generations.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

For years, the Bay-Delta ecosystem has been severely depleted of its essential freshwater flows, causing the destruction of natural habitat for endemic species and worsening the livelihood of residents in Delta communities. This project will absolutely hasten the decline of the Delta.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Debra Reuter
849 Charter Way, Vacaville, CA, 95687
Vacaville, CA 95687
debireuter@gmail.com
(408) 348-5669

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Jo Baxter (jobaxter@roadrunner.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Tuesday, January 7, 2025 8:13 AM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Jo Baxter
354 Agate Street
Laguna Beach, CA 92651
jobaxter@roadrunner.com
(310) 260-2842

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Barbara Williamson (bwilliamson946@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 11:53 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

This will be bad for the Delta and the ecosystem which currently rely on this water. Too expensive and bad for salmon.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

For years, the Bay-Delta ecosystem has been severely depleted of its essential freshwater flows, causing the destruction of natural habitat for endemic species and worsening the livelihood of residents in Delta communities. This project will absolutely hasten the decline of the Delta.

Ratepayers will face increased water bills and property taxes, with no assurance of a sustainable water supply if Valley Water continues to spend millions of dollars - nearly \$650 million by the final construction vote - on this project! Remember that the board is ultimately accountable to their ratepayers who do not want their bills to rise amid an era of constant inflation and an affordability crisis.

The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Barbara Williamson
919 Buchanan st
Albany, CA 94706
bwilliamson946@gmail.com
(510) 495-7219

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Shanti Dickson (shantimadre@fastmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 11:14 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

This project is environmentally devastating and given the dramatic shifts resulting from climate change, cannot be counted on to provide enough water to justify the astronomical costs. Let's get realistic about water conservation and storage locally, not invest taxpayer millions in far-fetched schemes.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Shanti Dickson
2957 Taper Ave
Santa Clara, CA 95051
shantimadre@fastmail.com
(408) 243-3558

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Carolyn Wheeler (cjrwhweler@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 10:48 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Remember the recent drought a few years ago?

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Carolyn Wheeler
40452 Ditmus Ct
Fremont, CA 94538
cjrwhweler@gmail.com
(510) 656-7767

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Cheryl Schmidt (schmidthaus1@comcast.net) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 10:10 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

This is such a big mistake. You will end up paying a lot of money but the same old water. The water has been over promised, people are paying a lot but not getting what they are promised. So many will suffer including fish, jobs, water quality; it will be catastrophic. Please vote "NO."

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Cheryl Schmidt
1845 ivanhoe Ave
Lafayette, CA 94549
schmidthaus1@comcast.net
(925) 938-2029

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: John Armstrong (armstrongj1@outlook.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 9:41 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Stop this CA water contractors and central valley farmer/cowpeople/county boards of supes/CNRA/DWR criminal water theft dead in its tracks now.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

John Armstrong
6517 powder ridge dr.
Rocklin, CA 95765
armstrongj1@outlook.com
(916) 297-0595

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: elizabeth berteaux (birdtrax@dcn.org) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 9:04 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

spending billions to destroy a water source and the environment that it supports makes no sense. especially since the potential to run it dry in a few years is definitely there.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

elizabeth berteaux
2208 alameda ave
davis, CA 95616
birdtrax@dcn.org
(530) 756-1686

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: MARYFRANCES CARECCIA (mfc1206@yahoo.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 8:58 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

PLEASE-HEED THE WARNINGS!!! RESPECT THE SCIENCE! OUR PLANET IS DYING. WE NEED TO REPAIR THE DAMAGE WE'VE DONE....NOT CAUSE MORE!

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

MARYFRANCES CARECCIA
522 N. Flores St.
Los Angeles, CA 90048
mfc1206@yahoo.com
(917) 209-2179

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Ginny Madsen (madsenginny3@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 8:43 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

I am an elderly, 3rd generation Californian. My great-grandfather's 1880's barn still stands outside of Patterson, in the 'teens my grandfather was a dryland farmer on the Altamont, uncles worked for Zone 7. I got my BS in geology, chemistry and meteorology at San Jose State and did field work outside of the Owens Valley and spent much time in the CA deserts. I have known since childhood how California water has been fought over, misused and profitted from - I pay close attention to every drop I use. I believe that the Delta Tunnel will irreversibly damage the Delta, the Sacramento and San Joaquin River drainages, and San Francisco Bay, without bringing more water to areas south of the Bay. The Delta Conveyance Project is a mistake that we may not be able to recover from.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Ginny Madsen

13461 Aurora Drive #H
San Leandro, CA 94577
madsenginny3@gmail.com
(510) 352-1553

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Nancy Blastos (nab1180@verizon.net) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 8:33 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Nancy Blastos
1681 garden st., none
redlands, CA 92373
nab1180@verizon.net
(951) 202-3588

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Kimble Darlington (kimble101@yahoo.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 8:10 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Kimble Darlington
340 Shoreline Dr
Smith River, CA 95567
kimble101@yahoo.com
(707) 218-1458

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Donald Weiden (weidendon123@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 8:09 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Stop wasting rate payer money on this mega project. It is too expensive for the benefits received. Invest in conservation, reclamation and regional water supply projects.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Donald Weiden
91 Solana Dr
Los Altos, CA 94022
weidendon123@gmail.com
(650) 941-8751

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Robert Nix (offering423@yahoo.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 8:08 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

An environmental disaster that must be avoided

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Robert Nix
14669 Hiawatha St
Mission Hills, CA 91345
offering423@yahoo.com
(818) 686-6039

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Michael McLaughlin (briseboy@msn.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 8:08 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Northern California and delta ecosystems must not be extinguished to transport water to regions where it is insufficient to support agriculture, industry, or population.
Do not sacrifice life for greed.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Michael McLaughlin
2335 Chester Street
Eureka, CA 95503
briseboy@msn.com
(707) 442-4886

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Arnold Sodergren (arniechar@sbcglobal.net) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 7:55 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Arnold Sodergren
420 Lazy Brook Ct.
Simi Valley, CA 93065
arniechar@sbcglobal.net
(805) 584-1908

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Carol Starkey (carolastarkey@sonic.net) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 7:35 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

For years, the Bay-Delta ecosystem has been severely depleted of its essential freshwater flows, causing the destruction of natural habitat for endemic species and worsening the livelihood of residents in Delta communities. This project will absolutely hasten the decline of the Delta.

Ratepayers will face increased water bills and property taxes, with no assurance of a sustainable water supply if Valley Water continues to spend millions of dollars - nearly \$650 million by the final construction vote - on this project! Remember that the board is ultimately accountable to their ratepayers who do not want their bills to rise amid an era of constant inflation and an affordability crisis.

The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Carol Starkey
10875 Rio Ruso Dr.
Windsor, CA 95492
carolastarkey@sonic.net
(707) 478-3288

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Jane Nachazel-Ruck (antjn4tprch@sbcglobal.net) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 7:34 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Jane Nachazel-Ruck
1844 Effie St.
Los Angeles, CA 90026
antjn4tprch@sbcglobal.net
(213) 484-9778

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Robert and Suzanne Rubenstein (suzrube@me.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 7:33 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

This wont solve any problems and will create new ones in the face of climate change. Please vote against this please

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Robert and Suzanne Rubenstein
1635 bryant st
palo alto, CA 94301
suzrube@me.com
(650) 328-9988

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Pattie Meade (plmsurf@cox.net) Sent You a Personal Message <kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 6:43 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Pattie Meade
421 VIA MONTEGO
SAN CLEMENTE, CA 92672
plmsurf@cox.net
(949) 492-3140

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Kristen Manies (brainardfamily@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 6:12 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Water issues in California will only get worse. Please don't waste money on this project, which has no guarantee of future water supply. In addition, any diversion would harm the Delta! Please do not fund this project.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Kristen Manies
780 Ponderosa Ave
Sunnyvale, CA 94086
brainardfamily@gmail.com
(408) 733-4998

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Lauren Linda (laulind714@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 5:42 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Lauren Linda
2376C Via Mariposa West
Laguna Woods, CA 92637
laulind714@gmail.com
(818) 966-1389

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Rod Kirk (rajkirk@gmail.com) Sent You a Personal Message <kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 5:42 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

There are other ways of making our water system better than to sign up for the currently defined Delta Tunnel project. It will be a disaster to the health of our unique and important Delta. The project will be overly costly to our Valley customers. Listen to the scientific community and environmental experts and do the right thing. If you go along with this project you are ignoring the health of the Delta and ignoring common sense which shows better alternatives. Do the right thing and vote NO! If you vote yes, you will be responsible for enabling a very terrible thing to occur. You are suppose to work for us, the customers and rate payers. You need to vote no as we are asking you to do so. Do not be a part of the destruction of our wonderful California Delta area. Once it is gone, there is no turning back.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

For years, the Bay-Delta ecosystem has been severely depleted of its essential freshwater flows, causing the destruction of natural habitat for endemic species and worsening the livelihood of residents in Delta communities. This project will absolutely hasten the decline of the Delta.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Rod Kirk
3095 Yancy Dr

San Jose, CA 95148
rajkirk@gmail.com
(408) 829-5735

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Howard Cohen (howard@cohensw.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 5:40 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Howard Cohen
3272 Cowper Street
Palo Alto, CA 94306
howard@cohensw.com
(650) 555-1212

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Van Rookhuyzen (vanrookhuyzen@comcast.net) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 5:40 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Van Rookhuyzen
145 Taylor St, Apt 708
San Francisco, CA 94102
vanrookhuyzen@comcast.net
(415) 583-2547

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: william cull (surfarch@gmail.com) Sent You a Personal Message <kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 5:39 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Do not fund the tunnel. The delta is a sacred natural environment; it has rights to exist as it has for millennia. In California there are a huge variety of large regional ecosystems and we must learn to live within those with trying to change them and respect them for what they do provide - all of California was a well maintained regionally varied system where people lived within those systems to their benefit....we must continue to do so

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

william cull
72641 Hill Rd
covel, CA 95428
surfarch@gmail.com
(707) 983-6391

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: David Hildebrandt (djh4seltech@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 5:23 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

When will we learn our lesson? Our history of building massive and expensive dams, with understandable intentions at the time, resulted in devastating unintended consequences. This project is no different. Don't waste money on special interest driven water diversion. Future generations will thank you.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

David Hildebrandt
2995 Woodside Road Suite 400-297
Woodside, CA 94061
djh4seltech@gmail.com
(650) 302-1921

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Saran Kirschbaum (sarank@mac.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 5:13 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

The water needs to flow through the bay not a tunnel.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Saran Kirschbaum
1710 Bagley
Los Angeles, CA 90035
sarank@mac.com
(310) 558-0000

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Marion Barry (callersmom@ncbb.net) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 5:10 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Marion Barry
9696 Junewood Lane
Loomis, CA 95650
callersmom@ncbb.net
(816) 663-3643

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Marion Shuey (marnieshuey@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 5:10 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Please consider the destructive and long term impacts of the Delta Tunnel and DO NOT vote to fund the next phase. It is important to care for our Mother, the Earth and her resources.

Thank you. A concerned citizen, Marion

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Marion Shuey
3007 Waverley Street
Palo Alto, CA 94306
marnieshuey@gmail.com
(650) 969-3663

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: PETER SAWYER (psawyer@thacher.org) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 5:10 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Water conservation is the way to meet California's water needs. The diversion of northern California water is both an economic and ecological disaster. Our children and grandchildren deserve a California that they can be proud of.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

For years, the Bay-Delta ecosystem has been severely depleted of its essential freshwater flows, causing the destruction of natural habitat for endemic species and worsening the livelihood of residents in Delta communities. This project will absolutely hasten the decline of the Delta.

Ratepayers will face increased water bills and property taxes, with no assurance of a sustainable water supply if Valley Water continues to spend millions of dollars - nearly \$650 million by the final construction vote - on this project! Remember that the board is ultimately accountable to their ratepayers who do not want their bills to rise amid an era of constant inflation and an affordability crisis.

The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

PETER SAWYER
1621 POSILIPO LANE
SANTA BARBARA, CA 93108
psawyer@thacher.org
(805) 223-5935

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Wayne Steffes (camerashy@shasta.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 5:10 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Wayne Steffes
2187 Wisconsin Ave.
Redding, CA 96001
camerashy@shasta.com
(530) 246-4060

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Carlin Black (jcarlinsv@gmail.com) Sent You a Personal Message <kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 5:06 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

I am a ratepayer indirectly to Valley Water in San Jose and request that all capital funding go to sustainable local projects that increase the resilience and resistance of our local water supply to climate change and other disruptions. The Delta Tunnel does none of these things and provides no benefits to bay area homeowners. Use these funds locally.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Carlin Black
5881 Castano Dr,
San Jose, CA 95129
jcarlinsv@gmail.com
(650) 520-8765

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Keith Rhinehart (kdragonfire@dslextreme.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 5:02 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Keith Rhinehart
418 Los Padres Blvd.
Santa Clara, CA 95050
kdragonfire@dslextreme.com
(408) 985-1448

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Gail Roberts (igailroberts@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 4:39 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Gail Roberts
PO Box A pmb 70
Tecate, CA 91980
igailroberts@gmail.com
(610) 703-4549

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Inge Daumer (ilwd50@gmail.com) Sent You a Personal Message <kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 4:27 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

The is destruction that will cost us all...Forever!
Just Don't do it...

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Inge Daumer
180 Sloat Ave.
Pacific Grove, CA 93950
ilwd50@gmail.com
(831) 649-1363

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Margaret Brannigan (peggybrannigan@outlook.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 4:24 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

The precious Delta ecosystem should not be destroyed.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Margaret Brannigan
135 Cheltenham Way
San Jose, CA 95139
peggybrannigan@outlook.com
(408) 896-1431

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Stephen Rosenblum (pol1@rosenblums.us) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 4:19 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Agriculture uses 80% of our water at low cost in a wasteful manner. Time to stop supporting environmentally unsound practices.,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Stephen Rosenblum
212 Santa Rita Ave
Palo Alto, CA 94301
pol1@rosenblums.us
(650) 322-9560

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Sandy Zelasko (slzphoto@sbcglobal.net) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 4:11 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

STOP SPENDING FUNDS FOR THE DELTA CONVEYANCE PROJECT! NO ON AGENDA ITEM 3.5!

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Sandy Zelasko
15864 Severino Ln
Valley Center, CA 92082
slzphoto@sbcglobal.net
(619) 607-8336

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Pia Thurlemann (pthurbeng@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 4:07 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

I'm not for the Delta Tunnel because it will destroy more land, where fish and birds live. We need to keep the ecosystem intact and spend the money on better causes for the environment.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Pia Thurlemann
1609 Woodland Ave.#2
E Palo Alto, CA 94303
pthurbeng@gmail.com
(650) 804-6051

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Judith Bushey (judy.bushey@sbcglobal.net) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 4:07 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Judith Bushey
3403 Lake Garda Drive
San Jose, CA 95135
judy.bushey@sbcglobal.net
(408) 930-2985

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Amanda Minieri (homeaminieri@yahoo.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 4:06 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Amanda Minieri
8731 WAHL ST
Santee, CA 92071
homeaminieri@yahoo.com
(619) 964-0858

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Judith Kirk (edina42@icloud.com) Sent You a Personal Message <kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 4:03 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

There is already not enough Sierra water for taking more out of the Delta-- we are in climate change and in a long-term drought. The Delta is already failing; the tunnel will finish it off, and with it will go SF Bay, which, without the flushing of Sierra water and ocean tides, will be a fairly stagnant pond full of algal blooms. The governor, in his quest for the Presidency in '28, is taking money from Big Ag and Big Oil for his campaign. He is willing to sacrifice our Bay and the Delta to achieve that. CA can save more water than it would get from a tunnel by recycling water, which is happening a lot in SoCal already, and in Redwood City much of the east side (Kaiser Permanente and other entities) is using recycled water for plumbing and outdoor irrigation. PLEASE don't fall for the Voluntary Agreements, and please do not saddle your rate payers with something that is very likely never to pay off, and that will do irreparable damage to our Bay, Delta, and salmon and smelt.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Judith Kirk

272 Nevada St
Redwood City, CA 94062
edina42@icloud.com
(650) 367-8034

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Denise East (deast7@yahoo.com) Sent You a Personal Message <kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 4:02 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

We care about the irreversible, irresponsible harm to our Delta Wildlife that the Delta Tunnel Project will inflict.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Denise East
10635 Johnson Avenue
Cupertino, CA 95014
deast7@yahoo.com
(408) 571-9203

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: ALISA Reich (ap.reich@verizon.net) Sent You a Personal Message <kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 4:02 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

Follow Up Flag: Follow up
Flag Status: Completed

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

For years, the Bay-Delta ecosystem has been severely depleted of its essential freshwater flows, causing the destruction of natural habitat for endemic species and worsening the livelihood of residents in Delta communities. This project will absolutely hasten the decline of the Delta.

Ratepayers will face increased water bills and property taxes, with no assurance of a sustainable water supply if Valley Water continues to spend millions of dollars - nearly \$650 million by the final construction vote - on this project! Remember that the board is ultimately accountable to their ratepayers who do not want their bills to rise amid an era of constant inflation and an affordability crisis.

The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

ALISA Reich
4037 BERRYMAN AVE
Los Angeles, CA 90066
ap.reich@verizon.net
(310) 572-9371

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Annette Pirrone (pirronecenter@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 4:01 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

Follow Up Flag: Follow up
Flag Status: Completed

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

The health and well being of every Californian will be if effected directly, as well as indirectly, by this absurd project if it is funded!! It will only put vast sums of \$ in the pockets those greedy beings attempting to push it through!!! That is so clear.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Annette Pirrone
51 Elm Ave, B
San Anselmo, CA 94960

pirronecenter@gmail.com
(415) 456-4841

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: thalia lubin (thalia@thaliaproductions.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 3:53 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

Follow Up Flag: Follow up
Flag Status: Completed

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

please do the right thing here...thanks!

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

thalia lubin
11 palm circle
redwood city, CA 94062
thalia@thaliaproductions.com
(415) 345-7213

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Connie Beck (holisticgardener@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 3:46 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

Follow Up Flag: Follow up
Flag Status: Completed

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Water will be the most important resource in our future.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Connie Beck
1077 vista maderia Lane
El Cajon, CA 92019
holisticgardener@gmail.com
(800) 555-1212

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Carole Gonsalves (carolejg@mac.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 3:43 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

Follow Up Flag: Follow up
Flag Status: Completed

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

The Delta Tunnel project will damage the delta ecosystem. We must develop other ways of meeting our water needs, including smarter watering, limiting water-hungry planting for ag and homes, and recycling water, especially for high-use commercial ventures.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Carole Gonsalves
1497 Los Rios Dr
San Jose, CA 95120

carolejg@mac.com
(408) 614-3990

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: John Ennals (john@ennals.org) Sent You a Personal Message <kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 3:40 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

Follow Up Flag: Follow up
Flag Status: Completed

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Protecting our delta is more important than growing nuts for export to China. We must stop government subsidies funding wealthy landowners in the central valley. And why should I pay for it?

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

John Ennals
10481 Florence Drive
Cupertino, CA 95014
john@ennals.org
(408) 753-0657

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Hod Gray (bosshod@mac.com) Sent You a Personal Message <kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 3:35 PM
To: Clerk of the Board
Subject: Please Vote NO on Delta Tunnel Funding

Follow Up Flag: Follow up
Flag Status: Completed

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Hod Gray
1000 E Maple Ave
Lompoc, CA 93436
bosshod@mac.com
(805) 698-4143

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Mary Ann Taylor (freezinginfinland@yahoo.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Wednesday, January 8, 2025 10:15 AM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Mary Ann Taylor
3939 Walnut Ave
Carmichael, CA 95608
freezinginfinland@yahoo.com
(707) 853-4845

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Clerk of the Board
Sent: Wednesday, January 8, 2025 2:41 PM
To: Board of Directors
Subject: FW: Please Vote NO on Delta Tunnel Funding

-----Original Message-----

From: Elizabeth Potter (epotter@mills.edu) Sent You a Personal Message <kwautomail@phone2action.com>
Sent: Tuesday, January 7, 2025 2:00 PM
To: Clerk of the Board <clerkoftheboard@valleywater.org>
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

This tunnel is a financial boondoggle! Conserve, don't dig.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Elizabeth Potter
251 Elysian Fields Dr

Oakland, CA 94605
epotter@mills.edu
(510) 635-2257

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Clerk of the Board
Sent: Wednesday, January 8, 2025 2:40 PM
To: Board of Directors
Subject: FW: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

-----Original Message-----

From: Diana Waters (dianawaters09@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Tuesday, January 7, 2025 1:11 PM
To: Clerk of the Board <clerkoftheboard@valleywater.org>
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Diana Waters

19901 prairie ave
torrance, CA 90503
dianawaters09@gmail.com
(213) 222-1234

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Clerk of the Board
Sent: Wednesday, January 8, 2025 2:36 PM
To: Board of Directors
Subject: FW: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

-----Original Message-----

From: Melanie Cross (melaniecross@earthlink.net) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Tuesday, January 7, 2025 9:02 AM
To: Clerk of the Board <clerkoftheboard@valleywater.org>
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

The desire for more water from consumers of both residential and commercial uses is never ending. Supplying it from the Bay-Delta is not the solution. I suggest areas of California that need more water could provide it themselves with wind and solar powered desalinated water.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Melanie Cross
945 Matadero Avenue
Palo Alto, CA 94306
melanecross@earthlink.net
(650) 847-1350

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Clerk of the Board
Sent: Wednesday, January 8, 2025 2:34 PM
To: Board of Directors
Subject: FW: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

-----Original Message-----

From: Penelope LePome (wetlands100@zoho.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Tuesday, January 7, 2025 8:41 PM
To: Clerk of the Board <clerkoftheboard@valleywater.org>
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

I think the conveyance project is a waste of money because it is only supposed to take water in wet years. With climate change, there is no guarantee that there will be "wet years". Meanwhile, it will be tempting to divert water from the bay delta. That would encourage salt water incursion and would have devastating effects on the delta biome. The cost of living is constantly increasing. There are better ways of spending this money that would help low income people like me.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Penelope LePome
635 Rio Bravo Street
Ridgecrest, CA 93555
wetlands100@zoho.com
(442) 294-7057

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Michael Pelizzari (nextgalaxy@aol.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Tuesday, January 7, 2025 2:19 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

***** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. *****

Dear Valley Water Board of Directors,

The Delta tunnel will not even be needed by the time it's completed. New nuclear reactors under development will be able to generate safe, clean power more cheaply than coal. If California simply ends its moratorium on new nuclear builds, such nuclear plants could desalinate seawater to satisfy all of Southern California's needs for fresh water. See <https://en.wikipedia.org/wiki/Desalination#Cogeneration>

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Michael Pelizzari

264 Callan St
Milpitas, CA 95035
nextgalaxy@aol.com
(408) 945-9848

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Frank Eldredge (feldredge@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Tuesday, January 7, 2025 1:49 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

As a native Californian and advocate for our state's natural resources, I'm writing to urge you to vote against funding for the Delta Tunnel. Please give careful consideration to the impact that diverting substantial flows of freshwater will have on the health of the San Francisco Bay and endangered species. Many species, such as salmon and steelhead, are facing extinction at current levels of flows. Another major diversion of freshwater would be very detrimental to our Delta and Bay. Please vote for environmental sustainability, not for sending more water to Big Agriculture and urban areas in Southern California.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

For years, the Bay-Delta ecosystem has been severely depleted of its essential freshwater flows, causing the destruction of natural habitat for endemic species and worsening the livelihood of residents in Delta communities. This project will absolutely hasten the decline of the Delta.

Ratepayers will face increased water bills and property taxes, with no assurance of a sustainable water supply if Valley Water continues to spend millions of dollars - nearly \$650 million by the final construction vote - on this project! Remember that the board is ultimately accountable to their ratepayers who do not want their bills to rise amid an era of constant inflation and an affordability crisis.

The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Frank Eldredge

1239 ROYCOTT WAY
SAN JOSE, CA 95125
feldredge@gmail.com
(408) 569-0726

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: John Nadolski (johnnadolski@yahoo.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 6:12 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

John Nadolski
8520 Blakepointe Way
Antelope, CA 95843
johnnadolski@yahoo.com
(916) 764-0703

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Kenneth Yip (spgdba@hotmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 6:41 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Please do not build the Delta Tunnel. It will destroy countless wildlives and encourages people down south not to save water. Check out how they waste water in the Palm Spring and the surrounding areas. It is pure waste. While we in the north are told to conserve and save water the southern california people do not practise the same. Stop the Delta Tunnel from being built and tell the southern californians to conserve water instead! thanks.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Kenneth Yip
757 Spruce St

Berkeley, CA 94707
spgdba@hotmail.com
(510) 703-9565

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Kira Whitehouse (kirawhitehouse@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 8:40 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

There is no planet B.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Kira Whitehouse
4136 Briarwood Way
Palo Alto, CA 94306
kirawhitehouse@gmail.com
(650) 704-9690

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Michael McMahan (mcmahan44@yahoo.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Tuesday, January 7, 2025 6:55 AM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Michael McMahan
4892 Maui Circle
Huntington Beach, CA 92649
mcmahan44@yahoo.com
(714) 382-5968

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Jerry Tobe (tagchai@gmail.com) Sent You a Personal Message <kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 8:02 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Historically, powerful interests have drained California water resources and demand more water. Owens Lake is an example of what happens when they get their way. The Delta Tunnel is a straw in California precious diminishing water supply. Historically, the almond growers planted more almond trees to offset the increased cost of water and demand more water for the additional trees and will continue doing so going forward. Owens Lake and almond growers are examples of what we can expect if Valley Water allocates additional funds. The damage the Delta Tunnel will wrought to California's environment is underestimated even by Delta Tunnel critics. The Delta Tunnel will exacerbate the climate crisis.

I strongly urge the Valley Water to do ONLY that which is truly best for the vast majority of people living in California, in part, by withholding funding for the Delta Tunnel.

Thank you for reading my message.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Jerry Tobe
3115 Cardiff Ave
Los Angeles, CA 90034
tagchai@gmail.com
(310) 836-3252

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Ted Rees (trees2296@gmail.com) Sent You a Personal Message <kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 10:15 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Ted Rees
2296 SUN MOR AVE
MOUNTAIN VIEW, CA 94040
trees2296@gmail.com
(650) 965-4535

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Guillemette Epailly (gepailly@verizon.net) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 11:25 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

STOP the destructive tunnel and please act responsibly!

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Guillemette Epailly
1448 Stanford St
Santa Monica, CA 90404
gepailly@verizon.net
(310) 453-5500

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Lois Bacon (loisbacon@sbcglobal.net) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Tuesday, January 7, 2025 12:19 AM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Lois Bacon
950 Tuttle Ave
Watsonville, CA 95076
loisbacon@sbcglobal.net
(831) 728-5915

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Noah Armstrong (noah.armstrong@hotmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Tuesday, January 7, 2025 6:44 AM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Please stop the destruction from the delta tunnel

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Noah Armstrong
824 Calero Ave
San Jose, CA 95123
noah.armstrong@hotmail.com
(408) 510-4910

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Thomas Gregory (tdevereuxg@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 7:17 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

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Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

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The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Thomas Gregory
33711 Marlinspike Drive
Dana Point, CA 92629
tdevereuxg@gmail.com
(949) 496-1055

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Nancy Dilley (ndilley@gmail.com) Sent You a Personal Message <kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 6:42 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Nancy Dilley
1809 anamor street
Redwood City, CA 94061
ndilley@gmail.com
(650) 296-2702

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Robert Heisler (robikam_2000@yahoo.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 7:59 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding
Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Ratepayers and taxpayers should not have to pay higher rates and taxes for risky projects with so many adverse impacts that don't promise to give at least a 1/3 ROI over a reasonable amount of time.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Robert Heisler
1908 14th Avenue
San Francisco, CA 94116
robikam_2000@yahoo.com
(415) 665-2597

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Daniel Quinn (dquinn@stanfordalumni.org) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 4:07 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Planning for our future in this era of climate change is hard. And the Delta Tunnel is not the way to go. Please don't waste more of our money planning to spend huge amounts of our money on this bridge to nowhere. CONSERVATION and recycling will have much more benefit! Don't wait for others to give up first -- please pull the plug on our investment in the Delta Tunnel.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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Ratepayers will face increased water bills and property taxes, with no assurance of a sustainable water supply if Valley Water continues to spend millions of dollars - nearly \$650 million by the final construction vote - on this project! Remember that the board is ultimately accountable to their ratepayers who do not want their bills to rise amid an era of constant inflation and an affordability crisis.

The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Daniel Quinn
10 Bear Paw
Portola Valley, CA 94028

dquinn@stanfordalumni.org
(650) 851-8519

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Patricia Morton (patmorton@earthlink.net) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 5:03 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

This project has been rejected by Californians for 90 years now, and every time it comes before a vote by the people, it fails.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

For years, the Bay-Delta ecosystem has been severely depleted of its essential freshwater flows, causing the destruction of natural habitat for endemic species and worsening the livelihood of residents in Delta communities. This project will absolutely hasten the decline of the Delta.

Ratepayers will face increased water bills and property taxes, with no assurance of a sustainable water supply if Valley Water continues to spend millions of dollars - nearly \$650 million by the final construction vote - on this project! Remember that the board is ultimately accountable to their ratepayers who do not want their bills to rise amid an era of constant inflation and an affordability crisis.

The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Patricia Morton
4400 Brunswick Ave
Los Angeles, CA 90039
patmorton@earthlink.net
(818) 502-9142

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Leah Berman (mysofteyes@yahoo.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 3:55 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Leah Berman
7200 Viewpoint Rd
Aptos, CA 95003
mysofteyes@yahoo.com
(831) 888-8888

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Mimi Abers (mimiabers2@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 5:41 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Mimi Abers
1122 oxford
Berkeley, CA 94707
mimiabers2@gmail.com
(510) 525-6002

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Janet Lorraine (jlorraine@sonic.net) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 4:09 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Please do not fund that waste and destruction.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Janet Lorraine
2003 Burbank Ave
Santa Rosa, CA 95407
jlorraine@sonic.net
(707) 578-5438

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Patti Fink (warpedstar1@aol.com) Sent You a Personal Message <kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 4:07 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Patti Fink
333 N MvDowell Blvd Apt 168A
Petaluma, CA 94954
warpedstar1@aol.com
(847) 949-9947

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Donna Lemongello (dlemongello@ucdavis.edu) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 4:42 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Donna Lemongello
1606 L Street
Davis, CA 95616
dlemongello@ucdavis.edu
(530) 756-6385

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Gail Roberts (igailroberts@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 4:39 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Gail Roberts
PO Box A pmb 70
Tecate, CA 91980
igailroberts@gmail.com
(610) 703-4549

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Hillary Ostrow (hillaryostrow@yahoo.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 5:29 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Hillary Ostrow
5835 Hesperia Ave
Encino, CA 91316
hillaryostrow@yahoo.com
(818) 345-9868

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Catherine Wilson (catewilson@aol.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 4:53 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

This project is very destructive to our local environment and needs to be rejected. We already have water problems in Northern California and this project will make them worse for many of us while also burdening an already economically stressed population with more unnecessary cost.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Catherine Wilson
1469 Firebird Way
Sunnyvale, CA 94087
catewilson@aol.com

(408) 425-4160

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Stewart Wilber (s.wilber@mindspring.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 3:52 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Stewart Wilber
1923 15th St # A
San Francisco, CA 94114
s.wilber@mindspring.com
(415) 660-8268

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Christa Neuber (seamusminnie@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 5:39 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Christa Neuber
728 N. Doheny Drive
W. Hollywood, CA 90069
seamusminnie@gmail.com
(310) 274-2963

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Janet Maker (jamaker2001@hotmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 5:22 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Janet Maker
925 Malcolm Av.
Los Angeles, CA 90024
jamaker2001@hotmail.com
(310) 993-8303

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Peter Lee (peterboothlee@hotmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 3:50 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Not Needed!

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Peter Lee
3910 FULTON ST, apt 4
San Francisco, CA 94118
peterboothlee@hotmail.com
(415) 752-7702

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Robert Shillato (r.shillato@att.net) Sent You a Personal Message <kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 4:04 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Robert Shillato
2954 Knollwood Dr
Cameron Park, CA 95682
r.shillato@att.net
(530) 672-9438

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Pearl Zalon (sygreens@aol.com) Sent You a Personal Message <kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 4:21 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

PEOPLE IN THE DELTA AREA cannot afford to pay higher rates for water. I ask that you vote "no" on Agenda Item 3.5. Diverting millions of gallons of water from the Sacramento River is a bad idea.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

For years, the Bay-Delta ecosystem has been severely depleted of its essential freshwater flows, causing the destruction of natural habitat for endemic species and worsening the livelihood of residents in Delta communities. This project will absolutely hasten the decline of the Delta.

Ratepayers will face increased water bills and property taxes, with no assurance of a sustainable water supply if Valley Water continues to spend millions of dollars - nearly \$650 million by the final construction vote - on this project! Remember that the board is ultimately accountable to their ratepayers who do not want their bills to rise amid an era of constant inflation and an affordability crisis.

The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Pearl Zalon
3424 Marina dr.
santa barbara, CA 93110
sygreens@aol.com
(805) 687-7150

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Janet Heinle (janetheinle@yahoo.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 4:44 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Janet Heinle
1047 Lincoln Blvd #7
Santa Monica, CA 90403
janetheinle@yahoo.com
(310) 555-5555

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Judy Thier (judythier@comcast.net) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 3:52 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Judy Thier
10 Nelson Ave
Mill Valley, CA 94941
judythier@comcast.net
(415) 381-8510

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Gary Bailey (tigergary@earthlink.net) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 4:04 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

As a recipient of water from Valley Water, I am appalled that my water bills and taxes are paying for this boondoggle. Many of those who would receive this water do not have meters and have no incentive to conserve water. I am appalled that Valley Water would waste our tax money and water payments for such a destructive project, instead of pursuing local solutions to water conservation and water reuse. Don't destroy our Sacramento - San Joaquin delta!

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Gary Bailey
941 W Cardinal Dr

Sunnyvale, CA 94087
tigergary@earthlink.net
(408) 670-5709

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Rita Baldwin (nikk_991@hotmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 3:44 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Rita Baldwin
5366 Mayten Grove Ct
San Jose, CA 95123
nikk_991@hotmail.com
(408) 779-3069

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Virginia Robbins (viriniarobbins@yahoo.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 3:38 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

burdens taxpayers

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Virginia Robbins
2754 Santa Anita Ave
Altadena, CA 91001
viriniarobbins@yahoo.com
(805) 698-6385

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Joanne Sulkoske (jsulkoske@hotmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 3:35 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding
Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Joanne Sulkoske
2366 Sirius St
Thousand Oaks, California, United States, CA 91360 jsulkoske@hotmail.com
(805) 492-3061

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: J Barry Gurdin (gurdin@hotmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Monday, January 6, 2025 3:34 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

J Barry Gurdin
247 Ortega Street
San Francisco, CA 94122
gurdin@hotmail.com
(415) 734-8425

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Jo Baxter (jobaxter@roadrunner.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Tuesday, January 7, 2025 8:13 AM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Jo Baxter
354 Agate Street
Laguna Beach, CA 92651
jobaxter@roadrunner.com
(310) 260-2842

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Karen Jacques (threegables1819@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Wednesday, January 8, 2025 3:26 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

The Delta Tunnel is a disaster in multiple ways. As someone who lives in Sacramento, not far from where the tunnel would be constructed, I oppose it because it will cause irreparable damage to local tribes and to local small farmers and towns in the region, and drive species extinction and ecological collapse. It's also a hugely expensive boondoggle that may not provide any new water at all in drought years and significantly increase the costs your rate payers have to pay. It is currently protected to cost over \$20 billion, but those rates could rise dramatically when you factor in construction delays, the ever increasing costs of materials and the potential for lawsuits over eminent domain. Your district would be much better off spending money on local resiliency, including water recycling, ground water recharge, rain water capture and conservation. Please vote against this project that will do so much harm to the Delta and to people's pocketbooks.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Karen Jacques
1209 T St #3
Sacramento, CA 95811
threegables1819@gmail.com
(916) 705-3159

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Kristine Knecht-Larribas (kristine_knecht@yahoo.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Thursday, January 9, 2025 2:47 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Kristine Knecht-Larribas
536 Sugar Hill Way, Oakley CA 94561
Oakley, CA 94561
kristine_knecht@yahoo.com
(408) 881-2826

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Jessica Ruppert (jazzdance@cutey.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Thursday, January 9, 2025 2:39 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Stop wasting our time. Stop wasting money. Stop destroying ecosystems and condemning creatures to extinction. How does it make any sense for a Bay Area water district to spend billions of dollars to send water AWAY? Your duty is to protect water here. The Delta isn't even in your jurisdiction! Valley Water's involvement and support for this brainless project makes no sense.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Jessica Ruppert
1085 Tasman Drive
Sunnyvale, CA 94089

jazzdance@cutey.com
(408) 253-4780

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Patrick O'Neill (ptrck_oneill@yahoo.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Thursday, January 9, 2025 1:20 AM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

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Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Patrick O'Neill
PO Box 1473
Yucca Valley, CA 92286
ptrck_oneill@yahoo.com
(760) 829-2295

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Kathy Monteleone (kathymonteleone1999@yahoo.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Wednesday, January 8, 2025 8:03 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

NO on Delta Tunnel Funding!!!!

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

For years, the Bay-Delta ecosystem has been severely depleted of its essential freshwater flows, causing the destruction of natural habitat for endemic species and worsening the livelihood of residents in Delta communities. This project will absolutely hasten the decline of the Delta.

Ratepayers will face increased water bills and property taxes, with no assurance of a sustainable water supply if Valley Water continues to spend millions of dollars - nearly \$650 million by the final construction vote - on this project! Remember that the board is ultimately accountable to their ratepayers who do not want their bills to rise amid an era of constant inflation and an affordability crisis.

The Delta tunnel project is an expensive and environmentally harmful project - failing to ensure new water resources in a time of climate change. Valley Water must prioritize limited public funds for projects that will deliver tangible improvements in water security and the overall health of the Delta.

I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Kathy Monteleone
24136 Corte Valente
Murrieta, CA 92562
kathymonteleone1999@yahoo.com
(951) 970-8913

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Clerk of the Board
Sent: Wednesday, January 8, 2025 6:26 PM
To: Board of Directors
Subject: FW: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

-----Original Message-----

From: Ken Sanford (kenssailtime@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Wednesday, January 8, 2025 6:20 PM
To: Clerk of the Board <clerkoftheboard@valleywater.org>
Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board Clerk,

A concern of mine is the total cost of this project. Has MWD provided a solid estimate of the full cost of this project if it is ever started or worse yet-completed. Local water users are being asked to support the large growers and real estate industries that are looking to make great sums of money developing property that will add additional pollution and traffic too and overburned So. California. Please vote not to provide more money to this bad project.

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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Sincerely,

Sincerely,

Ken Sanford
2180 Amanda Ln
Escondido, CA 92029
kenssailtime@gmail.com
(760) 522-5930

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Ken Sanford (kenssailtime@gmail.com) Sent You a Personal Message
<kwautomail@phone2action.com>
Sent: Wednesday, January 8, 2025 6:20 PM
To: Board of Directors
Subject: Please Vote NO on Delta Tunnel Funding

Categories: 1 Email Threads

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Sincerely,

Sincerely,

Ken Sanford
2180 Amanda Ln

Escondido, CA 92029
kenssailtime@gmail.com
(760) 522-5930

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

Subject: Please Vote NO on Delta Tunnel Funding

From: Hod Gray (bossod@mac.com) Sent You a Personal Message <kwautomail@phone2action.com>

Sent: Monday, January 6, 2025 3:34:35 PM

To: Board of Directors <board@valleywater.org>

Subject: Please Vote NO on Delta Tunnel Funding

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Dear Valley Water Board of Directors,

Dear Chair Estremera and the Board of Directors,

I am writing to urge Valley Water not to allocate any additional funds to the proposed Delta Conveyance Project and vote no on Agenda Item 3.5.

The Delta tunnel project is a proposal to construct a single underground tunnel to divert millions of acre-feet of freshwater that would otherwise flow naturally through the Bay-Delta, diverting up to 6,000 cubic feet per second (cfs) from the Sacramento River without preserving sufficient flows for salmon species and Delta smelt.

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I urge you to make a responsible and informed decision by rejecting this funding, and voting NO on Agenda Item 3.5.

Sincerely,

Sincerely,

Hod Gray
1000 E Maple Ave
Lompoc, CA 93436
bossod@mac.com
(805) 698-4143

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with Sierra Club. If you need more information, please contact Member Care at Sierra Club at member.care@sierraclub.org or (415) 977-5673.

Max Overland

From: Molly Culton <molly.culton@sierraclub.org>
Sent: Thursday, January 9, 2025 5:40 PM
To: Clerk of the Board; Board of Directors; John Varela; Tony Estremera; Shiloh Ballard; Richard Santos; Jim Beall; Nai Hsueh; Rebecca Eisenberg
Cc: Katja
Subject: Sierra Club Comment Letter for Item 3.5 1/14
Attachments: Letter to SCVWD re_ Tunnel Vote January 2025.pdf

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Hello,

Please find attached a comment letter pertaining to Item 3.5: *Approve Funding of Planning and Pre-Construction Work for the Delta Conveyance Project for Calendar Years 2026 and 2027 in an Amount Not-To Exceed \$9,690,000 and Adopt a Resolution Making Responsible Agency Findings Under the California Environmental Quality Act* on the agenda for the Valley Water board meeting on Tuesday, Jan. 14.

Regards,

--

Molly Culton (she/her/hers)
Chapter Organizing Manager
Sierra Club California
909 12th Street, Suite 202
Sacramento, CA 95814
Ph: 916-557-1100 x1100
molly.culton@sierraclub.org
www.sierraclubcalifornia.org

Like us on [Facebook](#).

Follow [@SierraClubCA](#) on Twitter.

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January 9, 2025

Board of Directors
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118

Via email to:

Clerk of the Board <clerkoftheboard@valleywater.org>

Board of Directors <Board@valleywater.org>

John Varela <jvarela@valleywater.org>

Tony Estremera <testremera@valleywater.org>

Shiloh Ballard <sballard@valleywater.org>

Richard Santos <rsantos@valleywater.org>

Jim Beall <jbeall@valleywater.org>

Nai Hsueh <nhsueh@valleywater.org>

Rebecca Eisenberg <reisenberg@valleywater.org>

Re: Item 3.5: Approve Funding of Planning and Pre-Construction Work for the Delta Conveyance Project for Calendar Years 2026 and 2027 in an Amount Not-To Exceed \$9,690,000 and Adopt a Resolution Making Responsible Agency Findings Under the California Environmental Quality Act.

Dear Chair Estremera and esteemed Board of Directors,

We hope this letter finds you well. On behalf of Sierra Club California, the undersigned, and our more than 500,000 members and supporters statewide, many of whom reside in the Santa Clara Valley Water District (Valley Water) service area, **we write to express our opposition to funding the next round of permitting and planning of the Delta Conveyance Project (DCP) at \$9.69 million and ask that you vote no on Agenda Item 3.5 at the upcoming January 14, 2025 Board of Directors meeting.**

Cost

In an era of unaffordability and uncertainty, this is not the time to take on large expenses. [Voters](#) polled after the recent election said they chose the president-elect for economic reasons and they think he would help with the burden of inflation. This was misguided; the president-elect has promised to expand tariffs, which will cause the cost of construction materials to skyrocket. This may delay production and shipping of these materials, adding to construction cost overruns. A permit application filed for the extension of the water right with the State Water Resources Control Board said that construction may extend through 2055, a full thirteen years after their previous prediction. Californians cannot afford to continue to incur these costs, especially in light of more sustainable alternatives that would come online sooner than DCP.

Development, “Doing Nothing,” and Saying “No”

A representative for a business association at a recent Metropolitan Water District (MWD) roundtable discussion said that we use lawsuits to create warfare, or to use their buzzword, “lawfare.” It is a shame that they think of our mission to create environmental protections for our shared water, lands, and communities as warfare. Warfare assumes violence, conquering, and bloodshed. If we want to pontificate on violence, we can think about the colonization of water in California. How much water is owned by settler communities versus Indigenous people? How was that water acquired? Who is water being imported to and exported away from across our state? What is the legacy of water in California? We have

an opportunity right now to write a new legacy by not building a tunnel so widely opposed by Tribal communities.

Another business representative at the roundtable said that in California, we “no longer make anything because all we say is ‘no.’” The theme of the business interests was that housing developments and construction will suffer if the board does not fund the DCP. Sierra Club has a thoughtful and well-researched [housing policy](#) that focuses on infill development and centering housing near existing public transportation hubs.

We support the continued development of local water recycling and purification projects; and acknowledge that Valley Water has been a statewide leader in water conservation and conjunctive use of groundwater. We have proposed levee maintenance and additional fish screens as far cheaper solutions, coupled with further efficiency and conservation. If levee conditions were improved from a [100-year](#) criteria to a 300-year criteria, we would see the same seismic and sea level protections proposed by the DCP. Should any of the business groups want to fund research for new ideas on groundwater storage, water recycling opportunities, local stormwater capture, sustainable agricultural innovations, or other new technology- we would love to work together on these projects.

DWR frequently mentions the “cost of doing nothing.” No one has ever said to “do nothing.” The DCP does not offer a new supply of water- which DWR confirms- just a means of moving existing supply. We have advocated for improving the existing levees to protect the reliability of the SWP. DWR has said that levee protection is a separate, and recommended, project. We cannot afford billions in levee maintenance, the Delta Conveyance Project, Sites Reservoir, and local resource projects. A representative for the State Water Contractors has even said that there would be some redundancies between the levee maintenance projects and the DCP, and that the levees need repairs, even without the Delta tunnel.

Other Regulations to Consider

The Delta Tribal Environmental Coalition’s (DTEC) Title VI complaint is still under review and process with the US EPA. Neither the Bay Delta Water Quality Control Plan (Plan) nor the DCP’s final EIR have identified Tribal Beneficial Uses of Water or standards for monitoring harmful algal blooms to protect Delta resident’s public health. The current Plan will likely be taken up as a civil rights issue by DTEC or other parties beyond the Title VI complaint because no monitoring sites have been set in place to protect water for Tribal uses or for public health protection.

In addition to the Title VI complaint, we have repeatedly called for the project planning to wait until after the State Water Board has completed updates to the Plan, which likely will be adopted this year. As part of these updates, the Board is considering amending regulations for water allocations and in-stream flow requirements in order to protect water quality and imperiled species. Any changes will impact the potential operations of future projects in the Delta, and must be incorporated into the planning, evaluation, and permitting process for the DCP. Premature planning and permitting will likely slow down the permitting process because revisions will need to be made after the fact to comply with updated regulatory requirements, and may increase planning and permitting costs. There are over 40 parties actively opposing the change petition for the DCP. Even if the president-elect supports over consumption of natural resources like the freshwater of the Bay Delta, an administration change is likely to delay federal permit processes. Therefore, this current round of funding is premature and costly.

Capture & Storage

DWR said recently, “If we had an alternate diversion, we could have captured an additional 941 TAF, or supply 3.3m households without affecting the steelhead [in winter 2023 when threats to salmon led to flow restrictions].” Even the possibility of storing some supplies in Sites Reservoir would still leave

imported water supplies vulnerable to potential disruptions in the Delta. Conversely, if Valley Water did locate more storage options and could capture more during wet years, the demand for water would continue to drop as California moves to the water efficiency standards set by the State Water Board, making funding of the DCP more reliant on rate increases.

Flawed Data & Plans

DWR's assumptions are based on MWD's 2020 Integrated Resource Plan figures for demand, before the extreme wet years that significantly reduced demand, and thus, sales. Future demand projections have changed rapidly in the last 4-5 years. DWR has said this is the most recent data they have, which is disappointing considering that about 40% of the cost of planning is for overhead, which should include accurate data. Also, DWR only looked at projections through 2045 to make assumptions through 2070, which does not include reduced demand or reduced population. Not only are the projections outdated, they were based on Scenario D, the most extreme demand scenario of all modeled scenarios. Regulations will also change by 2030 and 2045, making it more likely that the DCP will be a stranded asset, especially since DWR now predicts that construction could last through 2055.

Despite what DWR's FAQs say, the DCP does not benefit fish. The Plan does not set a cap or sliding scale for the capture of excess flows. DWR refers to "existing water rights" which have limitations on diversions, but they are not currently recognized as applicable to the DCP at 10,350 cfs. There is no definition for "excess flows." What is the historical maximum that DWR can operate under? It was said at the MWD roundtable that the pumps will be used 80% of the time, which is clearly more often than excess flows will be available.

In another loophole, the Plan says that only under an operational advantage would there be diversions through the north intake facilities, but it is not clear what the conditions would be for these diversions to take place. The monitoring site locations all seem to avoid showing the realities of flows to the Sacramento River tributaries and along the river. Tributaries are necessary habitats for young fish species and other wildlife. There are currently six endangered species endemic to the Bay Delta. Minimum bypass flow requirements are set each season to protect them as they migrate. Additional pulse protections safeguard them, and safeguards cannot be removed until flows hit 20,000 cfs for an extended duration. How protections are triggered and how flows will be monitored is unclear and inadequate- except at sites south of the confluence at Rio Vista, Jersey Point, and Emmaton, which have historically high and consistent flow levels, unlike the fluctuating flows further up the Sacramento River. The Plan only mentions one other monitoring site ahead of the first intake in Hood at Freeport, which would inform Bypass Flow requirements, with no indication of other meters for additional flows along the tunnel alignment route. The proposed monitoring sites are not representative of real-time consequences of diversions and can skew data needed to correctly indicate the needs of fish populations. The salmon fisheries will likely be closed for a third year now, despite record wet years. Entire populations and economies rely on getting this right.

Conclusion

A bigger straw does not solve the problem of an unreliable imported water supply, especially without further water supply solutions south of the Delta. The DCP is a flawed project that Valley Water ratepayers cannot afford, and even without delays from litigation and regulations, 2055 is too long to wait. There are other alternatives that will meet Valley Water's needs for lower costs. This is crucial when the current business model relies on a dwindling natural resource. **If you will not consider voting against this wasteful project, at least consider waiting until the Bay Delta Water Quality Control Plan is finalized this year, so as not to waste time and money on a project that will need updates due to the Plan's regulations.** Thank you for your time and consideration.

Signed,

Molly Culton
Chapter Organizing Manager
Sierra Club California

Katja Irvin, AICP
Guadalupe Group Conservation
Chair
Sierra Club Loma Prieta Chapter

Bill Martin
Co-Chair, Water Committee
Sierra Club California

Peter Drekmeier
Policy Director
Tuolumne River Trust

Gia Moreno
Secretary, Hood Community
Council

Max Overland

Subject: DCC Urges No Funding for Additional Planning Costs of DCC - Item 3.5, SCVWD
Agenda: 1/14/25
Attachments: 2025-01-09 DCC Request to VW to Not Fund DCP.pdf

From: De Bord, Elisia <DeBordE@saccounty.gov>
Sent: Thursday, January 9, 2025 10:44 AM
To: Board of Directors <board@valleywater.org>
Subject: DCC Urges No Funding for Additional Planning Costs of DCC - Item 3.5, SCVWD Agenda: 1/14/25

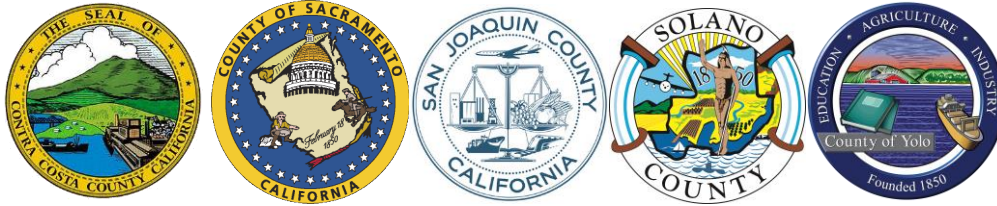
*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Good morning,

Please consider the Delta Counties Coalition's letter on Item 3.5 for your meeting on January 14, 2025.

Thank you,

Elisia De Bord, Coordinator
[Delta Counties Coalition](#)
(916) 874-4627 office
(916) 533-1872 cell



Delta Counties Coalition

Contra Costa County | Sacramento County | San Joaquin County | Solano County | Yolo County
"Working together on water and Delta issues."

January 9, 2025

Chair and Members of the Board
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118
Board@valleywater.org

Re: Item 3.5, January 14, 2025, Consider Entering into Amended Agreement with Department of Water Resources for Delta Conveyance Project Planning and Design Work

Delta Counties Coalition Urges No Funding for Additional Planning Costs of Delta Conveyance Project

Dear Chair Estremera and Members of the Board:

The Delta Counties Coalition (DCC)¹ urges Santa Clara Valley Water District (Valley Water) to reject the Department of Water Resources' (DWR) request to pay \$9.69 million in planning costs for 2026-2027 of \$141.6 million for the Delta Conveyance Project (DCP or Delta Tunnel). This additional increment of planning costs is in addition to the millions already spent by Valley Water will not yield the claimed benefits to Valley Water and is far riskier than acknowledged by DWR.

The Delta Tunnel would have negative impacts on our communities and will wreak havoc on both the aquatic and terrestrial environment, further endangering fish and wildlife. Short-term construction and long-term operation effects would also irreparably harm the Delta's remarkable recreational opportunities. These impacts would devastate the Delta and its residents, who are our constituents and your neighbors, as shown in the attached map.² These community impacts were not meaningfully addressed in the Stakeholder Engagement Committee process, and the Community Benefit Fund will not offset these impacts on our communities, contrary to Valley Water's Guiding Principles for Participation referenced in the presentation for this item.

Anticipated Valley Water rate increases from the current funding request (\$0.61 to \$1.01 per month), let alone the full project cost, are not justified by the project's uncertain water supply reliability. Even though nearly four years have passed since the announcement of the Governor's "new plan" to build two intakes and one massive tunnel, alternatives (many of which that would be cheaper) have not been explored. Notably, all nine alternatives analyzed in the environmental impact report certified in 2023 analyzed some version of a tunnel. Likewise, the unfinished environmental impact statement required under federal law (and glossed over in the agenda materials) only contains tunnel project alternatives.

¹ For more information about the DCC, see: <https://savethedelta.saccounty.gov/Pages/OurCoalition.aspx>.

² Available at: <https://savethedelta.saccounty.gov/Documents/TunnellImpactsMap.pdf>.

January 9, 2025

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DWR's 2024 Benefit-Cost Analysis fails to consider any other alternatives to a Tunnel to meet State Water Project (SWP) needs. As explained by Dr. Jeff Michael in June 2024, the benefit-cost ratio is inflated and unreliable, and fails to substantiate DWR's claim that the DCP is a good investment.³ Instead, the Benefit-Cost Analysis "is based on a series of unjustified, optimistic assumptions that compound into a grossly inflated valuation of benefits." Among other defects, it: (1) inflates urban water supply values by assuming large demand growth; (2) unrealistically assumes a 100-year project lifespan while assuming that alternative water supply projects would need to pay for themselves in shorter time periods; (3) ignores large sources of project risk, such as cost escalation, lower water demand, endangered species regulation, lifespan and interest rates; and (4) fails to account for project costs on salmon and other threatened and endangered fish⁴ species.

Valley Water should also be aware that the permit and finance status of the Delta Tunnel is not anywhere near complete. The claims of an "Important, Successful Year" in DWR's presentation are overstated and the clipped headlines appear to be generated by DWR and its consultants. As shown in the attached Permit Status Table,⁵ state environmental review is the only completed process, and that is currently in litigation. After hundreds of millions in investment by SWP member agencies and the state and federal governments, the proposed megaproject facilities are only at 2-10 percent design, and DWR is currently enjoined from conducting geotechnical investigations. In addition, DWR has failed to secure bonds to fund the project,⁶ thus requiring continued investments by SWP member agencies to continue this lengthy planning process. Also, contrary to the Schedule to Complete Key Permits provided in the DWR presentation for this meeting, neither the state or federal endangered species permitting is complete.

DWR's attempts to obtain a change in water rights that allow operation of new diversions in the North Delta is also fraught with controversy. The DCP's two new massive diversions totaling 6,000 cfs are proposed to be placed on the Sacramento River, just south of the City of Sacramento and upstream of 3,000 other diverters, including major municipal, industrial and agricultural uses. The water rights proceeding has garnered a high degree of attention, with 40 water rights protests representing dozens of groups, agencies, tribes and individuals were filed earlier in 2024.

During the time DWR has been pursuing isolated Delta conveyance, DWR failed to extend the time to construct and make beneficial use of water supplied from the Delta to the SWP under its existing permits. The deadline in DWR's permits for completion of construction was December 31, 2000, and the deadline to achieve full beneficial use was December 31, 2009, yet DWR's 2009 Petitions for Extension of Time was withdrawn in the Summer of 2024. As a result of these irregularities, on November 18, 2024, the SWRCB's Administrative Hearing Officer in the DCP water rights proceeding determined that:

Additional information about the Petitioner's diversion and beneficial use under the SWP Permits is necessary for the Board to determine the portion of the SWP Permits that the Petitioner has perfected and the portion that remains unperfected

³ <https://valleyecon.blogspot.com/>

⁴ <https://www.pacificcbpr.org/wp-content/uploads/2024/06/DCP-BCA-review-062424.pdf>

⁵ https://savethedelta.saccounty.gov/Documents/DCP_StatusChart.pdf

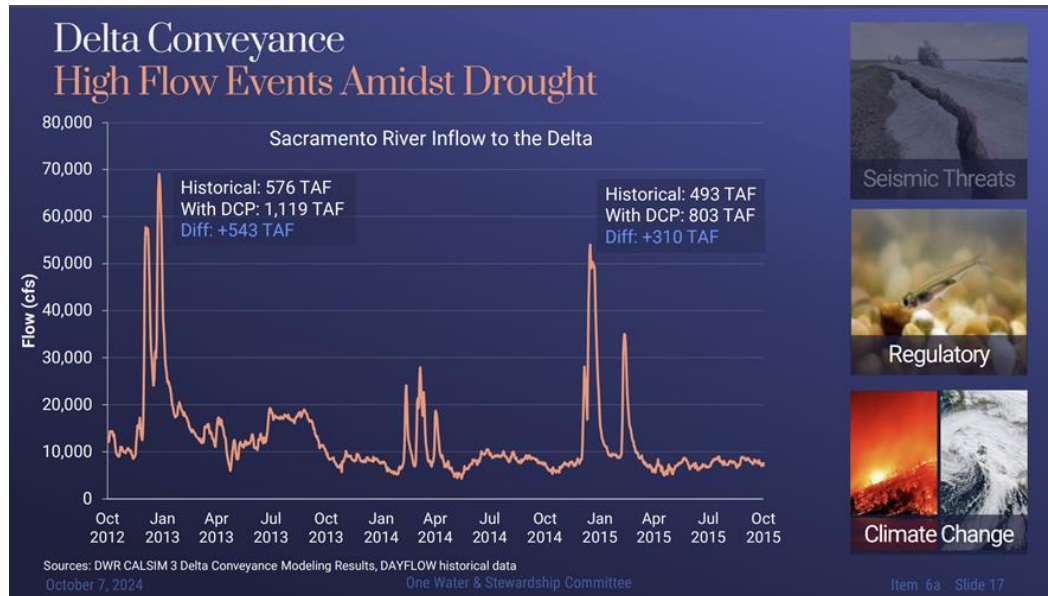
⁶ <https://somalaw.com/policy-alert/delta-conveyance-project-faces-stronger-headwinds-with-court-ruling-rejecting-financing-scheme-and-new-environmental-litigation/>

January 9, 2025

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and contingent upon future-filed petitions for extension of time or other action by the Board (such as a licensing or revocation proceeding).⁷

DWR has not yet identified the pre-2009 maximum diversion and use of water under the SWP Permits, which calls into question DWR's claims that the DCP would be permitted to take more water than was historically used, and in different months, as shown in the figure below.⁸



Valley Water should not assume the DCP can increase diversions in winter months, for instance, above what has been diverted from the existing SWP diversions in the past, as is shown in the DCP Operations Plan⁹ and environmental impact report.¹⁰ To the extent that the Delta Tunnel would rely on the exercise of rights that have not yet been perfected to divert "additional flows", new water rights may be necessary. Such a water rights proceeding has not yet commenced.

Our counties will never accept a project that deprives the area of origin protections promised when the SWP was authorized; our local communities also depend on reliable water supplies and a healthy environment. The Delta Tunnel would burden our infrastructure and communities with over a decade of unbearable construction, and ultimately increase water salinity and harmful algal blooms, in addition to causing the Sacramento River to flow backwards at times.

There are opportunities to work together, rather than foisting burdens on Delta communities in exchange for a perceived benefit to Valley Water. The Delta counties and Santa Clara County share similar risks from climate change and sea level rise. A Valley Water factsheet explains that

⁷ https://www.waterboards.ca.gov/water_issues/programs/administrative_hearings_office/docs/2024/2024-11-18-dcp-amended-hearing-notice.pdf

⁸ MWD One Water Committee, October 7, 2024, Item 6a, slide 17, citing DWR CALSIM 3 Delta Conveyance Modeling Results, DAYFLOW historical data, available at:

⁹ <https://mwdh2o.legistar.com/View.ashx?M=F&ID=13349445&GUID=A997325E-6E59-4E4E-92E1-BD31CD990E9C>

⁹ https://water.ca.gov/-/media/DWR-Website/Web-Pages/Programs/Delta-Conveyance/Public-Information/DCP-Operations-Plan_Final.pdf, p. 9, stating that the DCP will be used to capture "additional flows" up to the 10,350 cfs limit in its permits.

¹⁰ DWR's modeling states the DCP (Alternative 5) would increase annual State Water Project deliveries by 16% above the no action alternative. (<https://cadwr.app.box.com/s/oif17etxd37f6w2m51csky6zuybvfy2m>), Volume 1, Chapter 6A, Page 6A-3, Table 6A-1.

January 9, 2025

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in “unprotected areas and areas where the levees overtop or fail due to very high sea level rise (and/or coastal storm events), flooding can impact Santa Clara County communities and businesses and may pose a risk to Valley Water infrastructures.” As a result, continued funding of critical levee infrastructure in the entire Bay Area region that protects statewide important infrastructure is a shared goal. These investments also protect against damage from earthquakes, should they occur. Agencies reliant on water imports need to also address maintenance needs to existing pumping and conveyance infrastructure, which has been neglected in favor of the DCP and its predecessor projects.

We urge Valley Water to work with Delta counties and other stakeholders to strengthen levees, repair existing infrastructure, protect Delta water quality, recharge groundwater, and improve regional self-reliance across the state to strengthen California’s water supply system instead of throwing more funds into the Delta Tunnel. A vote for additional Delta Tunnel spending means rate and property tax increases in your district without certain returns. Such a decision disregards environmental and economic impacts to your neighbors in the Delta, engenders more conflict, and would move the state farther away from effective solutions to meet California’s future water needs. We ask that Valley Water instead join the DCC on shared solutions that both enhance the Delta and improve water supplies for Valley Water.

Sincerely,



Patrick Hume, Supervisor
Sacramento County



Oscar Villegas, Supervisor
Yolo County



Ken Carlson, Supervisor
Contra Costa County

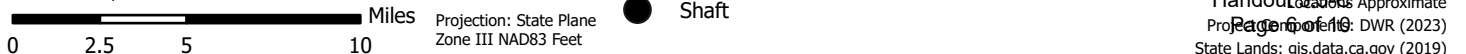


Mitch Mashburn, Supervisor
Solano County



Steven Ding, Supervisor
San Joaquin County

Attachments: Delta Tunnel Impacts Map
DCP Review, Permitting, Finance and Property Rights Status Table



Delta Conveyance Project – Review, Permitting, Finance and Property Rights

Status: **MOSTLY INCOMPLETE X**

PERMIT/MILESTONE	ACTIONS	STATUS		OTHER NOTES
		COMPLETE	INCOMPLETE	
Environmental Review				
CEQA <i>Department of Water Resources</i>	Draft EIR circulated for public review July 27, 2022.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Final EIR released December 8, 2023; Certification and Notice of Determination filed December 21, 2023.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Litigation commenced January 2024; trial court consolidated 10 actions in October 2024.
NEPA <i>U.S. Army Corps of Engineers</i>	Draft EIS Analyzing Construction of Tunnel circulated for public review December 16, 2022.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does not analyze operation impacts of DCP.
	Final EIS Analyzing Construction of Tunnel.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No Record of Decision.
<i>U.S. Bureau of Reclamation</i>	Draft EIS Analyzing Long-Term Operations of the Central Valley Project and State Water Project July 26, 2024.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Very coarse programmatic operations assessment of DCP in appendix.
	Final EIS Analyzing Long-Term Operations of the Central Valley Project and State Water Project November 15, 2024.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No Record of Decision.
Other Processes				
Federal Endangered Species Act, Section 7, Biological Opinion <i>U.S. Fish and Wildlife Service; National Marine Fisheries Service</i>	USACE submitted draft Biological Assessments to the federal fisheries agencies in May 2024.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
California Endangered Species Act, Section 2081, Incidental Take Permit <i>California Department of Fish and Wildlife</i>	Incidental Take Permit application submitted April 9, 2024.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

Delta Conveyance Project – Review, Permitting, Finance and Property Rights

Status: **MOSTLY INCOMPLETE X**

PERMIT/MILESTONE	ACTIONS	STATUS		OTHER NOTES
		COMPLETE	INCOMPLETE	
Other Processes (cont.)				
California Fish and Game Code, Section 1602, Lake and Streambed Alteration Agreement <i>California Department of Fish and Wildlife</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>	It appears this process has not begun.
Clean Water Act, Section 404 <i>U.S. Army Corps of Engineers</i>	Amended application submitted July 7, 2022.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Rivers and Harbors Act, Section 10 <i>U.S. Army Corps of Engineers</i>	Amended application submitted July 7, 2022.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Rivers and Harbors Act, Section 14, 33 USC Section 408 <i>U.S. Army Corps of Engineers</i>	Central Valley Flood Protection Board Statement of No Objection submitted May 22, 2020.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
National Historic Preservation Act, Section 106, Programmatic Agreement <i>U.S. Army Corps of Engineers</i>	Revised draft circulated to consulting parties January 27, 2023.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Programmatic Agreement under development.
Change in Point of Diversion <i>State Water Resources Control Board</i>	DWR Change in Point of Diversion Petition submitted February 22, 2024; Notice of Public Hearing issued July 31, 2024; Amended Notice of Public Hearing issued November 18, 2024.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	40 protests to DWR's Petition filed. Hearing process currently scheduled to commence in February 2025, with DWR's case in chief due in March 2025. New points of diversion for DCP would be limited by maximum historical diversions from existing Delta diversions as of December 2009.

Delta Conveyance Project – Review, Permitting, Finance and Property Rights

Status: **MOSTLY INCOMPLETE X**

PERMIT/MILESTONE	ACTIONS	STATUS		OTHER NOTES
		COMPLETE	INCOMPLETE	
Other Processes (cont.)				
Extension of Time to Construct and Put Water to Beneficial Use <i>State Water Resources Control Board</i>	DWR Petition for Extension of Time filed in December 2009, withdrawn in August 2024. The time period for the DWR to perfect beneficial use of its water rights under the SWP Permits has expired. DWR submitted a “change request” to the SWRCB Division of Water Rights on August 22, 2024, seeking to modify Term 6 to retroactively provide 55-year extension of time to complete construction (to December 31, 2055); the Administrative Hearing Officer has recommended that the request be rejected.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Due Diligence litigation on DWR’s 2009 Extension Petition and related protests commenced April 2024.
Clean Water Act, Section 401, and Porter-Cologne Act, California Water Code, Section 13000 et. seq., Water Quality Certification and Waste Discharge Requirements <i>State Water Resources Control Board</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>	It appears this process has not begun.
Wetland Riparian Area Protection Policy <i>State Water Resources Control Board</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>	It appears this process has not begun.
Consistency of 2024-2026 Proposed Geotechnical Activities with Delta Plan <i>Delta Stewardship Council</i>	Consistency Certification for limited geotechnical activities submitted to Delta Stewardship Council October 8, 2024; four appeals filed November 8, 2024. Appeal hearings are scheduled for December 19, 2024.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Trial court enjoined geotechnical activities pending Consistency Certification for DCP May 2024; DWR appeal filed August 2024. DWR attempts to stay the injunction were unsuccessful.

Delta Conveyance Project – Review, Permitting, Finance and Property Rights

Status: **MOSTLY INCOMPLETE X**

PERMIT/MILESTONE	ACTIONS	STATUS		OTHER NOTES
		COMPLETE	INCOMPLETE	
Finance				
Consistency of Delta Conveyance Project with Delta Plan <i>Delta Stewardship Council</i>	“Early consultation” ongoing.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Revenue Bond Financing <i>Department of Water Resources</i>	Bond Resolutions issued and DWR Validation Action filed in August 2020; seven answers were filed; trial court judgment against DWR and Supporting Water Contractors January 2024, concluding that the Bond Resolutions exceeded DWR’s authority.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	DWR and other appeals filed February 2024.
Contractor Financing Commitments <i>State Water Contractors</i>	DWR is in the process of obtaining an additional \$300 million funds for DCP planning and permitting costs.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	It is estimated that less than half of the necessary planning funds have been committed.
Property Access and Acquisition				
Access for Geotechnical and Environmental Investigations <i>Department of Water Resources</i>	Since 2009, DWR has commenced over 200 Temporary Entry Permit cases which, in 2010, were coordinated for litigation in San Joaquin County (JCCP 4594), in order to advance the BDCP, WaterFix, and, now, the DCP.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	DWR continues to file “add-on” entry cases, most of which are contested by Delta landowners, in JCCP 4594.
Acquisition/Eminent Domain for Construction <i>Department of Water Resources</i>	Hundreds of private property interests would be necessary for construction of the DCP. The EIR estimates 1,277 acres are needed for permanent use and 1,390 acres are needed for temporary use—a total of 2,667 acres.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Currently DWR does not own any land needed for the DCP. Separate eminent domain lawsuits will likely need to be filed and litigated to obtain property for DCP.

For more information on the Delta Conveyance Project’s environmental compliance and permitting processes, visit <https://www.deltaconveyanceproject.com/planning-processes>. Other permits, including local permits and those related to construction, may also be needed.

Delta Counties Coalition
savethedelta.saccounty.gov
Updated December 2024



Santa Clara Valley Water District

File No.: 25-0109

Agenda Date: 1/14/2025

Item No.: *3.6.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Work Study Session on the Capital Improvement Program Preliminary Fiscal Year 2026-2030 Five-Year Plan and Preliminary Fiscal Year 2025-2026 Groundwater Production Charges.

RECOMMENDATION:

- A. Review the Capital Improvement Program Evaluation Team's recommended funding scenarios for the CIP Preliminary Fiscal Year 2026-2030 (FY 2026-30) Five-Year Plan and approve the recommendations for the Water Utility Enterprise Fund (Fund 61) and the inclusion of three projects in the CIP Draft FY 2026-30 Five-Year Plan;
- B. Review proposed adjustments and modifications to the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) Fund (Fund 26);
- C. Set the time and place for a Public Hearing for modifications to the Safe, Clean Water Program for February 11, 2025; and
- D. Discuss and provide direction on the preliminary FY 2025-26 (FY 26) Groundwater Production Charge analysis.

SUMMARY:

Each year, the Capital Improvement Program (CIP) team prepares its rolling five-year plan, which is presented for Board consideration and approval. The CIP Five-Year Plan describes the Santa Clara Valley Water District (Valley Water) capital investments by type of improvement and provides information on planned capital projects and Valley Water's intended source(s) of funding.

The annual CIP development process, wherein capital project plans are updated to reflect changes to scope, schedule or planned expenditures (as detailed in Attachment 1), works in coordination with the biennial budget process, which allocates funding to these projects, and the groundwater production charge process, which establishes water rates.

This Work Study Session combines, for Board review: the baseline CIP Preliminary FY 2026-30 Five-Year Plan (Attachment 2), which reflects all processed changes to scope, schedule or planned expenditures, and consists of a list of projects organized by type of improvement, with estimated costs and proposed funding sources; and the Preliminary FY 2025-26 Groundwater Production

Charge Analysis.***Background***

As part of the annual CIP process, capital project plans are updated to reflect all changes to scope, schedule, or planned expenditures from the Board Adopted CIP FY 2025-29 Five-Year Plan and referenced as Project Plan Updates (Attachment 1).

Included in Attachment 1 is the re-categorization of the Watershed Asset Rehabilitation Program (WARP)(62084001). As part of last year's CIP Development Cycle for the CIP FY 2025-29 Five-Year Plan, staff recommended that WARP be categorized as a Small Capital Improvement Project (Small Capital), as it was originally introduced into the CIP as a Small Capital project. Upon further analysis, WARP is more similar to the proposed Pipeline Maintenance Program (PMP), which is being recommended for inclusion in the CIP as an ongoing program that will allow for the identification and planning for small-to-medium-scale pipeline rehabilitation projects. Staff is proposing a recategorization and name change for WARP to remove the "Small Capital" reference for the development of the CIP FY 2026-30 Five-Year Plan.

Based on the project plan updates presented in Attachment 1, the total CIP Five-Year Plan increased by \$122.91M. The total project cost (TPC) increases or decreases (with inflation) from the Board Adopted CIP FY 2025-29 Five-Year Plan by fund are as follows: General Fund (Fund 11) increased by \$216K; Watersheds Stream Stewardship Fund (Fund 12) increased by \$83.27M; Safe, Clean Water and Natural Flood Protection Program Fund (Fund 26) decreased by \$4.30M; Water Utility Enterprise Fund (Fund 61) increased by \$70.46M; and Information Technology Fund (Fund 73) decreased by \$26.73M. These totals are the baseline Preliminary Five-Year Plan totals and do not reflect any recommended or pending changes.

Along with the review of the baseline CIP Preliminary FY 2026-30 Five-Year Plan, staff is seeking Board input on the preliminary analysis to incorporate into the development of the groundwater production charge recommendation. The groundwater production charge analysis includes a water demand projection, a discussion of key capital project funding, and several scenarios for Board consideration.

Capital Investments Not Included in the CIP

Valley Water contributions to water infrastructure capital investments led by external agencies are not included in the CIP Preliminary FY 2026-30 Five-Year Plan. While not included in the CIP, these investments are being evaluated through the development of the Water Supply Master Plan (WSMP) 2050 and budgeted and forecasted through operating projects. They are also included and reflected in the financial modeling that is analyzed during the development of the CIP Five-Year Plan. These investments include:

1. Sisk Dam Raise Project
2. Delta Conveyance Project

Additionally, to ensure consistency with Valley Water's various planning efforts, CIP staff continues coordinating with staff leading the development of the WSMP 2050. The WSMP 2050 assumes that capital projects included in the Five-Year Plan that repair/replace existing infrastructure are a baseline for inclusion in their planning efforts.

Initially Validated Unfunded Projects

Each year, Valley Water staff can submit new projects to be considered for inclusion in Valley Water's CIP. For each potential new project, staff develops a business case to compare capital, non-capital, and non-asset alternative solutions; evaluates the lifecycle costs of these solutions; and identifies a recommended solution that minimizes lifecycle cost while balancing service levels and risk.

Between October and November each year, these newly proposed, initially validated projects are presented to the CIP Committee and Board, along with a list of currently unfunded projects, which have been validated during prior years, for review and comment. CIP Committee and Board feedback is considered when preparing the recommended scenarios for developing the CIP Preliminary Five-Year Plan.

During this CIP Development Cycle, the Board will consider 11 unfunded projects: four initially validated and seven previously validated/currently unfunded projects.

Capital Project Prioritization - Funding Categories

As funding constraints due to rising capital costs continue to be addressed, and in response to recent recommendations from the CIP Performance Audit, staff has developed Funding Categories to enhance the Board-approved Funding Filters for Prioritization tool.

Categories 1 and 2 focus on further prioritizing existing infrastructure projects based on their Business Risk Exposure (BRE) scores as assigned in the Asset Management Plan (AMP). Category 3 applies to existing infrastructure projects with a lower risk of failure, and new infrastructure projects.

Further details of the three Categories are as follows:

1. Category 1: ≥ 19 points

Category 1 Projects meet Valley Water's objectives to repair/replace its existing infrastructure within certain timeframes, targeting the inclusion of projects with an AMP BRE score that is ≥ 88 and have public health and safety benefits. In addition, projects that are currently in the construction phase or externally mandated (required by law, regulation, federal order, lawsuit, etc.) are automatically included in Category 1.

2. Category 2: 13-18.5 points

Category 2 Projects meet Valley Water's objectives to repair/replace its existing infrastructure within certain timeframes, targeting the inclusion of projects with an AMP BRE score that is between 76-87 and have public health and safety benefits.

3. Category 3: ≤ 12.5

Category 3 Projects have a lower risk of failure and an AMP BRE score of ≤ 75 , which includes existing infrastructure projects and new infrastructure projects, as identified/prioritized in Valley Water's Master Plans and Program Plans. In addition, small capital improvement projects and placeholder projects are automatically included in Category 3.

Valley Water's CIP Five-Year Plan includes projects that meet the criteria for all three Categories, all of which are critical to meeting Valley Water's mission. In alignment with Ends Policies (goals and objectives for accomplishing Valley Water's Mission), the Board may approve the funding of projects in any category.

Attachment 3 provides an overview of the Funding Categories for all capital projects, by Fund based on the Board-adopted CIP FY 2025-29 Five-Year Plan. The CIP Evaluation Team reviewed the Funding Categories to help inform the development of recommendations for Board consideration.

Further, each of the Initially Validated/Unfunded existing infrastructure projects has been ranked based on points received according to the funding filters and BRE scores. New infrastructure projects are automatically placed in Category 3, as referenced above.

The CIP Evaluation Team (Chief Executive Officer (CEO), Assistant CEO, Chiefs and Deputies of the divisions initiating, delivering, implementing, and operating capital projects) meets in November of each year to consider the CIP Committee and Board feedback, review the financial models, and determine which, if any, initially validated or unfunded projects should be recommended for inclusion in the CIP. To ensure Valley Water's high-priority business needs are met in adherence to Board policy, the CIP Evaluation Team reviews the projects based upon:

- Board Priorities
- Asset's remaining lifespan
- Available funding/staff resources
- Urgency of investment

Based upon the outcome of its review, the CIP Evaluation Team recommends whether the newly proposed capital projects should be funded in the CIP Preliminary FY 2026-30 Five-Year Plan or remain on the unfunded list. Shown below in Table 1 and included in Attachment 4 are the CIP Evaluation Team's recommendations regarding the Initially Validated and Unfunded Projects.

**Table 1: CIP Evaluation Team Recommendations for
FY 25 Initially Validated and Unfunded Projects**

Project Name	Estimated Total Project Cost (\$ thousands w/inflation)	Phase	Potential Funding Source	FY 2024-25 Funding Category	CIP Evaluation Team Recommendations
FY 2023-24 Initially Validated Projects					
Coyote Dam Seismic Retrofit	\$406,400	Planning	Fund 61	Category 1 - Existing Infrastructure	Include in the funded CIP FY26-30 Five-Year Plan
Pipeline Maintenance Program*	\$55,375	Plan/Design/Const.	Fund 61	Category 2 - Existing Infrastructure	Include in the funded CIP FY26-30 Five-Year Plan
Almaden-Calero Canal Rehabilitation - Phase II	\$12,950	Planning	Fund 61	Category 3 - Existing Infrastructure	Move to the unfunded list
Enterprise Resource Planning (ERP) System Replacement	\$33,508	Planning	Fund 73	Category 3 - Existing Infrastructure	Include in the funded CIP FY26-30 Five-Year Plan
Current Unfunded Projects					
Llagas Creek - Lower, Capacity Restoration, Buena Vista Road to Pajaro River	\$98,831**	Planning	Fund 12	Category 1 - Existing Infrastructure	Re-validate following emergency repair work
Permanente & Hale Creek Concrete Replacement	\$20,810	Planning/Design	Fund 12	Category 1 - Existing Infrastructure	Remain on the unfunded list until FY28
Calabazas/San Tomas Aquino Creek Marsh Connection - Construction (ONLY)	\$34,562	Construction	Fund 12	Category 2 - Existing Infrastructure	Remain on the unfunded list pending available funding/resources
Pond A4 - Phase 2 (Construction ONLY)	\$32,128	Construction	Fund 12	Category 3 - NEW Infrastructure	Remain on the unfunded list pending available funding/resources
South Babb Flood Protection - Long-Term	\$22,070	Planning	Fund 12	Category 3 - Existing Infrastructure	Remain on the unfunded list pending available funding/resources
Alamitos Operable Dam Replacement	\$13,889	Planning	Funds 12/61	Category 3 - Existing Infrastructure	Remain on the unfunded list pending available funding/resources
Palo Alto Purified Water Project (PAPWP)	\$1,097,076***	Planning	Fund 61	Category 3 - NEW Infrastructure	Remain on the unfunded list pending further development of SJWPW

* Renewal of the 10-yr Pipeline Inspection and Rehabilitation Project (sunset in FY28)

** Llagas Capacity has prior year actuals = \$6,947, TPC = \$105,778

*** PAPWP Fund 61 unfunded cost is \$14,633,000; Public Private Partnership (P3 contribution for PAPWP) is \$1,082,443,000

Required Modification to the Safe, Clean Water and Natural Flood Protection Program

As reported in the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) FY 2024 Annual Report, the United States Army Corps of Engineers (USACE) informed Valley Water that the South San Francisco Bay Shoreline Phase II Feasibility Study had determined that there were insufficient overall project benefits to justify a federal project for the alternative considered. Phase II covers Economic Impact Areas (EIAs) 1-4, encompassing the shoreline areas between San Francisquito Creek in Palo Alto and Permanente Creek in Mountain View and covering Palo Alto and Mountain View communities. The study determined damages from coastal flooding are not great enough to justify the cost of a levee until sea level rise is greater in several decades.

Consequently, in the first 15-year funding cycle (FY 2022 - 2036) of the Safe, Clean Water Program, Valley Water cannot implement Project E7: San Francisco Bay Shoreline Protection (Project E7) key performance indicator (KPI) #1, which requires Valley Water provide a portion of the local share of funding for planning, design, and construction of Environmental Impact Areas 1-4.

The USACE decision not to advance the project necessitates modifying KPI #1 in accordance with the Safe, Clean Water Program's Change Control Process. Furthermore, approximately \$23M (inflated) in unspent funding must be reallocated.

Phase I of Project E7 is for Environmental Impact Area 11 (San Francisco Bay Shoreline, EIA 11 Project (00044026)) and was initially included under the 2012 Safe, Clean Water Program, which was renewed by voters in 2020. USACE began construction work on Phase 1 EIA 11, Reaches 1 through 3, in December 2021 and is estimated to continue until Summer 2025. Approximately 90% of the construction contract has been completed.

Phase 1 EIA 11, Reaches 4 and 5, are in the design phase. USACE has identified project cost

updates that have nearly tripled from \$194M to \$545M, of which Valley Water is responsible for a portion of the local share.

The project partners are exploring ways to lower the cost of construction of Reaches 4-5. Additionally, USACE and the non-federal partners are looking for alternative measures that meet project objectives and reduce construction costs. Valley Water is expecting an updated cost estimate from USACE this spring.

Valley Water staff has updated the project plan for Project number 00044026 to reflect the known cost increases. There are additional cost increases that are yet to be quantified, such as the improvements to the UPRR-owned infrastructure in the project area, ecotone design and construction costs, pond breaching, monitoring, and adaptive management. Staff anticipates these additional costs to be estimated in the upcoming fiscal year as the project design further develops.

Valley Water has secured approximately \$15M from the 2012 Safe, Clean Water Program, \$61M million from the San Francisco Bay Restoration Authority's Measure AA Program, and \$14.7M from a Coastal Conservancy grant, and \$8M from the State Department of Water Resources-Subventions to support the Phase 1 EIA 11 Project.

While EIA 11 is included in the Safe, Clean Water Program as part of the project description for Project E7, it is not currently included as part of Project E7's KPIs. As referenced below, to help close the funding shortfall for EIA 11, the CIP Evaluation Team is recommending bringing EIA 11, Reaches 4-5, back into Project E7, KPI #1, to utilize the approximately \$23M (inflated) in funding that must be reallocated from EIAs 1-4. To close the remaining shortfall, Valley Water plans to utilize revenue bonds that can be paid back over a 30-year time frame, thus reducing the impact on the near-term financial health of its funds.

For more information on the proposed adjustments and modifications to Project E7 please see Attachment 5. A draft of the public notice ad for the proposed Public Hearing is included as Attachment 6.

For more information on the Safe, Clean Water Program, including the Program's Change Control Process visit <https://www.valleywater.org/safe-clean-water-and-natural-flood-protection-program>.

Recommended Funding Scenarios for Consideration

The CIP Evaluation Team reviewed the fund models after inputting the project plan updates (Attachment 1), which were then utilized to prepare the baseline CIP Preliminary FY 2026-30 Five-Year Plan. Based on the impact these changes had on the health of Funds 12, 26, and 61, and taking into consideration feedback received from the CIP Committee and the Board, the Team has prepared recommendations for each fund for the January 14, 2025, Board work study review of the CIP Preliminary FY 2026-30 Five-Year Plan.

Fund 12 Recommended Scenario = Baseline, with the following modifications:

1. Include the ERP System Replacement - \$33.5M (30% allocation of \$33.5M)
2. Recommend a Public Hearing to move the San Francisco Bay Shoreline, EIA 11 Project (00044026) back into the Safe, Clean Water Program (Fund 26) to utilize approximately \$23M

in unspent funds from the San Francisco Bay Shoreline, EIA's 1-4 Project (26444002) (KPI #1), which cannot be fully implemented due to the USACE decision not to pursue design and construction of EIAs 1-4

3. Reduce the Board-approved fund transfer from Fund 12 to Fund 26 from \$27.9M to \$10M to balance the fiscal health of both funds (planned for future years)

Fund 26 Recommended Scenario = Baseline, with the following modifications:

1. Include the ERP System Replacement - \$33.5M (10% allocation of \$33.5M)
2. Recommend a Public Hearing to move the San Francisco Bay Shoreline, EIA 11 Project (00044026) back into the Safe, Clean Water Program (Fund 26) to utilize approximately \$23M in unspent funds from the San Francisco Bay Shoreline, EIA's 1-4 Project (26444002) (KPI #1), which cannot be fully implemented due to the USACE decision not to pursue design and construction of EIAs 1-4
3. Reduce the Board-approved fund transfer from Fund 12 to Fund 26 from \$27.9M to \$10M to balance the fiscal health of both funds (planned for future years)

Fund 61 Recommended Scenario = Baseline, with the following modifications:

1. Include the ERP System Replacement - \$33.5M (60% allocation of \$33.5M)
2. Include the Coyote Dam Seismic Retrofit - \$406.4M
3. Include the Pipeline Maintenance Program - \$55.4M
4. Present the following scenarios for Board Consideration
 - a. Modified Baseline with:
 - i. No Pacheco Reservoir Expansion Project (PREP)
 - ii. No PREP partner funding
 - iii. 15% PREP partner funding

New Project Plan Updates/Project Plan Update Revisions to Funded Capital Projects

Since the Significant Project Plan Updates submittal deadline this October, new project plan updates have been processed. The changes below were not finalized in time for the December 16, 2024, CIP Committee Meeting, but since then have been incorporated into the Baseline Preliminary FY 2026-30 Five-Year Plan.

A list of the new project plan updates is provided below and incorporated into Attachment 1:

1. Upper Penitencia Creek, Coyote Creek to Dorel Drive (E4) (26324001)
2. San Francisco Bay Shoreline, EIAs 5-10 (26444004)
3. Coyote 10B Freshwater Wetlands (40214023)

Additional Pending Project Plan Updates/Project Plan Update Revisions to Funded Capital Projects

Since the December 16, 2024, CIP Committee presentation, additional project plan updates have been identified. The pending changes have not been finalized or incorporated into the Baseline CIP Preliminary FY 2026-30 Five-Year Plan. The changes will be incorporated for the February 25, 2025, Board Meeting.

A list of the projects with pending changes is provided below:

1. Anderson Dam Tunnel Project (91864006)
2. Coyote Creek Chillers (91864008)
3. Cross Valley Pipeline Extension Project (91864010)
4. Anderson Dam Seismic Retrofit Project (91864005)
5. Llagas Creek - Upper, CORPS Coordination (E6a) Project (26174052)
6. Upper Berryessa Creek - USACE Coordination Project (26174041)
7. San Francisquito Creek - SF Bay to Searsville Dam (E5) Project (26284002)
8. Small Capital Improvement Projects Forecast Revisions
9. Administrative Project Plan Updates

Projects Planned for Closure

Additionally, eight (8) projects in the Board Adopted CIP FY 2025-29 Five-Year Plan are anticipated to be completed and/or closed out by June 2025, as listed below:

1. Permanente Creek, SF Bay to Foothill Expressway (10244001)
2. Berryessa Creek, Lower Penitencia Creek to Calaveras Blvd. Phase 1 (40174004)
3. SCW Fish Passage Improvements (D4.3) (26044002)
4. Permanente Creek, SF Bay to Foothill Expressway (26244001)
5. Coyote Percolation Dam Replacement (91864009)
6. Santa Teresa Water Treatment Plant Filter Media Replacement (93284013)
7. Rinconada Water Treatment Plant Residuals Remediation (93294058)
8. Data Consolidation (73274009)

Board Member Request

In November 2024, following the Presidential election, staff received a Board member request for a list of capital projects that rely on federal funding, through loans, partnerships, or grants. At this time, there has been no indication that the status of federal funding will be impacted under the incoming new administration; however, the fact that the CIP Five-Year Plan is updated on a rolling annual basis

allows Valley Water to be highly adaptable to changing conditions. Should federal funding be impacted, staff will bring forward recommendations and scenarios for the Board's consideration to address any resulting funding shortfall. In parallel, Valley Water continues to seek grant and partnership funding to support the financial health of its funds and will continue to lobby the federal government to secure critical federal funding sources. Staff will present this information in a supplemental memorandum on Friday, January 10, 2025.

Summary of Groundwater Production Charge Analysis

Staff has prepared the preliminary FY 2025-26 groundwater production charge analysis, which includes several scenarios for Board review. Staff is seeking Board input on the preliminary analysis to incorporate into developing the groundwater production charge recommendation.

The groundwater production charge reflects the benefit of Valley Water activities to protect and augment groundwater supplies and is applied to water extracted from the groundwater basin in Zones W-2, W-5, W-7, and W-8. Zone W-2 encompasses the Santa Clara groundwater subbasin north of Metcalf Road or the North County. Zone W-5 overlays the Llagas subbasin from northern Morgan Hill south to the Pajaro River. Zone W-7 overlays the Coyote Valley south of Metcalf Road to northern Morgan Hill, and W-8 encompasses the area below Uvas and Chesbro Reservoirs.

The groundwater production charge recommendation will be detailed in the 54th Annual Report on the Protection and Augmentation of Water Supplies that staff plans to provide to the Clerk of the Board on February 28, 2025. The Public Hearing on groundwater production charges is scheduled to open on April 8, 2025. It is anticipated that the Board will set the FY 2025-26 groundwater production charges by May 13, 2025, and become effective on July 1, 2025.

The FY 2025-26 groundwater production charge and surface water charge setting process will be conducted consistent with the District Act requirements, and Board Resolutions 99-21 and 12-10 (Attachments 7 and 8).

Water Use Assumptions

Valley Water managed water use for FY 2023-24 is estimated to have been approximately 204,600 acre-feet (AF), roughly 2,400 AF lower than budgeted due to slower than anticipated rebound. Water use is budgeted higher for FY 2024-25 at 222,500 AF based on a continued rebound from the previous drought. The projected water use of 219,000 AF in FY 2025-26 is slightly lower compared to FY 2024-25 budget. The multi-year projection has been adjusted to reflect an ongoing moderate rebound from the previous drought, returning to around 230,000 AF by FY 2031-32.

Groundwater Production Charge Projection Scenarios

Staff has prepared an initial recommended baseline groundwater production charge projection scenario for Board review, consistent with the CIP Evaluation Team's recommendation to fund three new projects. In addition, staff has prepared several additional scenarios, including a range of assumptions for capital projects. Staff can model additional scenarios for the Board as needed.

Valley Water's participation in the Los Vaqueros Reservoir Expansion Project has been eliminated from all scenarios.

For the recommended baseline scenario, the increase in the North County Zone W-2 Municipal and Industrial (M&I) groundwater production charge is 9.9% for FY 2025-26. In South County, for the FY2025-26 recommended baseline scenario, increases in the M&I groundwater production charge projections are 7.9% for Zone W-5; 11.2% for Zone W-7; and 8.0% for Zone W-8.

The overall impact of the preliminary analysis for the recommended baseline scenario for FY 2025-26 on the average household would be an estimated increase of \$7.60 per month in North County, \$1.58 per month in South County Zone W-5, \$2.89 per month in South County in Zone W-7, and \$1.18 per month in South County in Zone W-8.

Staff assumes the continuation of the Contract Treated Water Surcharge at \$115/AF to maintain alignment with retailers' costs to pump water from their wells.

Staff has prepared the following scenarios for Board consideration:

Scenario 1) Recommended Baseline with Moderate Water Use Rebound:

This scenario includes the following projects and assumptions:

1. Water Conservation: voluntary conservation continues, with moderate water use rebound from the previous drought; FY 2025-26 water use is projected at 219 thousand acre-feet (kAF)
2. Anderson Seismic Retrofit Project leveraging WIFIA loan (up to 49% of TPC)
3. Pacheco Reservoir Expansion Project (PREP) with \$504M Proposition 1 grants, WIFIA loan (up to 49% of TPC) and Partnership Participation at 35% of TPC
4. Purified Water Program with the City of San Jose (includes Phase 1 Demonstration Facility and Phase 2 Full-Scale Facility as a placeholder)
5. Delta Conveyance State Water Project (SWP) portion at 3.23%
6. B.F. Sisk Dam Raise and Reservoir Expansion Project participation with up to 60 TAF storage
7. Capital Master Plan Implementation Projects Placeholder - Assumes \$377M in anticipated costs from FY 27 to FY 35 for new pipelines, pipeline rehabilitations, treatment plant upgrades, and SCADA implementation projects.
8. Agricultural rates set at or below 10% of the lowest groundwater benefit zone M&I rate (Zone W-8)

Scenario 2) Recommended Baseline excluding Pacheco Reservoir Expansion Project: This includes the same projects and assumptions as Scenario 1 but excludes the Pacheco Reservoir Expansion Project.

Scenario 3) Recommended Baseline with 15% Partnership Participation Funding for Pacheco Reservoir Expansion Project: This includes the same projects and assumptions as Scenario 1.

Scenario 4) Recommended Baseline with 0% Partnership Participation Funding for Pacheco Reservoir Expansion Project: This includes the same projects and assumptions as Scenario 1.

Staff can model additional scenarios for the Board as needed. Valley Water's participation in the Los Vaqueros Reservoir Expansion Project has been eliminated from all scenarios.

Other Assumptions

All scenarios assume the continued practice of relying on the State Water Project (SWP) Tax to pay for 100% of the SWP contractual obligations. Pursuant to Water Code Section 11652, Valley Water, whenever necessary, is required to levy on all property in its jurisdiction not exempt from taxation, a tax sufficient to provide for all payments under its SWP contract with the California Department of Water Resources (DWR). All scenarios assume setting the SWP Tax for FY 2025-26 at \$28M. The SWP Tax for the average household in Santa Clara would be about \$42 per year.

A Drought Reserve was established in FY 2015-16 to help minimize future rate impacts and complement the Supplemental Water Supply Reserve. The reserve (\$10M) was used fully in FY 2022-23 due to the previous drought. The staff analysis assumes that future reserve levels gradually build to \$20M over subsequent years beginning with \$1M in FY 2025-26.

All scenarios assume Water Utility operations cost \$268.6M in FY 2025-26 versus the FY 2024-25 adopted budget of \$268.4M.

The preliminary analysis does not include unfunded capital projects or additional unfunded operations cost needs identified by staff.

Summary of Groundwater Production Charge Analysis Issues

Staff is seeking Board direction to be incorporated into the Report on Protection and Augmentation of Water Supplies (PAWS) scheduled to be filed with the Clerk of the Board on February 28, 2025.

CIP Board Committee

The Board established a CIP Committee to review and discuss in greater detail the various processes and information used to prepare an annual update to the CIP Five-Year Plan. In 2024, the CIP Committee was comprised of Director Nai Hsueh (CIP Committee Chair), Director Tony Estremera (CIP Committee Vice Chair), and Director Jim Beall.

The CIP Committee met monthly in 2024 to review and discuss information related to capital projects, the development of the CIP, and to provide feedback to staff and recommendations to the full Board, as required.

CIP Committee Review of the CIP Preliminary FY 2026-30 Five-Year Plan

On December 16, 2024, the CIP Committee reviewed the baseline CIP Preliminary FY 2026-30 Five-

Year Plan. The CIP Committee reviewed the CIP Evaluation Team's recommended funding scenarios to support the overall financial health of Funds 12, 26, and 61.

In reviewing the project plan updates (Attachment 1), the corresponding financial analysis, and the CIP Evaluation Team's recommendations for Funds 12, 26, and 61, the CIP Committee provided feedback, but made no additional recommendations for the Board's consideration regarding the CIP Preliminary FY 2026-30 Five-Year Plan.

Review and Approval Process for the CIP FY 2026-30 Five-Year Plan

Receiving Board direction regarding the Recommended CIP Preliminary FY 2026-30 Five-Year Plan (Attachment 2) will allow staff to proceed with preparing the CIP Draft FY 2026-30 Five-Year Plan for Fund 61 projects. The board direction regarding Fund 12 and Fund 26 will follow the Safe, Clean Water Program Public Hearing, recommended to be held on February 11, 2025.

The CIP Draft FY 2026-30 Five-Year Plan is scheduled to be presented to the Board at its meeting on February 25, 2025. At that time, staff will recommend that the Board review and authorize the release of the CIP Draft FY 2026-30 Five-Year Plan for a 60-day public review period. After the public review and responses to comments are completed, a Resolution to Adopt the CIP Final FY 2026-30 Five-Year Plan will be presented to the Board in May 2025 for approval in conjunction with the FY 2025-26 biennial budget.

The proposed changes to the CIP are summarized by Fund and will be presented in the PowerPoint presentation (Attachment 9).

Additionally, to ensure consistency with Valley Water's various planning efforts, CIP staff continues to coordinate with staff leading the development of the Water Supply Master Plan 2050, Watershed Master Plans (formerly One Water Plan), and Watersheds and Water Utility Asset Renewal Plans. These plans assume that capital projects included in the Five-Year Plan that repair/replace existing infrastructure are baseline projects for inclusion in their planning efforts. If necessary, these plans will be updated to align with the CIP FY 2026-30 Five-Year Plan, as adopted by the Board.

Communications and Community Outreach

Informing members of the community about the CIP efforts, process and program details remains an integral part of Valley Water's communications and public engagement. Staff regularly invites community members to participate in the CIP public comment period, the CIP Public Hearings, and other milestone dates through frequent social media posts. Staff promotes monthly CIP committee meetings on Nextdoor, Facebook and Twitter (X) and boosts them on Facebook once the meeting agenda is posted online, typically within the week leading up to those scheduled meetings.

In early December 2024, a detailed blog about the CIP Five-Year Plan and process was shared with the community. A three-blog series to highlight projects within the CIP launched in January. These blogs will be posted on valleywaternews.org and shared in Valley Water's newsletter, Facebook, and Twitter (X). Staff also posts on the CIP webpage and project pages about how to submit public

comments and other reminders about ways community members can participate in the CIP process.

Additionally, Valley Water's public events, including scheduled Speakers Bureau presentations, serve as venues for staff to remind community members about the CIP efforts and how they can participate in that process. Staff supports all Board-approved CIP efforts with year-round community engagement. CIP project outreach includes the distribution of information through mailings, social media updates, email blasts, Nextdoor notifications, hosting public meetings, and updating project webpages with details about current project progress. On average, staff post about CIP projects approximately five times per month, across all our platforms.

ENVIRONMENTAL JUSTICE IMPACT:

While individual capital projects may have environmental justice impacts and conduct outreach and engagement to impacted communities, which will be reported to the Board accordingly, the CIP Preliminary FY 2026-30 Five-Year Plan and the FY 2025-26 Groundwater Production Preliminary Analysis Work Study Session has no environmental justice impact.

The CIP Preliminary FY 2026-30 Five-Year Plan is a projection of Valley Water's capital funding for planned capital projects. Its purpose is to document planned capital projects to help integrate Valley Water work with the larger community by aligning Valley Water planning with other local agency planning efforts. The CIP Preliminary Five-Year Plan documents any changes to capital projects' planned funding and expenditures and is updated and brought to the Board of Directors for approval each year in January.

Each February, upon the Board's direction, the CIP Draft Five-Year Plan has a 60-day public review period. To ensure meaningful engagement of all Santa Clara County communities in the decision-making process, staff provides a copy of the CIP Draft Five-Year Plan to Santa Clara County, its cities, and land use agencies and publishes a public notification for a review before the Board of Directors adopts the Resolution to Adopt the CIP Five-Year Plan in May.

The CIP is thus produced each year in collaboration with government, academic, private, non-governmental, and non-profit organizations, as well as diverse and disadvantaged communities, and as such, adheres to the Board's General Principles and Ends Policies, which are integral in ensuring that Valley Water meets its mission.

FINANCIAL IMPACT :

While there is no direct financial impact associated with the recommended action to approve the CIP Preliminary FY 2026-30 Five-Year Plan, the CIP Five-Year Plan presents a funding plan that shows the intended source of funds for each project. Valley Water's FY 2025-26 proposed biennial budget will include the approved projects in the first year of the CIP FY 2026-30 Five-Year Plan.

Furthermore, this preliminary analysis of the groundwater production charges does not have any immediate financial impact, however, the adopted groundwater production charges will affect the

future finances of the Water Utility Enterprise.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Project Plan Updates from CIP FY 2025-29 5-Year Plan

Attachment 2: Baseline CIP Preliminary FY 2026-30 5-Year Plan

Attachment 3: Capital Project Funding Categories

Attachment 4: Initially Validated/Unfunded Recommendations

Attachment 5: Proposed Adjustments and Modifications

Attachment 6: Draft Notice of Public Hearing

Attachment 7: SCVWD Resolution No. 99-21

Attachment 8: SCVWD Resolution No. 12-10

Attachment 9: PowerPoint

*Supplemental Board Agenda Memo

*Supplemental Attachment 1: CIP Projects with Federal Funding

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Summary of Capital Project Plan Updates from CIP Adopted Fiscal Year 2025-29 Five-Year Plan

Below is a detailed summary of all processed project plan updates with revised total project cost (TPC) from the CIP Adopted Fiscal Year (FY) 2025-29 Five-Year Plan by type of improvement. All project plan updates included in this attachment will be reflected in the baseline CIP Preliminary FY 2026-30 Five-Year Plan. Since the Significant Project Plan Updates submittal deadline, there have been new project plan updates identified. The new changes below were not finalized in time for the December 16, 2024 CIP Committee Meeting, but since then have been incorporated into the Baseline Preliminary FY 2026-30 Five-Year Plan. Each new update has been identified with “(NEW)” after the project name/number. The Baseline Preliminary FY 2026-30 Five-Year Plan will include all project plan updates in this attachment.

WATER SUPPLY – STORAGE:

1. 91864005 Anderson Dam Seismic Retrofit (C1) Project

COST ONLY - Inflated TPC decreased by \$9.05M (inflation only)

The planned expenditure changes reflect a reallocation of funds from FY25 and FY26 to future years due to the refinement of anticipated work expected to occur through the next fiscal year. There is no change to overall schedule milestones, only adjustments to planned expenditures to reflect the onboarding of the construction management consultant and anticipated work to occur in Year 1 of ADSRP construction. The revised inflated TPC is \$1.89B.

2. 91864006 Anderson Dam Tunnel Project

SCOPE, SCHEDULE, AND COST – Overall schedule extended by 8 months/Inflated TPC increased by \$262K (inflation only)

The project scope has been modified to include an extension of the North Channel opening. This work was initially planned to happen during the subsequent Anderson Dam Seismic Retrofit Project; however, opportunities for efficiency and environmental benefit have accelerated this work to occur now. If delayed, existing low spots in Coyote Creek could create fish stranding hazards after high creek flows or releases from Anderson Dam. There is no change to the total project cost (uninflated), however, modifications have been made to phase costs and planned expenditures based on anticipated work expected to occur through the next fiscal year. The revised inflated TPC is \$253.26M.

3. 91864007 Coyote Creek Flood Management Measure

SCHEDULE AND COST – Overall schedule remains the same/Inflated TPC decreased by \$16M

The Right(s)-of-Way Phase schedule is extended due to the final settlement for compensation amounts for a few easements currently being negotiated as part of eminent domain actions. Planned expenditures have been reduced in FY25 due to the Contractor's bid coming in lower than anticipated. Construction is now substantially complete enough to determine to reduce these expenses. The revised inflated TPC is \$101.45M.

4. 91864008 Coyote Creek Stream Augmentation Fish Protection Measure (Chillers)

SCHEDULE AND COST – Overall schedule extended by 9 months/Inflated TPC remains the same

The project is delayed due to a worldwide component shortage. Additionally, the delay and coordination with the furnished equipment triggered some design changes, which impacted construction completion and, consequently, the completion of the close-out phase. The inflated TPC remains at \$23.47M.

5. 91864010 Cross Valley Pipeline Extension

SCHEDULE AND COST – Overall schedule extended by 11 months/Inflated TPC increased by \$154K

The project is delayed due to extensive pipeline trench remediation work from the January 2023 storms, which caused trench backfill failure. Replacement of faulty valve actuator equipment from the manufacturer also extended project completion. As a result of the remediation work and equipment replacement, the construction completion schedule was impacted, and consequently, the completion of the close-out phase. The revised inflated TPC is \$12.06M.

6. 91874004 Calero Dam Seismic Retrofit - Design & Construction

SCOPE, SCHEDULE, AND COST – Overall schedule remains the same/Inflated TPC decreased by \$23.53M

In November 2023, the Division of Safety of Dams (DSOD) wrote to Valley Water (VW) expressing dissatisfaction with the current rehabilitation schedules for VW's dams with seismic deficiencies, including Calero Dam, Guadalupe Dam, Almaden Dam, and Coyote Dam. It required VW to submit a revised rehabilitation master schedule for these dams. The revised schedule included a new target date to commence construction at Calero or Guadalupe Dam by the summer of 2026. Following meetings with DSOD, VW responded in writing to DSOD in July 2024, acknowledging the concerns regarding the previously proposed timeline and presenting a new approach to address the identified deficiencies and ensure an earlier start of construction. This new strategy involves segmenting the construction into individual projects and prioritizing the repair of embankments and spillways to mitigate the risks that led to the reservoir restrictions. Calero Dam will be retrofitted through two distinct construction packages. Package A will focus on rehabilitating the embankment and spillway. Package B will address the construction of the new outlet works and the work at Fellows Dike. It is important to note that the scope change involves the use of two separate construction packages and the related design and construction adjustments. Still, the overall objectives of the project remain unchanged. Under this approach, Package A is set to begin construction in early 2028 and be completed in summer 2031, while Package B will start in early 2033 and finish in spring 2035. The construction details of Package A (embankment and spillway) are well-defined, making the cost estimates reasonable and reliable. However, the details of Package B (outlet works and work at Fellow Dike) still need further definition (such as whether it will involve a sloping intake, a shaft intake, or another solution), as the design must now accommodate minimizing the draining of the reservoir during construction. Therefore, an estimate for the

construction cost of Package B is not yet available and will not be included in the Total Project Cost (TPC) at this time. The revised inflated TPC is \$162.43M.

7. 91084020 Calero and Guadalupe Dams Seismic Retrofits - Planning
COST ONLY - Inflated TPC decreased by \$128K (inflation only)

The reallocation of funds from FY27 reflects a planned amendment to the consultant agreement for planning and environmental services, which is needed to account for more rigorous regulatory requirements in the development of CEQA documentation and natural resource agency permitting, compared to when the project was originally scoped. In addition, the planned expenditures for FY25 and onward are only for consultant services. Planned expenditures for Valley Water labor resources will be included as part of the costs for the Calero Dam Seismic Retrofit Project (Project No. 91874004) and Guadalupe Dam Seismic Retrofit Project (Project No. 91894002) respectively. The revised inflated TPC is \$13.76M.

8. 91894002 Guadalupe Dam Seismic Retrofit - Design & Construct
SCOPE, SCHEDULE, AND COST – Overall schedule extended by 4 years/Inflated TPC increased by \$56.02M

In November 2023, the Division of Safety of Dams (DSOD) wrote to Valley Water (VW), expressing dissatisfaction with the current rehabilitation schedules for VW's dams with seismic deficiencies, including Calero Dam, Guadalupe Dam, Almaden Dam, and Coyote Dam and required VW to submit a revised rehabilitation master schedule for these dams. The revised schedule was to include a new target date to commence construction at either Calero or Guadalupe Dam by the summer of 2026. Following meetings with DSOD, VW responded in writing to DSOD in July 2024, acknowledging the concerns regarding the previously proposed timeline and presenting a new approach to address the identified deficiencies and ensure an earlier start of construction. This new strategy involves segmenting the construction into individual projects and prioritizing the repair of embankments and spillways to mitigate the risks that led to the reservoir restrictions. The Guadalupe Dam construction has been split into two distinct packages: Package A will focus on rehabilitating the embankment and spillway, and rehabilitating and strengthening the existing outlet works (riser pipe). Package B will address the construction of the new outlet works. It is important to note that the scope change involves the use of two separate construction packages and the related design and construction adjustments, but the overall objectives of the project remain unchanged. Under this approach, Package A is set to begin construction in early 2029 and be completed in early 2032, while Package B will start in summer 2032 and finish in summer 2034. The total project cost has increased due to revised costs for the design and construction phases, as well as the addition of VW labor costs for environmental support, the latter which was previously part of the Calero & Guadalupe – Planning Project (Project No. 91084020) and has since been revised. With the renewed focus on the project, the expenditures have been revised to include additional anticipated costs. The construction details of Package A (embankment, spillway, and strengthening of the existing riser pipe) are well-defined, making the cost estimates reasonable and reliable. However, the details of Package B (outlet works) still need further definition (such as whether it will involve a sloping intake, a shaft, or another solution), as the design must now accommodate minimizing the draining of the reservoir during

construction. Therefore, an estimate for the construction cost of Package B is not yet available and will not be included in the Total Project Cost (TPC) at this time. The revised inflated TPC is \$140.71M.

9. 91084019 Dam Seismic Stability Evaluation

SCOPE AND COST - Inflated TPC decreased by \$1.33M

Recent consultant assessments of Dam Safety Evaluations for Coyote, Chesbro, and Uvas dams (DSE1) have confirmed that Uvas and Chesbro dams are structurally sound and require no further investigation. As a result, the need for future investigations for these two dams has been removed from the project scope. The revised inflated TPC is \$29.96M.

10. 91954002 Pacheco Reservoir Expansion Project (PREP)

SCHEDULE AND COST – Overall schedule extended by 1.5 years/Inflated TPC decreased by \$17.06M (inflation only)

The project's Design Level Geotechnical Investigations (DLGI) were stopped in May 2023 by court order, ruling that neither the Class 4 nor Class 6 California Environmental Quality Act (CEQA) Categorical Exemptions (CE) were applicable to this work and additional CEQA review would be required. In response, a draft Initial Study/Mitigated Negative Declaration (IS/MND) was released for public review in June 2024. Considering public and agency comments received on the draft IS/MND, Valley Water has elected to prepare a DLGI Environmental Impact Report (EIR). Following the release of the PREP Draft EIR (DEIR) in November 2021, several items have developed, such as additional coordination with PG&E, alignment and extension of transmission lines, time needed to complete the environmental studies, reservoir modeling analysis, and preparation of the Project's recirculated DEIR, EIR, and Environmental Impact Study (EIS), resulting in delays to the environmental phase and the need to recirculate the DEIR. The proposed revisions to the design and environmental phases will extend the completion of the Project Plan Schedule by 1.5 years. As a result of project evolution, the current costs for environmental and design phases have been re-evaluated, but there is no change to the total project cost. Factors contributing to the proposed changes in the phase costs mainly require less consultant resources for design, offset by additional consultant resources for environmental support. The revised inflated TPC is \$2.73B.

WATER SUPPLY – TRANSMISSION FACILITIES:

11. 95084002 10-Year Pipeline Rehabilitation (FY18-FY27)

SCHEDULE AND COST – Overall schedule extended by 1 year/Inflated TPC increased by \$12.63M

The project schedule is extended by one year due to procurement lead times, unforeseen field conditions, and delays in submitting required documentation by the contractor. The project expenditures have changed due to the unprecedented flooding of Winter 2023, lead-time challenges with material and equipment during construction, fewer bidders on the market, and an increase in required staff labor. The revised inflated TPC is \$183.53M.

12. 92304001 Almaden Valley Pipeline Replacement Project

SCHEDULE AND COST – Overall schedule added new fiscal year outside the 15-year CIP forecast /Inflated TPC decreased by \$15.72M

The project design will be completed in phases that correspond to the segments of pipeline to be replaced. Construction will start earlier than initially planned to coincide with other shutdown-related projects. The design team completed the planning phase work early by leveraging historical data from the 2007 Pipeline Maintenance Program and 10-year Inspection and Rehabilitation. This allowed them to start early and shift advertisement earlier by 2 years. The sub-projects will begin to close out in FY36, and the overall project closeout will be in FY41. This 21-year project plan was initiated in FY20 and extends to FY41, beyond the 15-year CIP window. During each rollover period, the CIP adds the upcoming FY schedule and planned expenditures from the original project plan. This update adds FY40 into the 15-year projection window. The revised inflated TPC is \$103.56M.

13. 26764001 IRP2 Additional Line Valves (A3)

COST ONLY - Inflated TPC increased by \$8.65M

Costs are being increased to account for an updated engineer's estimate, significant coordination with water retailers to facilitate pipeline outages, increased material lead times, change in procurement strategy to award projects earlier, forecasted higher construction costs, and additional staff time. The cost increases exceed the renewed Safe, Clean Water and Natural Flood Protection Program's 15-year (FY2022-36) project allocation of \$14.5M (inflated) and will potentially be funded through Fund 61. The revised inflated TPC is \$34.09M.

14. 92144001 Pacheco/Santa Clara Conduit Right of Way Acquisition

SCHEDULE AND COST – Overall schedule extended by 1 year/Inflated TPC increased by \$94K (inflation only)

Delays to the project are due to ongoing issues in obtaining necessary environmental permits, ongoing negotiations for right-of-way offers, and construction being permitted during dry months only. The revised inflated TPC is \$6.24M.

15. 95044002 SCADA Master Plan Implementation Project (SMPIP)

SCHEDULE AND COST – Overall schedule extended by 1 year/Inflated TPC decreased by \$6K (inflation only)

Progress on the Early Implementation Projects has taken longer than planned due to additional coordination efforts between the consultant and Valley Water staff. Additionally, VW's PM took a temporary promotional opportunity into Watersheds at the beginning of the fiscal year, and project efficiency suffered for some time while recruitment for and onboarding of the current temporary replacement PM took place. The revised inflated TPC is \$6.48M.

16. 95044004 SMPIP Upgrades - Phase 1

SCHEDULE AND COST – Overall schedule extended by 1 year/Inflated TPC decreased by \$10K (inflation only)

This project was established to provide the resources needed to perform the SCADA communications and control center improvements recommended in the SCADA Master

Plan Implementation Project's (95044002) early implementation project planning work. As that project has been delayed, this project's schedule needs to be adjusted accordingly. The revised inflated TPC is \$10.42M.

17. 94084007 Treated Water Isolation Valves

SCOPE, SCHEDULE, AND COST – Overall schedule extended by 1 year/Inflated TPC increased by \$4.90M

The change to the project scope reduces the number of valves to be constructed from three (3) valves to two (2) valves. Schedule delays are due to unavailable resources and adjustments to match the Long-Term Shutdown Schedule. Costs have increased due to a previous vault design downstream of the Mann Turnout needing to be moved for constructability reasons and re-designed for a new location, increased procurement cost of equipment, and fewer bidders in the market. The revised inflated TPC is \$13.37M.

WATER SUPPLY – TREATMENT FACILITIES:

18. 93234044 Penitencia Water Treatment Plant (PWTP) Residuals Management

SCOPE, SCHEDULE, AND COST – Overall schedule extended by 3 years/Inflated TPC increased by \$53.87M

Additional scope changes have been incorporated and will be constructed: Replacing sedimentation basin telescoping valves and underflow pumps with submersible pumps, adding plate settlers in the proposed washwater clarification facility basins, increasing the size of gravity thickener tanks, adding one sludge mixing tank (for a total of two tanks), adding standby pumps for proposed major facilities and chemical systems, adding an electrical transformer and back-up generator to support the increased power demands, constructing separate buildings for electrical and chemical equipment, replacement of washwater basins and pump station, relocation of on-site solar field power interconnection to new facilities. The overall Project duration is extended due to an unexpected lengthy environmental review, additional coordinated work required to implement the changes in project scope and integration of lessons learned from the Rinconada Water Treatment Plant Residuals Remediation Project, determination of methods to integrate this project with the on-site solar field, and strategy to minimize plant outages during construction and procurement lead time for materials and equipment. Additional costs include Valley Water labor, revised engineer's estimate, and updated construction contract costs. The revised inflated TPC is \$95.36M.

19. 93084004 Water Treatment Plant Electrical Improvement

SCHEDULE and COST – Overall schedule extended by 1 year/Inflated TPC decreased by \$1.06M (inflation only)

The project was put on hold at the end of March 2024 due to unanticipated reduced staffing resources, resulting in delays to the design, construction, and close-out phases. The revised inflated TPC is \$19.38M.

WATER SUPPLY – RECYCLED WATER FACILITIES:

20. 91294001 San Jose Purified Water Project (SJPWP) - Phase 1

SCOPE, SCHEDULE, AND COST – Overall schedule remains the same/Inflated TPC increased by \$57.49M

On February 27, 2024, the Board directed staff to place the Palo Alto Purified Water Project (PAPWP) on the CIP unfunded list due to affordability and instead add to the CIP an expedited potable reuse project with the City of San Jose to design and build a direct potable reuse (DPR) demonstration facility, which is the San Jose Purified Water Project (SJPWP) - Phase 1. The initial estimate was based on preliminary information. Adoption of the Direct Potable Reuse (DPR) regulations has also provided a clearer picture of future regulatory requirements and facility demonstration requirements that will enable the development of a full-scale purification facility.

Following the addition of the SJPWP to CIP, the project was further defined to determine size, flow and location. In addition, the Project Management Consultant (PMC) for the PAPWP transitioned from providing services for the PAPWP to the new SJPWP - Phase 1. The scope of services for the agreement has been amended to close out tasks pertaining to PAPWP, to add the scope of services for the SJPWP - Phase 1, which consists of a DPR demonstration facility and the initial planning phase of Phase 2, the full-scale DPR facility, to extend the expiration date by three years, and to incorporate administrative updates. The budget for the PMC was also transferred to the SJPWP (in the CIP), and the project design, construction costs and schedule have been updated to reflect the updated project definition. Expenditures previously not included in the SJPWP have been updated to include items such as Staff funding agreements between Valley Water and the City of San Jose, as well as the City of Santa Clara, updated Staff hours to better reflect the level of effort required for work related to CEQA, construction management, inspections, regulatory compliance monitoring, surveying, project management, and updated costs for the design and construction of the demonstration facility or Phase 1. The revised inflated TPC is \$106.46M.

21. 91094001 Land Rights - South County Recycled Water Pipeline

SCHEDULE AND COST – Overall schedule extended by 1 year/Inflated TPC increased by \$152K (inflation only)

Environmental reviews, utility verification, and right-of-way agreements are delayed due to the preparation of the CEQA initial determination memorandum and right-of-way agreements needed to verify the location of the pipeline installed by developers. The revised inflated TPC is \$6.98M.

22. 91094010 South County Recycled Water Pipeline-Short-Term Implementation Phase 2

SCHEDULE AND COST – Overall schedule extended by 1 year/Inflated TPC increased by \$19K (inflation only)

The project schedule is extended to reflect delayed planning, design, and construction of the last remaining residential development in the City of Gilroy, which also impacts the completion of recycled water pipeline conveyance with our private development partners.

Residential development delays stemming from the COVID pandemic have delayed project completion. The revised inflated TPC is \$8.64M.

FLOOD PROTECTION – LOWER PENINSULA WATERSHED:

23. 26244001 Permanente Ck, Bay to Foothill Expwy - Clean, Safe Creeks Fund SCHEDULE AND COST – Overall schedule extended by 1 year/Inflated TPC remains the same

The project schedule is extended to complete the remaining close-out tasks, including the Rancho San Antonio archeological report approval by USACE/SHPO. The inflated TPC remains at \$94.92M.

24. 26284002 San Francisquito Creek - San Francisco Bay to Searsville Dam (E5) SCHEDULE AND COST – Overall schedule remains the same/Inflated TPC increased by \$8.21M (inflation only)

The project has been delayed due to design delays caused by the recalibration of the hydraulic model. It should be noted that the total renewed Safe, Clean Water Program (FY22-36) funding allocation for San Francisquito Creek is limited to \$26.033 M (inflated). Additional funding to support the project cost will potentially be funded through external funding sources. The revised inflated TPC is \$110.01M.

FLOOD PROTECTION – WEST VALLEY WATERSHED:

25. 26074002 Sunnyvale East and West Channels SCOPE, SCHEDULE, AND COST – Overall schedule remains the same/Inflated TPC increased by \$32.65M

On April 9, 2024, the Valley Water Board held a formal hearing, approving changes to the SCW Program, including the decision to “Not Implement” Project A1: Pacheco Reservoir Expansion under the SCW Program. Among the reasons for not implementing the Pacheco Project was to facilitate the construction of both phases of the Sunnyvale East and West Channels project. Previously, construction of Phase 1 (West Channel) was to move forward, while the construction of Phase 2 (East Channel) was delayed due to a funding shortfall. Constructing both phases without delaying Phase 2 would allow Valley Water to complete the entire project, thus providing 1% flood protection and helping the community to be removed from the FEMA flood zone, pending a Letter of Map revision. Bundling Phase 1 and 2 construction would also result in potential cost savings, such as saving on leasing costs by utilizing the same large construction staging area for a shorter time and avoiding anticipated future construction cost escalations. As part of the Board's decision, staff developed new project estimates, reflecting the cost of constructing both phases. The project schedule has been delayed due to ongoing discussions with the various Resource Agencies to acquire the required regulatory permits. Also, the schedule update reflects the addition of Sunnyvale East (Phase 2), whereas the current project schedule only included the construction schedule for the Sunnyvale West channel. The additional costs reflect the expenditures necessary to construct the East and West channels per Board direction. The revised inflated TPC is \$90.44M.

FLOOD PROTECTION – GUADALUPE WATERSHED:

26. 30154019 Lower Guadalupe River Capacity Restoration Project

SCHEDULE AND COST – Overall schedule extended by 3 years/Inflated TPC increased by \$3.43M (inflation only)

The Environmental and Design phases are currently about six months due to staffing shortages, which affected the timely procurement of the design and environmental service agreements. As a result, the start of construction has been pushed back by six months. Additionally, three years have been added to the construction phase to account for the plant establishment period. The overall total project cost remains the same. Expenditures were reallocated into FY31 through FY34 to account for the close-out and plant establishment period. The revised inflated TPC is \$110.41M.

27. 26154003 Guadalupe Rv–Upper, SPRR-Blossom Hill (R7-12)

SCHEDULE AND COST – Overall schedule extended by 2 years/Inflated TPC decreased by \$39.30M

The Valley Water schedule is updated to match the updated schedule of the U.S. Army Corps of Engineers (USACE). Planned expenditures increased in FY25 due to an unforeseen need - the demolition of Valley Water-owned property. However, the overall project budget was reduced at the August 13, 2024, Board meeting when the Board approved reducing the budget and reallocating the dollars to the Safe, Clean Water Program's Operating and Capital Reserves to balance Fund 26. The Board's decision was based on the latest USACE estimates and staff analysis, which showed that most of the estimated Valley Water cost share for the project would be made through real estate acquisitions. Valley Water has already acquired 95% of the properties that will be required, and the remaining required are smaller fee title/easements. Because Valley Water has already acquired most of the USACE-identified properties, staff estimated that the reduced budget allocation would be sufficient for Valley Water to cover any remaining cost share required. The funding reallocation was required to balance Safe, Clean Water Fund 26 in the short-term and help provide sufficient funds to immediately award a construction contract and complete the final phase of the Upper Llagas Creek Project (26174055 - Llagas 2B), which has been in the works for about 70 years. If cost-share estimates change, staff will update this amount through the annual Capital Improvement Program Five-Year Plan. The revised inflated TPC is \$85.63M.

FLOOD PROTECTION – COYOTE WATERSHED:

28. 40174005 Berryessa Ck, Lower Penitencia Ck to Calaveras Blvd Phase 2

SCOPE AND COST – Inflated TPC increased by \$275K

Additional scope was added due to unforeseen tasks. The City of Milpitas requested Valley Water to replace an existing asbestos pipe waterline under the U-frame channel. The waterline was replaced in summer 2022 and in winter 2022, the waterline connections separated, resulting in water leakage from the pipe. Additional staff labor was required to develop waterline repair plans and inspect and manage the contractor's construction activities. Contingency funds were also required to compensate the contractor for the final

change order related to the waterline pipe leak that developed post installation. The revised inflated TPC is \$89.96M.

29. 26324001 Upper Penitencia Creek, Coyote to Dorel Drive (NEW)

SCHEDULE AND COST – Overall schedule extended by 5 years/Inflated TPC increased by \$2.09M (inflation only)

The project is currently being put on hold under direction from management, due to the reallocation of staff resources to other projects. The project is scheduled to resume in FY30 and be completed in FY33. Currently there is no construction funding for this project following the 2023 Board decision to modify the project's funding allocation to remove construction-related planned allocations. There is no change to the total project cost, only a reallocation of expenditures to match the schedule. The revised inflated TPC is \$14.18M

FLOOD PROTECTION - UVAS/LLAGAS WATERSHED:

30. 26174054 Llagas Creek–Upper, Design

SCHEDULE AND COST – Overall schedule extended by 1 year/Inflated TPC decreased by \$3.31M

The Construction schedule was adjusted to match the current Phase 2B construction (under Project No. 26174055) completion schedule for the design consultant contract associated with the project number for the subject CMM (Project No. 26174054). The project Close-out is anticipated at the end of FY27. Staff analysis of the planned expenditures has resulted in a reduction of anticipated funds required to closeout this Project. The revised inflated TPC is \$23.69M.

31. 26174055 Llagas Creek-Upper, Phase 2B Construction

SCHEDULE AND COST – Overall schedule extended by 4 years/Inflated TPC increased by \$55.92M

The project schedule is being updated to reflect a delay due to the NRCS Grant being approved in July and a delay in completing the project plans and specifications, which caused the project to miss a construction season. The civil construction started in August 2024 (FY25) and is anticipated to be completed in March 2027. In addition, there will be a three-year plant establishment period extending to March 2030. Prior year expenditures in FY24 are related to plan and specs review. Project planned expenditures have been adjusted to reflect updated construction cost, plant establishment, and close-out. The revised inflated TPC is \$145.52M.

FLOOD PROTECTION – MULTIPLE WATERSHEDS:

32. 00044026 San Francisco Bay Shoreline

SCOPE, SCHEDULE, AND COST – Overall schedule extended by 6 years/Inflated TPC increased by \$87.40M

The United States Army Corps of Engineers (USACE) is the project administrator for planning, design, and construction of the project. Valley Water will be providing the cost share for the project, in addition to management of the Reach 4-5 pre-construction activities. The project includes design and construction of the Reaches 4-5 flood risk

management levees based on various assumptions. The UPRR closure structure and bridge design and construction costs are not included. Also not included are ecotone design and construction cost, pond breaching, and monitoring and adaptive management plan. The project schedule has been extended to account for: 1. USACE to complete Value Engineering efforts, gather additional field data, and conduct hydraulic analysis required, 2. Completion of environmental and right-of-way phases to support the design and future construction activities, 3. Completion of construction of Reaches 4-5 levees. The project planned expenditures have increased due to the inclusion of the Reach 4-5 levee construction. USACE will be providing an updated total project cost estimate for all project elements at the end of March 2025. The revised inflated TPC is \$204.72M.

33. 26444002 San Francisco Bay Shoreline - EIAs 1-4

SCOPE, SCHEDULE, AND COST – Overall schedule reduced by 7 years/Inflated TPC decreased by \$22.98M

The United States Army Corps of Engineers (USACE) is the project lead for the San Francisco Bay Shoreline Protection Project, Environmental Impact Areas 1-4 (Phase II). USACE concluded the study in April 2024, determining that the damages from coastal flooding are not great enough to justify the cost of a levee until sea level rise is greater in several decades. Consequently, USACE is closing the project due to a lack of federal interest. The project scope, schedule and expenditures are updated to remove the Design and Construction phases due to the USACE determination. The Planning Phase will remain open in FY25 and FY26 for close-out tasks. The revised inflated TPC is \$5.76M.

34. 26444004 San Francisco Bay Shoreline, EIAs 5-9 (NEW)

SCHEDULE AND COST – Overall schedule extended by 2 years/Inflated TPC decreased by \$189K (inflation only)

The United States Army Corps of Engineers (USACE) is leading the feasibility study, which also includes EIA 10. The planning expenditures and schedule were established by the USACE and will be updated if any changes occur upon HQ approval. The project does not reflect the Design schedule and expenditures as these will be identified once Planning is complete. Expenditures have been adjusted to account for the latest USACE cost estimate, and there is no change to the overall Total Project Cost (TPC). The revised inflated TPC is \$15.55M.

35. 62084001 Watersheds Asset Rehabilitation Program (WARP)

COST ONLY – Inflated TPC increased by \$3.33M. Since this project was reprogrammed as a Small Capital project in FY25, and Small Capital projects do not process Change Management Memos (CMMs), a CMM was not processed at the time the project plan was updated. This is because Small Capital project forecasts are revised yearly with asset rehabilitation projects added, removed, and rescheduled based on asset condition and project need. The revised inflated TPC is \$307.74M.

As referenced above, as part of last year's CIP Development Cycle for the CIP FY 2025-29 Five-Year Plan staff recommended that WARP be categorized as a Small Capital Improvement Project, as it was originally introduced into the CIP as a Small Capital project. Upon further analysis, WARP is more similar to the proposed Pipeline Maintenance Program (PMP), which is being recommended for inclusion in the CIP as an ongoing

program that will allow for the identification and planning for small-to-medium-scale pipeline rehabilitation projects. Staff is proposing a recategorization and name change for WARP to remove the “Small Capital” reference for the development of the CIP FY 2026-30 Five-Year Plan.

WATER RESOURCES STEWARDSHIP – WEST VALLEY WATERSHED:

36. 26044056 SCW Regnart Creek Rehabilitation Project (F8)

SCHEDULE AND COST – Overall schedule extended by 1 year/Inflated TPC decreased by \$81K (inflation only)

Due to the hiring freeze in 2024, the lack of staffing has extended the project schedule by one year. It should be noted that the project exceeds the renewed Safe, Clean Water and Natural Flood Protection Program's 15-year (FY2022-36) project funding allocation. The SCW Project key performance indicator states, “Provide up to \$7.5 million in the first 15-year period to plan, design and construct projects identified through Watersheds asset management plans.” Of the \$7.5M, at the end of FY24, the project had a remaining funding allocation of \$6.89M (inflated). The additional funding over and above \$6.9M to support the project cost will be potentially funded through Fund 12. The revised inflated TPC is \$8.89M.

WATER RESOURCES STEWARDSHIP – COYOTE WATERSHED:

37. 91864011 Coyote Percolation Dam Phase 2 (formally placeholder project 95C40400)

SCOPE, SCHEDULE, AND COST – Overall schedule reduced by 4 years/Inflated TPC decreased by \$12.23M

The project scope has been modified and will include 1) the construction of a roughened ramp “fish lane” extending up to the spillway of the deflated bladder dam to further improve upstream and downstream anadromous salmonid passage over a range of flow conditions, 2) a single radial gate replacement and reconfiguration of the downstream attractant pool area, and 3) retrofit of the existing pool and weir fish ladder to improve passage for Pacific lamprey. The scope no longer includes repair of the breach into Coyote 10B to restore flows to the Coyote Creek Channel nor reduction of potential predation to salmonid smolts in Coyote 10B. The current schedule has been revised to reflect work occurring during the construction and close-out phases only. The Construction schedule has been condensed from five years to one year, and a close-out period of one month has been added to the schedule. Activities preceding the start of construction are reflected in the Anderson Dam Seismic Retrofit Project (Project No. 91864005). The revised inflated TPC is \$7.73M.

38. 26044003 Ogier Ponds Separation from Coyote Creek (D4.2)

SCHEDULE AND COST – Overall schedule extended by 5 years/Inflated TPC increased by \$520K

The project schedule is delayed due to coordination with the Anderson Dam Seismic Retrofit Project (Project No. 91864005). The schedule may require a potential redesign (if project conditions change) following the estimated 39-month pause (from 2/1/26 to 4/30/2029) needed to coordinate with the ADSRP construction schedule. The cost increase

is due to increased effort to complete feasible alternatives evaluation and increased support to the ADSRP for environmental documents and permitting preparation. It should be noted that the total renewed Safe, Clean Water Program (FY22-36) funding allocation for Ogier Ponds is limited to \$11.881M (inflated). The additional funding to support the project cost will be potentially funded through Fund 61. The revised inflated TPC is \$6.86M.

WATER RESOURCES STEWARDSHIP – MULTIPLE WATERSHEDS:

39. 20444002 Pond A4 Resilient Habitat Restoration

SCOPE, SCHEDULE, AND COST – Overall schedule extended by 2 years/Inflated TPC increased by \$5.74M

The permit application submittal and design completion have been delayed to incorporate an approach that maximizes the beneficial reuse of SMP sediment, aiming to reduce costs for habitat bench construction. The extended permitting and design process are intended to provide maximum flexibility, minimizing the need for imported fill while maximizing the reuse of SMP material for habitat bench construction during Phase 2. Phase 1 of the project previously included just the construction of the access road and staging area. However, mitigation related to road construction is required and needs to be part of Phase 1. The schedule of Phase 1 is being updated to include the time needed to complete the portion of the habitat bench that will be the required mitigation. The revised inflated TPC is \$11.43M.

40. 26044005 SCW D4.3 Fish Passage Improvements (Moffett)

SCHEDULE AND COST – Overall schedule extended by 1 year/Inflated TPC increased by \$168K

The schedule is being extended due to Valley Water's hiring freeze and reduced workforce. The project cost exceeds the total Safe, Clean Water Program funding allocation of \$7.5M, and the additional dollars may need to come from other Valley Water funds. The Project KPI requires that Valley Water "Use of \$8 million for fish improvements by June 30, 2028." Of the \$8M funding allocation, about \$500K funding allocation was for the Singleton Bridge Crossing across Coyote Creek, leaving \$7.5M for the Moffett Fish Ladder. The revised inflated TPC is \$9.47M.

41. 40214023 Coyote 10B Freshwater Wetlands (NEW)

SCHEDULE AND COST – Overall schedule extended by 2 years/Inflated TPC increased by \$408K (inflation only)

The schedule is being extended due to the reduction in Valley Water's workforce. There is no change to the overall total project cost. However, expenditures have been reallocated to earlier years because the project now has an additional staff person dedicated to working on it. Increased costs in the Planning, Environmental, Design, and ROW Phases are offset by a decrease in the Construction Phase. The revised inflated TPC is \$9.31M.

BUILDINGS & GROUNDS:

42. 60204022 Security Upgrades & Enhancements

SCOPE, SCHEDULE, AND COST – Overall schedule reduced by 1 year/Inflated TPC decreased by \$2.19M (inflation only)

This project will be delivered in three phases: Phase 1-Fencing Replacement, Phase 2-Surveillance and Access Control Replacement, Phase 3-Surveillance System Expansion. Phase 1 will upgrade and enhance the perimeter fencing and vehicular and pedestrian gate access at five Valley Water sites. The remaining scope of the Project, which includes installing an updated security system, using modern technology capable of meeting today's security threats of theft, trespass, and vandalism, will be delivered in subsequent phases, subject to Board approvals. The revised inflated TPC is \$14.70M.

43. 60204032 Headquarters Operations Building

SCHEDULE AND COST – Overall schedule reduced by 1 year/Inflated TPC decreased by \$143K (inflation only)

The project construction is ahead of schedule and has been revised (from FY29 to FY28), with the close-out phase anticipated for June 2028. No change to the total project cost (uninflated), reallocated expenditures to match the schedule change. The revised inflated TPC is \$14.91M.

SMALL CAPITAL IMPROVEMENTS – ALL TYPES OF IMPROVEMENTS (No CMMs required):

1. 91214010s Small Capital Improvements, San Felipe Reaches 1-3

SMALL CAPITAL FORECAST REVISIONS: Inflated TPC decreased by \$30.61M

Small Capital project forecasts are revised each year. Asset rehabilitation projects are added, removed, and rescheduled based on asset condition and project need. In addition, project costs are updated each year based on market conditions. These revisions to both schedule and costs cause several minor changes in expected expenditures over the forecasted period. The Small Capital project cost forecasts were revised during the first pass budget cycle. The revised inflated TPC is \$49.11M

2. 92764009 Small Capital Improvements, Raw Water Transmission

SMALL CAPITAL FORECAST REVISIONS: Inflated TPC decreased by \$4.28M

Small Capital project forecasts are revised each year. Asset rehabilitation projects are added, removed, and rescheduled based on asset condition and project need. In addition, project costs are updated each year based on market conditions. These revisions to both schedule and costs cause several minor changes in expected expenditures over the forecasted period. The Small Capital project cost forecasts were revised during the first pass budget cycle. The revised inflated TPC is \$10.54M

3. 94764006 Small Capital Improvements, Treated Water Transmission

SMALL CAPITAL FORECAST REVISIONS: Inflated TPC decreased by \$573K

Small Capital project forecasts are revised each year. Asset rehabilitation projects are added, removed, and rescheduled based on asset condition and project need. In addition,

project costs are updated each year based on market conditions. These revisions to both schedule and costs cause several minor changes in expected expenditures over the forecasted period. The Small Capital project cost forecasts were revised during the first pass budget cycle. The revised inflated TPC is \$701K.

4. 93764004 Small Capital Improvements, Water Treatment

SMALL CAPITAL FORECAST REVISIONS: Inflated TPC increased by \$23.23M

Small Capital project forecasts are revised each year. Asset rehabilitation projects are added, removed, and rescheduled based on asset condition and project need. In addition, project costs are updated each year based on market conditions. These revisions to both schedule and costs cause several minor changes in expected expenditures over the forecasted period. The Small Capital project cost forecasts were revised during the first pass budget cycle. The revised inflated TPC is \$83.88M.

5. 60204016 Small Capital Improvements, Facility Management

SMALL CAPITAL FORECAST REVISIONS: Inflated TPC increased by \$5.12M

Small Capital project forecasts are revised each year. Asset rehabilitation projects are added, removed, and rescheduled based on asset condition and project need. In addition, project costs are updated each year based on market conditions. These revisions to both schedule and costs cause several minor changes in expected expenditures over the forecasted period. The Small Capital project cost forecasts were revised during the first pass budget cycle. The revised inflated TPC is \$66.56M.

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CAPITAL IMPROVEMENT PROGRAM FIVE-YEAR PLAN

Water Supply Projects

Revenue Sources: Groundwater Charges

FY 2026 5-Year CIP Data

PRELIMINARY FY 2026-30 FINANCIAL OVERVIEW

			A	B	A + B								
Project Category	Project Number	Project Name	Actual/ Appropriated thru FY25*	Remaining Cost to Completion	FY26 Planned Expenditure	Total Project Value	Change from FY25	Project Phase (FY26)	Funded By	Zone W-2 %	Zone W-5 %	Zone W-7 %	Zone W-8 %
Values last updated: 12.19.24 (All values are in thousands)													
Water Supply - Storage													
B	91854001	Almaden Dam Improvements	9,473	29,022	157	38,495	(1,966)	Env/Des	W-2	100.000%			
B	91854003	Almaden Calero Canal Rehabilitation	6,023	18,239	700	24,262	(1,127)	Design	W-2	100.000%			
	91864005s	Anderson Dam Seismic Retrofit (C1)	629,493	1,668,580	122,097	2,298,073	(24,631)	Des/Const/Close	W-2/W-5/W-7	81.668%	7.527%	10.805%	0.000%
A	91864005	Anderson Dam Seismic Retrofit (C1)	231,490	1,658,616	114,713	1,890,106	(9,049)	Env/Des	W-2/W-5/W-7	81.668%	7.527%	10.805%	0.000%
A	91864006	Anderson Dam Tunnel	245,745	7,512	6,555	253,256	262	Des/Env/Const/Close	W-2/W-5/W-7	81.668%	7.527%	10.805%	0.000%
A	91864007	Coyote Creek Flood Management Measures	99,004	2,442	819	101,446	(15,998)	Env/Const/Close	W-2/W-5/W-7	81.668%	7.527%	10.805%	0.000%
A	91864008	Coyote Creek Chillers	23,462	10	10	23,472	(0)	Closeout	W-2/W-5/W-7	81.668%	7.527%	10.805%	0.000%
A	91864009	Coyote Percolation Dam Replacement	17,737	-	-	17,737	1	Closed	W-2/W-5/W-7	81.668%	7.527%	10.805%	0.000%
A	91864010	Cross Valley Pipeline Extension	12,056	-	-	12,056	154	Closed	W-2/W-5/W-7	81.668%	7.527%	10.805%	0.000%
A	91084020s	Calero and Guadalupe Dams Seismic Retrofits	39,956	276,948	11,661	316,904	32,363	Plng/Env/Des	W-2	100.000%			
	91084020	Calero and Guadalupe Dams Seismic Retrofits - Planning	11,009	2,749	1,176	13,758	(128)	Plan/Env	W-2	100.000%			
	91874004	Calero Dam Seismic Retrofit - Design & Constuct	17,736	144,699	6,312	162,435	(23,524)	Design	W-2	100.000%			
	91894002	Guadalupe Dam Seismic Retrofit - Design & Construct	11,211	129,500	4,173	140,711	56,015	Env/Des	W-2	100.000%			
B	91234002	Coyote Pumping Plant ASD Replacement	47,742	16,200	9,241	63,942	(972)	Des/Const	W-2	100.000%			
A	91084019	Dam Seismic Stability Evaluation	23,360	6,603	105	29,963	(1,330)	Planning	W-2/W-5/W-8	42.857%	55.943%	0.000%	1.200%
E	91954002	Pacheco Reservoir Expansion Project	133,796	2,598,462	12,246	2,732,257	(17,056)	Env/Des	W-2/W-5/W-7	83.612%	10.009%	6.332%	0.047%
B	91214010s	Small Capital Improvements, San Felipe Reach 1-3	4,457	44,651	3,762	49,108	(30,611)	Continuing	W-2/W-5/W-7	81.668%	7.527%	10.805%	0.000%
Subtotal:			894,300	4,658,705	159,969	5,553,004	(55,173)						
Water Supply - Transmission													
B	95084002	10-Year Pipeline Rehabilitation (FY18-FY27)	154,637	28,897	25,807	183,534	12,627	Plan/Env/Des/Const/Close	W-2/W-5/W-7/W-8	95.888%	3.162%	0.886%	0.064%
B	92304001	Almaden Valley Pipeline Replacement Project	5,458	98,106	3,135	103,564	(15,722)	Env/Des	W-2	100.000%			
B	95044001	Distribution System Master Plan Implementation	8,532	765	634	9,297	(27)	Plan/Env	W-2/W-5/W-7/W-8	84.133%	12.199%	3.420%	0.248%
C	92C40357	FAHCE Implementation	-	145,108	-	145,108	-	Planning	W-2/W-5/W-7	93.950%	2.630%	3.420%	0.000%
C	26764001	IRP2 Additional Line Valves (A3)	13,892	20,198	13,773	34,090	8,646	Env/Des/Const	SCW	100.000%			
E	92144001	Pacheco/Santa Clara Conduit Right of Way Acquisition	4,155	2,081	2,042	6,236	94	Env/Des/Const	W-2/W-5/W-7	81.668%	7.527%	10.805%	0.000%
E	95044002	SCADA Master Plan Implementation	5,550	930	718	6,480	(6)	Plan/Env	W-2/W-5/W-7/W-8	84.133%	12.199%	3.420%	0.248%
B	95044004	SMPIP Upgrades - Phase 1	-	10,414	351	10,414	(11)	Plan/Env	W-2/W-5/W7/W-8	84.133%	12.199%	3.420%	0.248%
B	92764009	Small Capital Improvements, Raw Water Transmission	3,205	7,337	679	10,542	(4,276)	Continuing	W-2/W-5/W7/W-8	83.612%	10.009%	6.332%	0.047%
B	94764006	Small Capital Improvements, Treated Water Transmission	350	351	-	701	(573)	Continuing	W-2	100.000%			
B	94084007	Treated Water Isolation Valves	3,209	10,160	3,214	13,369	4,899	Des/Const	W-2	100.000%			
B	92264001	Vasona Pump Station Upgrade	5,920	29,260	1,713	35,180	(1,622)	Design	W-2	99.953%	0.000%	0.000%	0.047%
Subtotal:			204,908	353,607	52,066	558,515	4,030						
Water Supply - Treatment													
B	93234044	PWTP Residuals Management	15,030	80,332	15,774	95,362	53,868	Env/Const	W-2	100.000%			
B	93294051s	RWTP Residuals Remediation	75,891	-	-	75,891	106	Closed	W-2	100.000%			
B	93294057	RWTP Reliability Improvement	366,953	353,715	120,805	720,668	(1,860)	Construction	W-2	100.000%			
B	93294059	RWTP Ammonia Storage & Metering Facility Upgrade	1,108	5,450	527	6,558	(336)	Design	W-2	100.000%			
B	93764004	Small Capital Improvements, Water Treatment	6,307	77,571	5,751	83,878	23,226	Continuing	W-2	100.000%			
B	93284013	STWTP Filter Media Replacement Project	20,598	-	-	20,598	-	Closed	W-2	100.000%			

CAPITAL IMPROVEMENT PROGRAM FIVE-YEAR PLAN

Flood Protection Projects

Revenue Sources: COP Proceeds, CSC Special Tax,
Property Tax, Subventions

PRELIMINARY FY 2026-30 FINANCIAL OVERVIEW

FY 2026 5-Year CIP Data

FY 2026 5-Year CIP Data Report: Total Subventions									
Project Category	Project Number	Project Name	A	B	FY26	A + B	Change from FY25	Project Phase (FY26)	Funded By
			Actual/ Appropriated thru FY25*	Remaining Cost to Completion	Planned Expenditure	Total Project Value			
Values last updated: 12.19.24 (All values are in thousands)									
Lower Peninsula Watershed									
B	10394001	Palo Alto Flood Basin Tide Gate Structure Replacement	8,186	3,096	3,047	11,282	(193)	Const/Close	PT
C	10244001s	Permanente Creek, SF Bay to Foothill Expressway	115,266	-	-	115,266	(0)	Closed	PT/CSC
C	10284007s	San Francisquito Creek, SF Bay thru Searsville Dam (E5)	66,580	55,522	205	122,102	8,210	Des/Const/Close	PT/CSC/SCW
Subtotal:			190,032	58,618	3,252	248,650	8,017		
West Valley Watershed									
C	26074002	Sunnyvale East and West Channels (E2)	33,845	56,591	11,388	90,436	32,650	Construction	CSC
Subtotal:			33,845	56,591	11,388	90,436	32,650		
Guadalupe Watershed									
B	30154019	Lower Guadalupe River Capacity Restoration Project	10,076	100,331	3,135	110,407	3,428	Env/Des	PT
C	26154001s	Guadalupe River–Upper, I-280 to Blossom Hill Road (E8)	115,270	18,877	10,919	134,147	(39,429)	Env/Des/Const	CSC/SCW
Subtotal:			125,346	119,208	14,054	244,554	(36,001)		
Coyote Watershed									
E	26174041s	Berryessa Creek, Calaveras Boulevard to Interstate 680	54,415	-	-	54,415	0	Closed	CSC
E	40174004s	Berryessa Ck, Lower Penitencia Ck to Calaveras Blvd	136,792	77,297	73	214,089	19,974	Const/Close	PT
C	26174043	Coyote Creek, Montague Expressway to Tully Road (E1)	45,399	154,780	84,727	200,179	(20,952)	Construction	CSC
E	40334005	Lower Penitencia Ck Improvements, Coyote Ck to Berryessa Ck	35,361	155	134	35,516	(6)	Construction	PT
C	40324003s	Upper Penitencia Creek, Coyote Creek to Dorel Drive	15,725	10,235	-	25,960	2,089	Env/Des	PT/SCW
Subtotal:			287,692	242,466	84,934	530,158	1,104		
Uvas/Llagas Watershed									
C	26174051s	Llagas Creek–Upper, Buena Vista Avenue to Llagas Road (E6)	302,941	90,838	45,791	393,779	52,587	Const/Close	CSC/SCW
Subtotal:			302,941	90,838	45,791	393,779	45,640		
Multiple Watershed									
C	00044026s	San Francisco Bay Shoreline (E7)	128,875	115,518	6,985	244,393	64,226	Env/Des/Const	PT
	00044026	San Francisco Bay Shoreline	101,359	103,358	4,770	204,717	87,393	Env/Des/Const	PT
	26444001	San Francisco Bay Shoreline - EIA 11 Design & Partial Construction (E7)	17,516	-	-	17,516	-	Closed	PT

CAPITAL IMPROVEMENT PROGRAM FIVE-YEAR PLAN

Flood Protection Projects

Revenue Sources: COP Proceeds, CSC Special Tax,
Property Tax, Subventions

PRELIMINARY FY 2026-30 FINANCIAL OVERVIEW

FY 2026 5-Year CIP Data

Project Category			Project Number	Project Name	Actual/ Appropriated thru FY25*	Remaining Cost to Completion	FY26 Planned Expenditure	Total Project Value	Change from FY25	Project Phase (FY26)	Funded By
Values last updated: 12.19.24 (All values are in thousands)											
B		26444002		San Francisco Bay Shoreline - EIAs 1-4	5,710	52	52	5,762	(22,978)	Planning	PT
		26444004		San Francisco Bay Shoreline - EIAs 5-9	3,441	12,108	2,163	15,549	(189)	Planning	PT
		62084001		Watersheds Asset Rehabilitation Program (WARP)	82,008	225,727	16,560	307,735	3,330	Plng/Env/Des/Const/Close	PT
				Subtotal:	210,883	341,245	23,545	552,127	67,556		
				Flood Protection Total:	1,150,738	908,966	182,963	2,059,704	118,966		

Validated - Future Unfunded Projects

401340XX	South Babb Flood Protection - Long Term	-	22,070	-	22,070
50284010	Llagas Creek-Lower, Capacity Restoration, Buena Vista Road to Pajaro River	5,148	-	-	-
XXXX40XX	Permanente & Hale Creeks Concrete Replacement	-	-	-	-
Validated - Unfunded Total:		5,148	22,070	0	22,070

Legend:

- Black - Black Text: Continuing projects or projects carried forward from the FY25 CIP
- Gray - Gray Text: Individual projects considered part of a group or family of projects
- Orange - Orange Text: Projects to be completed or cancelled in FY 2025
- Green - Green Text: Projects in the Construction phase
- Blue - Blue Text: New projects proposed for the FY 26 CIP
- * - Column A: Actuals spent through prior year + planned expenditures in current year
- (s) - "s" suffix on project number signifies a group of projects on one project page

Project Driver:

- A. Regulatory requirements
- B. Repair or replacement of aging infrastructure
- C. District commitment (SCW, FAHCE)
- D. Water Utility Master Plan "No Regrets"
- E. Board Policy

of FP Projects

-
3
8
-
3

14

Funded by Legend:

- W-2 - North Zone; revenue is allocated based on % of benefit to the zone
- W-5 - South Zone; revenue is allocated based on % of benefit to the zone
- W-7 - South Zone; revenue is allocated based on % of benefit to the zone
- W-8 - South Zone; revenue is allocated based on % of benefit to the zone
- CSC - funded by revenue from Clean Safe Creeks program
- SCW - funded by revenue from Safe Clean Water program
- PT - funded by revenue from Property Tax
- Subvent - funded by State Subventions

CAPITAL IMPROVEMENT PROGRAM FIVE-YEAR PLAN

Water Resources Stewardship Projects

Revenue Sources: Groundwater Charges,
Property Tax, Subventions

PRELIMINARY FY 2026-30 FINANCIAL OVERVIEW

FY 2026 5-Year CIP Data

Project Category	Project Number	Project Name	A	B	FY26	A + B	Change from FY25	Project Phase (FY26)	Funded By	Zone	Zone
			Actual/ Appropriated thru FY25*	Remaining Cost to Completion	Planned Expenditure	Total Project Value				W-2 %	W-5 %

Values last updated: 12.19.24 (All values are in thousands)

Mitigation (All Mitigation projects are required per CEQA or other Regulation and therefore do not receive a score)

None

Subtotal:

-

Environmental Enhancement & Stewardship

Lower Peninsula Watershed

C	00294001s	Stevens Creek Fish Passage Enhancement	850	17,666	-	18,516	(1,005)	FY27	W-2 (90%)/PT(10%)	100%
C	26164001	Hale Creek Enhancement Pilot Project (D6.1)	12,280	115	115	12,395	(5)	Const/Close	CSC/SCW	

West Valley Watershed

C	26044056	SCW Regnart Creek Rehabilitation Project (F8)	-	8,886	727	8,886	(81)	Env/Des	SCW	
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Coyote Watershed

C	91864011	Coyote Percolation Dam - Phase 2	-	7,729	4,391	7,729	(12,230)	Construction	W-2/W-5	81.668% 18.332%
C	26044003	Ogier Ponds Separation from Coyote Creek (D4.2)	4,362	2,494	472	6,856	521	Design	SCW	
C	95C40401	Ogier Ponds Construction (e.g. Ogier Ponds)	-	26,308	-	26,308	(29,619)	FY31	TBD	
C	26C44006	Ogier Ponds Construction	-	6,979	-	6,979	(439)	FY31	SCW	

Uvas/Llagas Watershed

C	26044004	Bolsa Road Fish Passage Improvement (D6.2)	9,062	108	27	9,170	(4)	Const/Close	SCW	
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Multiple Watersheds (Lower Peninsula, Guadalupe, Coyote, Uvas/Llagas)

C	20444001s	Calabazas/San Tomas Aquino Creek-Marsh Connection	12,390	3,288	1,653	15,678	(107)	Env/Des	PT/SCW	
C	20444002	Pond A4 Resilient Habitat Restoration Project	2,063	9,367	3,463	11,430	5,738	Planning	PT/SCW	
C	26044002	SCW Fish Passage Improvements (D4.3)	5,406	-	-	5,406	29	Closed	SCW	
C	26044005	SCW D4.3 Fish Passage Improvements (Moffett)	643	8,827	1,349	9,470	168	Design	SCW	
C	40214023	Coyote 10B Freshwater Wetlands	538	8,772	835	9,310	408	Planning	PT	

Subtotal:

47,594 100,538 13,031 148,131 (46,882)

Feasibility Studies

None

Subtotal:

Water Resources Stewardship Total:

47,594 100,538 13,031 148,131 (46,882)

Validated - Future Unfunded Projects

2044400X	Pond A4 - (Construction Only)	-	32,128	-	32,128
204440XX	Calabazas/San Tomas Aquino Creek-Marsh Connection - Constuction Or	-	34,562	-	34,562

Validated - Unfunded Total:

- 32,128 - 32,128

NOTES:

CAPITAL IMPROVEMENT PROGRAM FIVE-YEAR PLAN

Water Resources Stewardship Projects

Revenue Sources: Groundwater Charges,
Property Tax, Subventions

PRELIMINARY FY 2026-30 FINANCIAL OVERVIEW

FY 2026 5-Year CIP Data

Project Category	Project Number	Project Name	A	B	A + B	Change from FY25	Project Phase (FY26)	Funded By	Zone W-2 %	Zone W-5 %
			Actual/ Appropriated thru FY25*	Remaining Cost to Completion	FY26 Planned Expenditure					

Values last updated: 12.19.24 (All values are in thousands)

- 1) Implementation of the Mitigation projects is considered non-discretionary since they are needed to meet California Environmental Quality Act (CEQA) or regulatory commitments. Therefore, a priority score is not required.
- 2) Environmental Enhancement projects are implemented at the discretion of the Board. Projects may go through a ranking process to compete for CSC funds or the board may direct that other available revenue be used to implement the proposed projects.

Legend:

- Black - Black Text: Continuing projects or projects carried forward from the FY25 CIP
- Orange - Orange Text: Projects to be completed or cancelled in FY 2025
- Green - Green Text: Projects in the Construction phase
- Blue - Blue Text: New projects proposed for the FY 26 CIP
- * - Column A: Actuals spent through prior year + planned expenditures in current year
- (s) - "s" suffix on project number signifies a group of projects on one project page

Project Driver:

- A. Regulatory requirements
- B. Repair or replacement of aging infrastructure
- C. District commitment (SCW, FAHCE)
- D. Water Utility Master Plan "No Regrets"
- E. Board Policy

of WRS Projects

A. Regulatory requirements	-
B. Repair or replacement of aging infrastructure	-
C. District commitment (SCW, FAHCE)	13
D. Water Utility Master Plan "No Regrets"	-
E. Board Policy	-
	<hr/> 13

Funded by Legend:

- W-2 - North Zone; revenue is allocated based on % of benefit to the zone
- W-5 - South Zone; revenue is allocated based on % of benefit to the zone
- W-7 - South Zone; revenue is allocated based on % of benefit to the zone
- W-8 - South Zone; revenue is allocated based on % of benefit to the zone
- CSC - funded by revenue from Clean Safe Creeks program
- SCW - funded by revenue from Safe Clean Water program
- PT - funded by revenue from Property Tax
- Subvent - funded by State Subventions

CAPITAL IMPROVEMENT PROGRAM FIVE-YEAR PLAN

Buildings and Grounds Projects

Revenue Source: Groundwater Charges,

Property Tax

FY 2026 5-Year CIP Data

PRELIMINARY FY 2026-30 FINANCIAL OVERVIEW

FY 2026 5-Year CIP Data			A	B	A + B							
Project Category	Number	Project Name	Actual/	Remaining	FY26	Total	Change from FY25	Project Phase (FY26)	Funded By	WUE %	WSS %	SCW %
			Appropriated thru FY25*	Cost to Completion	Planned Expenditure	Project Value						
Values last updated: 12.19.24 (All values are in thousands)												
B	60204016	Small Capital Improvements, Facility Management	6,555	60,006	4,006	66,561	2,549	Continuing	PT/W-2/W-5	60%	40%	0%
E	60204032	Headquarters Operations Building	5,586	9,328	6,160	14,914	(143)	Construction	PT/W-2/W-5	60%	30%	10%
B	60204022	Security Upgrades and Enhancements	5,215	9,482	5,237	14,697	(2,190)	Des/Const	PT/W-2/W-5	60%	30%	10%
Buildings & Grounds Total:			17,356	78,816	15,403	96,172	216					

Validated - Future Unfunded Projects

None

Validated - Unfunded Total:

- - -

- - -

Legend:

Black - Black Text: Continuing projects or projects carried forward from the FY25 CIP

Orange - Orange Text: Projects to be completed or cancelled in FY 2025

Green - Green Text: Projects in the Construction phase

Blue - Blue Text: New projects proposed for the FY 26 CIP

* - Column A: Actuals spent through prior year + planned expenditures in current year

(s) - "s" suffix on project number signifies a group of projects on one project page

Project Driver:

A. Regulatory requirements

B. Repair or replacement of aging infrastructure

C. District commitment (SCW, FAHCE)

D. Water Utility Master Plan "No Regrets"

E. Board Policy

of B&G Projects

0

2

0

0

1

3

Funded by Legend:

W-2 - North Zone; revenue is allocated based on % of benefit to the zone

W-5 - South Zone; revenue is allocated based on % of benefit to the zone

W-7 - South Zone; revenue is allocated based on % of benefit to the zone

W-8 - South Zone; revenue is allocated based on % of benefit to the zone

WUE - funded by revenue from Water Utility Enterprise Fund

WSS - funded by revenue from Watershed and Stream Stewardship Fund

CSC - funded by revenue from Clean Safe Creeks program

SCW - funded by revenue from Safe Clean Water program

PT - funded by revenue from Property Tax

Subvent - funded by State Subventions

CAPITAL IMPROVEMENT PROGRAM FIVE-YEAR PLAN

Information Technology Projects

Revenue Source: Groundwater Charges,
Property Tax

PRELIMINARY FY 2026-30 FINANCIAL OVERVIEW

FY 2026 5-Year CIP Data

FY 2026 5-Year CIP Data			A	B	A + B							
Project Category	Project Number	Project Name	Actual/ Appropriated thru FY25*	Remaining Cost to Completion	FY26 Planned Expenditure	Total Project Value	Change from FY25	Project Phase (FY26)	Funded By	WUE %	WSS %	SCW %
Values last updated: 12.19.24 (All values are in thousands)												
E	73274009	Data Consolidation	1,285	-	-	1,285	-	Closed	PT/W-2/W-5	65%	35%	0%
B	73274008	Small Capital Improvements, Software Upgrades & Enhancements	642	13,716	609	14,358	(6,516)	Construction	PT/W-2/W-5	65%	35%	0%
B	95274003	Small Capital Improvements, WU Computer Network Modernization	2,028	20,729	2,365	22,757	(1,159)	Construction	PT/W-2/W-5	100%	0%	0%
Information Technology Total:			3,955	34,445	2,974	38,400	(27,764)					

Validated - Future Unfunded Projects

732740XX	ERP Replacement	-	33,509	-	33,509
Validated - Unfunded Total:		-	33,509	-	33,509

Legend:

- Black - Black Text: Continuing projects or projects carried forward from the FY25 CIP
- Orange - Orange Text: Projects to be completed or cancelled in FY 2025
- Green - Green Text: Projects in the Construction phase
- Blue - Blue Text: New projects proposed for the FY 26 CIP
- * - Column A: Actuals spent through prior year + planned expenditures in current year
- (s) - "s" suffix on project number signifies a group of projects on one project page

Project Driver:

- A. Regulatory requirements
- B. Repair or replacement of aging infrastructure
- C. District commitment (SCW, FAHCE)
- D. Water Utility Master Plan "No Regrets"
- E. Board Policy

of IT Projects

A. Regulatory requirements	0
B. Repair or replacement of aging infrastructure	2
C. District commitment (SCW, FAHCE)	0
D. Water Utility Master Plan "No Regrets"	0
E. Board Policy	1
	<hr/>
	3

Funded by Legend:

- W-2 - North Zone; revenue is allocated based on % of benefit to the zone
- W-5 - South Zone; revenue is allocated based on % of benefit to the zone
- W-7 - South Zone; revenue is allocated based on % of benefit to the zone
- W-8 - South Zone; revenue is allocated based on % of benefit to the zone
- WUE - funded by revenue from Water Utility Enterprise Fund
- WSS - funded by revenue from Watershed and Stream Stewardship Fund
- CSC - funded by revenue from Clean Safe Creeks program
- SCW - funded by revenue from Safe Clean Water program
- PT - funded by revenue from Property Tax
- Subvent - funded by State Subventions

CIP GRAND TOTAL:	2,892,758	6,766,323	593,902	9,659,081	124,981
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CAPITAL IMPROVEMENT PROGRAM FIVE-YEAR PLAN

Information Technology Projects

Revenue Source: Groundwater Charges,
Property Tax

PRELIMINARY FY 2026-30 FINANCIAL OVERVIEW

FY 2026 5-Year CIP Data

Project Category	Project Number	Project Name	A	B	FY26	A + B	Change from FY25	Project Phase (FY26)	Funded By	WUE %	WSS %	SCW %
			Actual/ Appropriated thru FY25*	Remaining Cost to Completion	Planned Expenditure	Total Project Value						

Values last updated: 12.19.24 (All values are in thousands)

A	B	C	D	E
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PROJECT DRIVER TOTALS:

8	27	23	-	11
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Fund 11: Category 3 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan

Planning

Design

Construction

Closeout

- Existing infrastructure with BRE ≤ 75
- NEW Infrastructure
- Placeholder/Small Caps

Type of Improvement	Fiscal Year														
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
<i>Buildings & Grounds</i>															
\$16.9M Security Upgrades & Enhancements															
\$15.1M Headquarters Operations Building															
<hr/>															
<i>Small Capital Improvement Project</i>															
\$64M Facility Mgmt, Small Capital Improvements															

Fund 12: Category 1 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan

Planning

Design

Construction

Closeout

- Existing infrastructure with BRE ≥ 88; and/or
- In construction and/or mandated

Type of Improvement	Fiscal Year														
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
<i>Flood Protection</i>															
\$35.5M Lower Pen. Creek Improvements															
\$117.3M SF Bay Shoreline (EIA 11)															
<i>Water Resources Stewardship</i>															
\$8.9M Coyote 10B Freshwater Wetlands															

Fund 12: Category 2 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan

Planning

Design

Construction

Closeout

• Existing infrastructure with BRE 76-87

Type of Improvement	Fiscal Year														
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
<i>Flood Protection</i>															
<div>\$107M</div> <div>Guadalupe River Capacity Restoration</div>															
<i>Water Resources Stewardship</i>															
<div>\$15.5M</div> <div>Calabazas/San Tomas Ck Marsh Connection</div>															

Fund 12: Category 3 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan



- Existing infrastructure with BRE ≤ 75
- NEW Infrastructure
- Placeholder/Small Caps

Type of Improvement	Fiscal Year														
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Flood Protection															
\$11.5M Palo Alto Tide Gates															
\$136.6M Berryessa Creek (Phases 1 and 2)*															
*Schedule displayed here is for Phases 1 through 3 of the Berryessa Creek project															
Water Resources Stewardship															
\$5.7M Pond A4 (Phase 1)															
Placeholder Projects															
\$13.7M Stevens Creek Fish Passage Const/Moffett Ave (FAHCE)															
\$49.7M Berryessa Creek (Phase 3) Construction															
\$27.9M** Ogier Ponds Construction															
**In addition to the \$27.9M shown here in Fund 12, the Ogier Ponds Project has \$13.8M in Fund 26. Fund 61 also includes planned funding for Ogier Ponds in the amount of \$77.9M, which includes placeholder project dollars of \$27.9 and \$50M earmarked in ADSRP for project mitigation.															
Small Capital Improvements															
\$304.4M WARP															

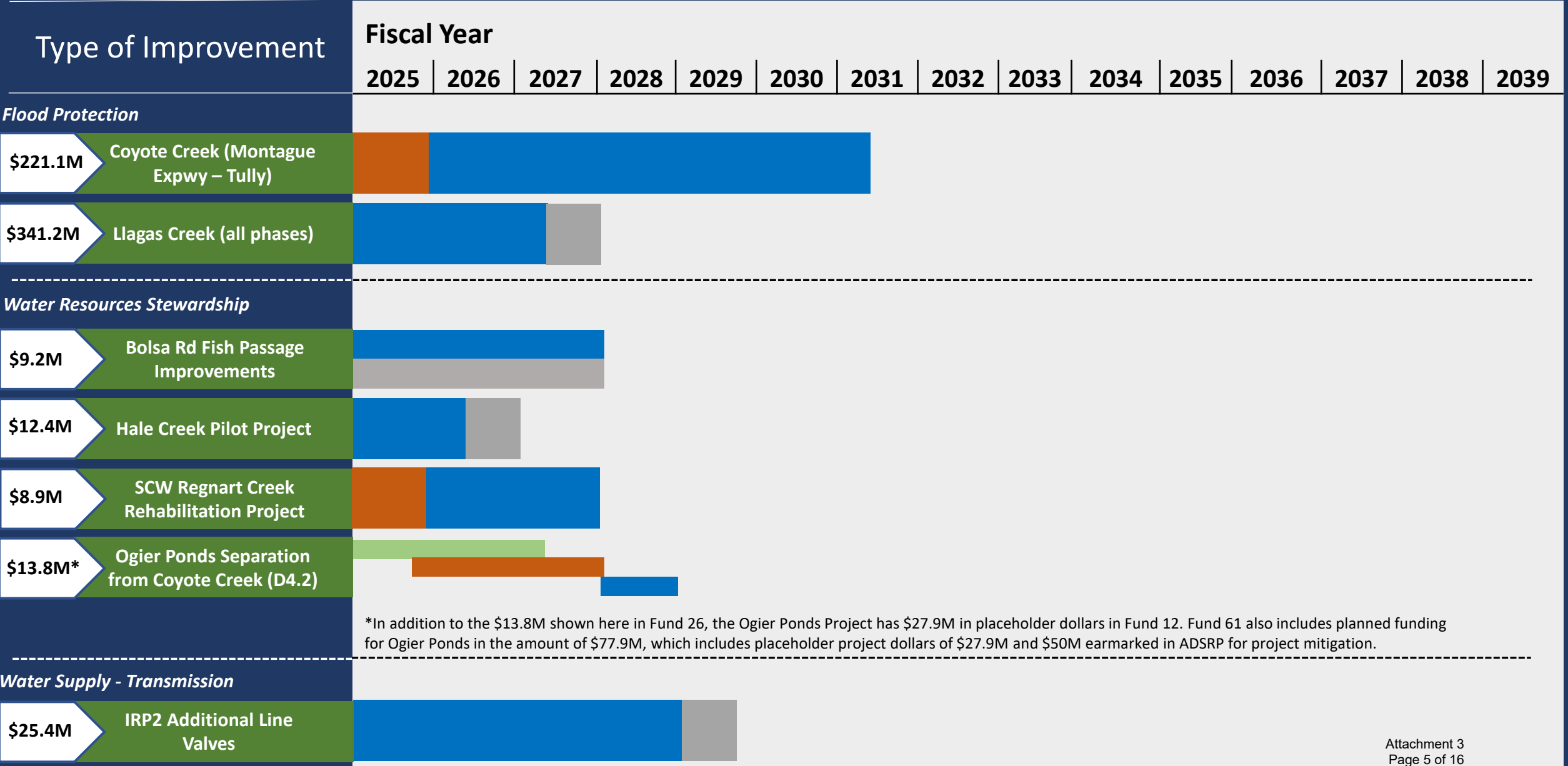
Attachment 3
Page 4 of 16

Fund 26: Category 1 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan



- Existing infrastructure with BRE ≥ 88; and/or
- In construction and/or mandated



Fund 26: Category 2 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan

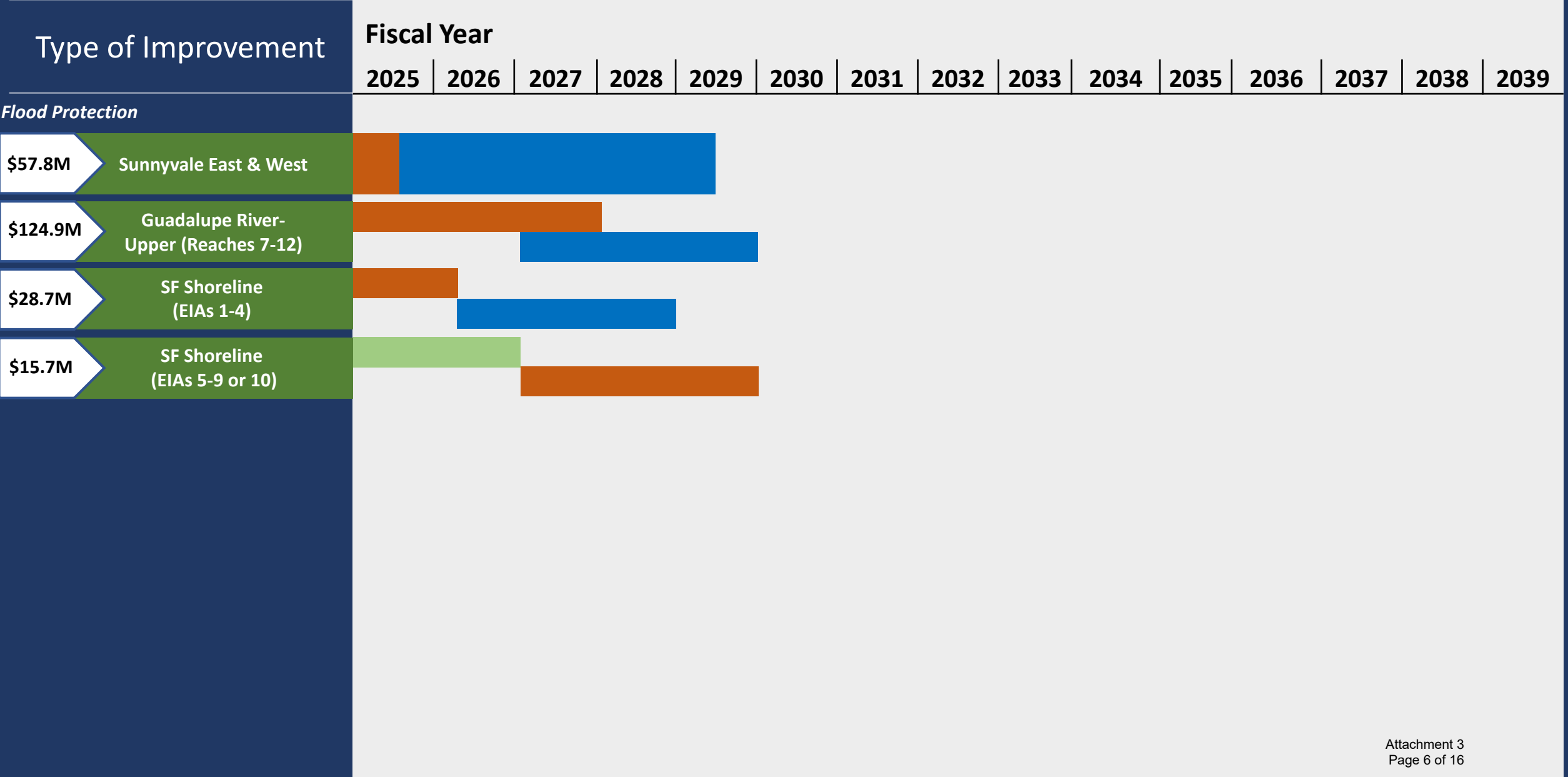
Planning

Design

Construction

Closeout

• Existing infrastructure with BRE 76-87



Fund 26: Category 3 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan

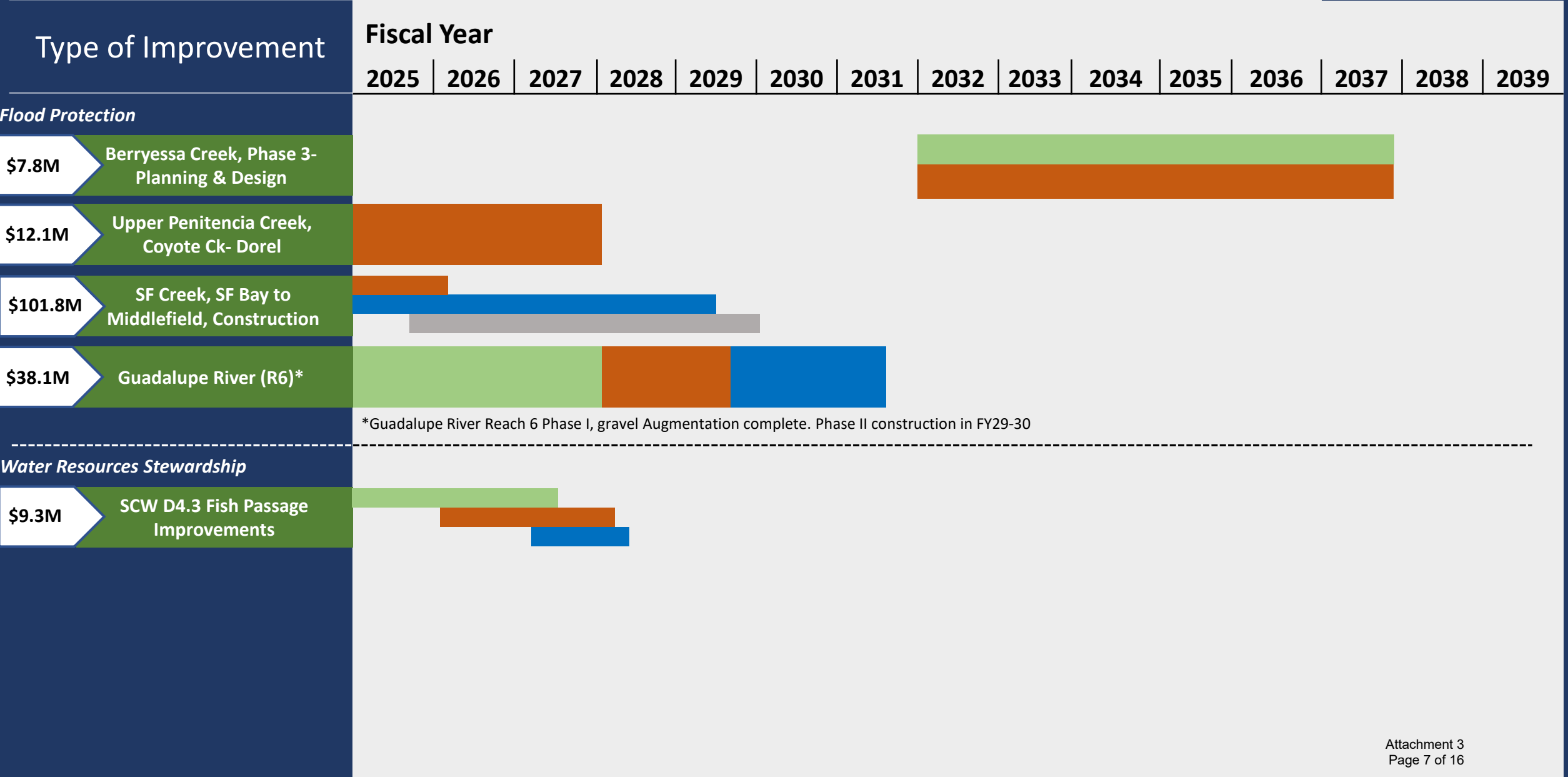
Planning

Design

Construction

Closeout

- Existing infrastructure with BRE ≤ 75
- NEW Infrastructure
- Placeholder/Small Caps

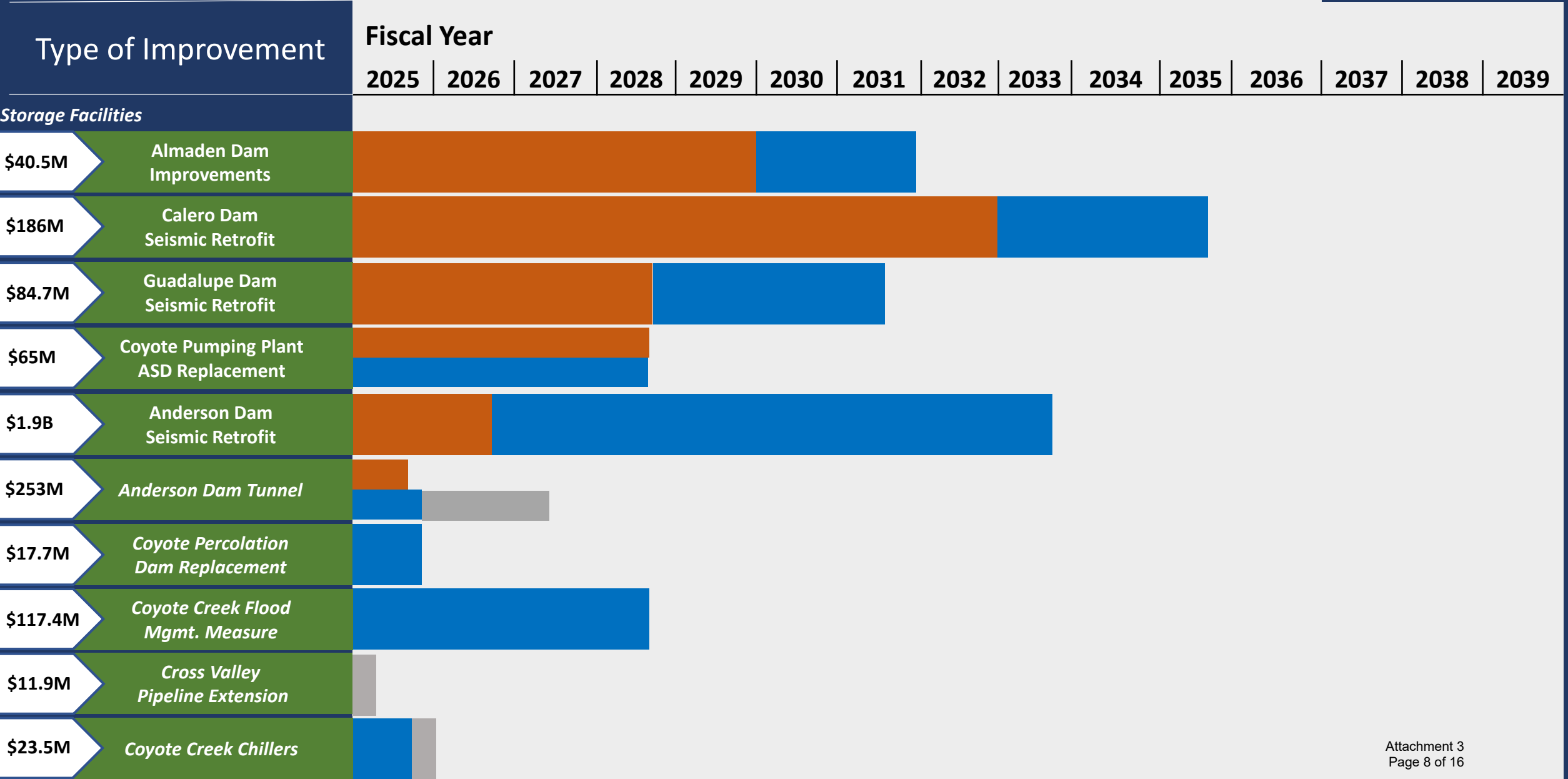


Fund 61: Category 1 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan



- Existing infrastructure with BRE ≥ 88; and/or
- In construction and/or mandated

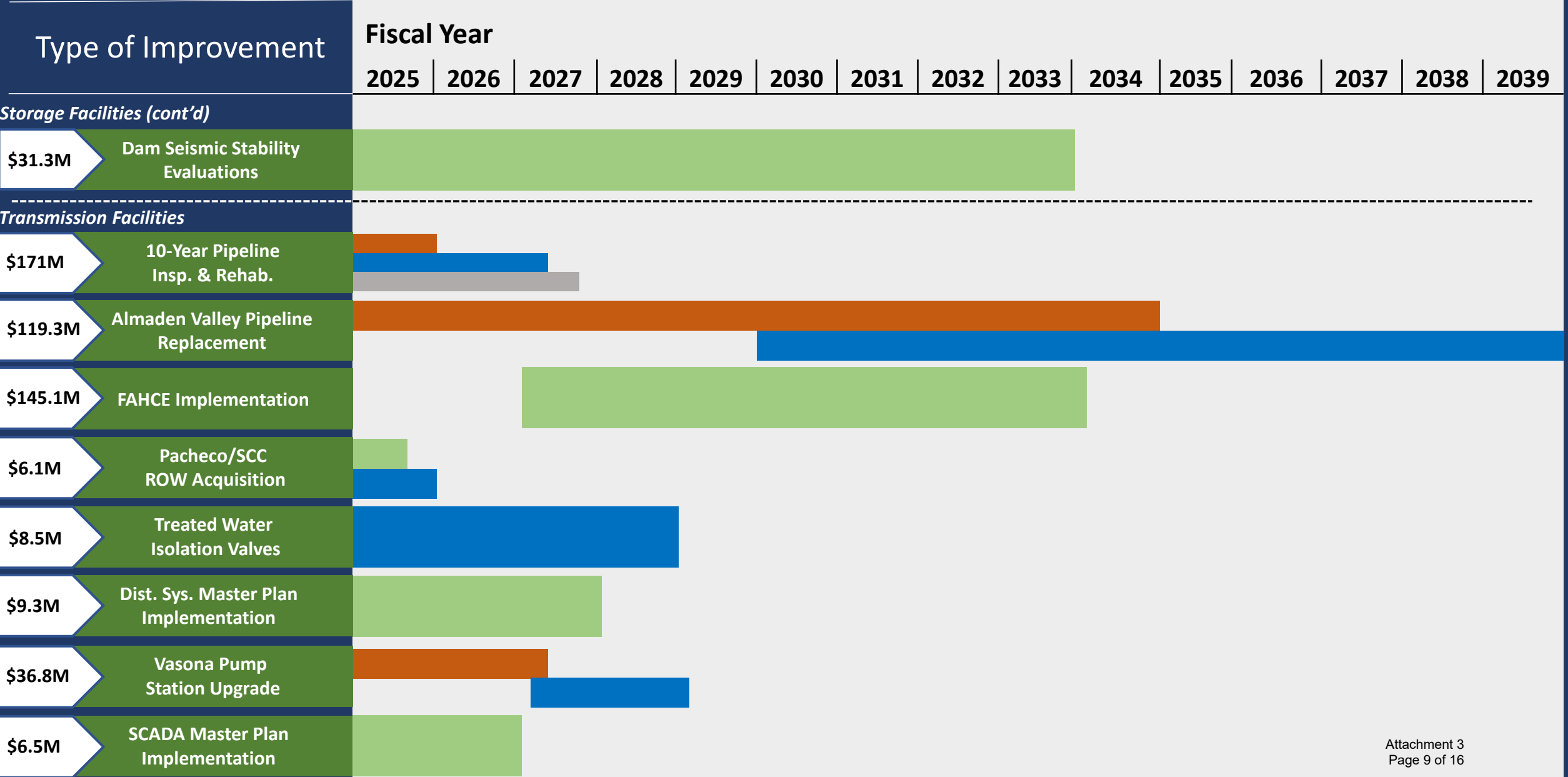


Fund 61: Category 1 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan



- Existing infrastructure with BRE ≥ 88; and/or
- In construction and/or mandated

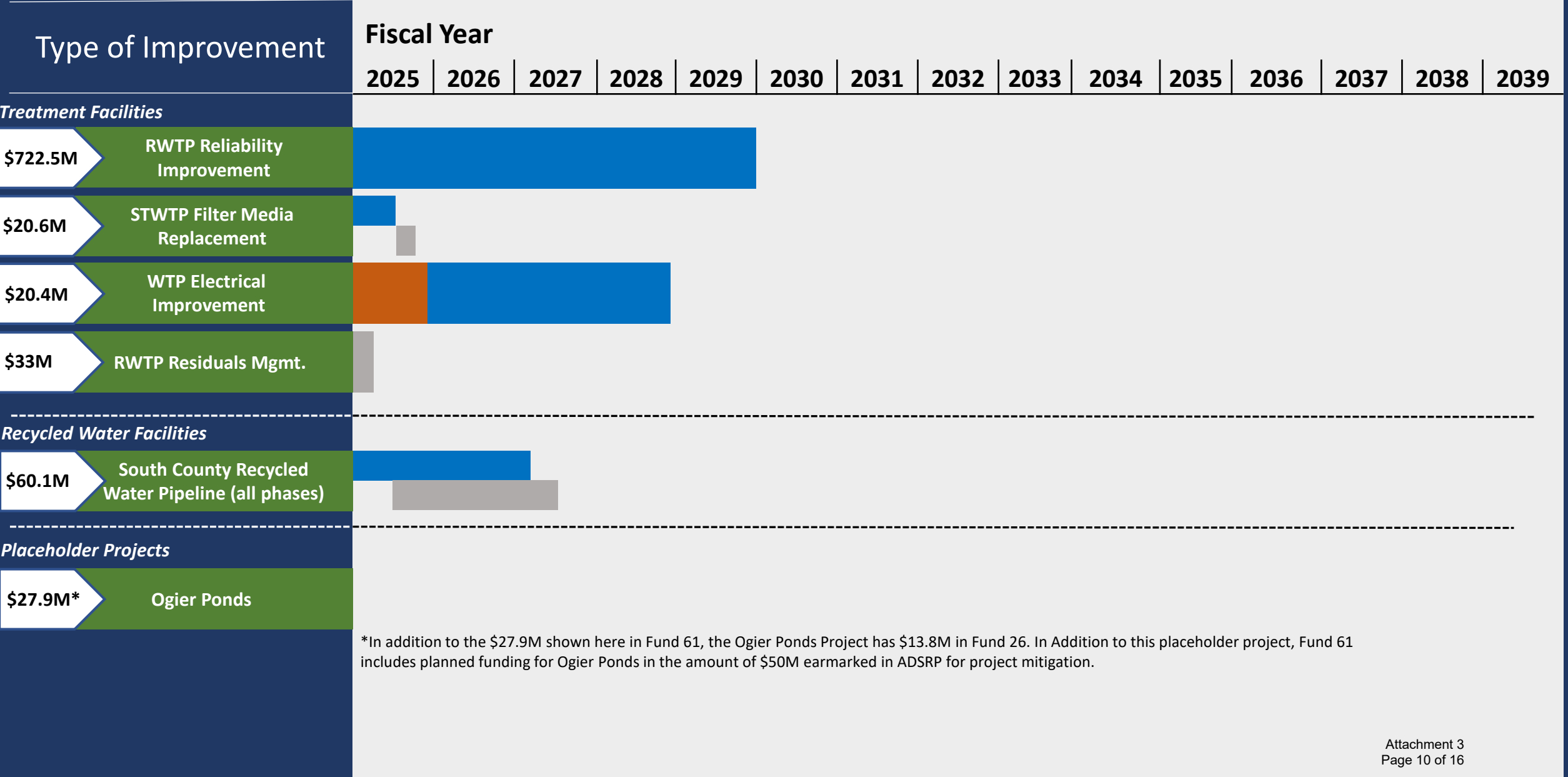


Fund 61: Category 1 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan



- Existing infrastructure with BRE ≥ 88; and/or
- In construction and/or mandated



Fund 61: Category 2 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan

Planning

Design

Construction

Closeout

• Existing infrastructure with BRE 76-87

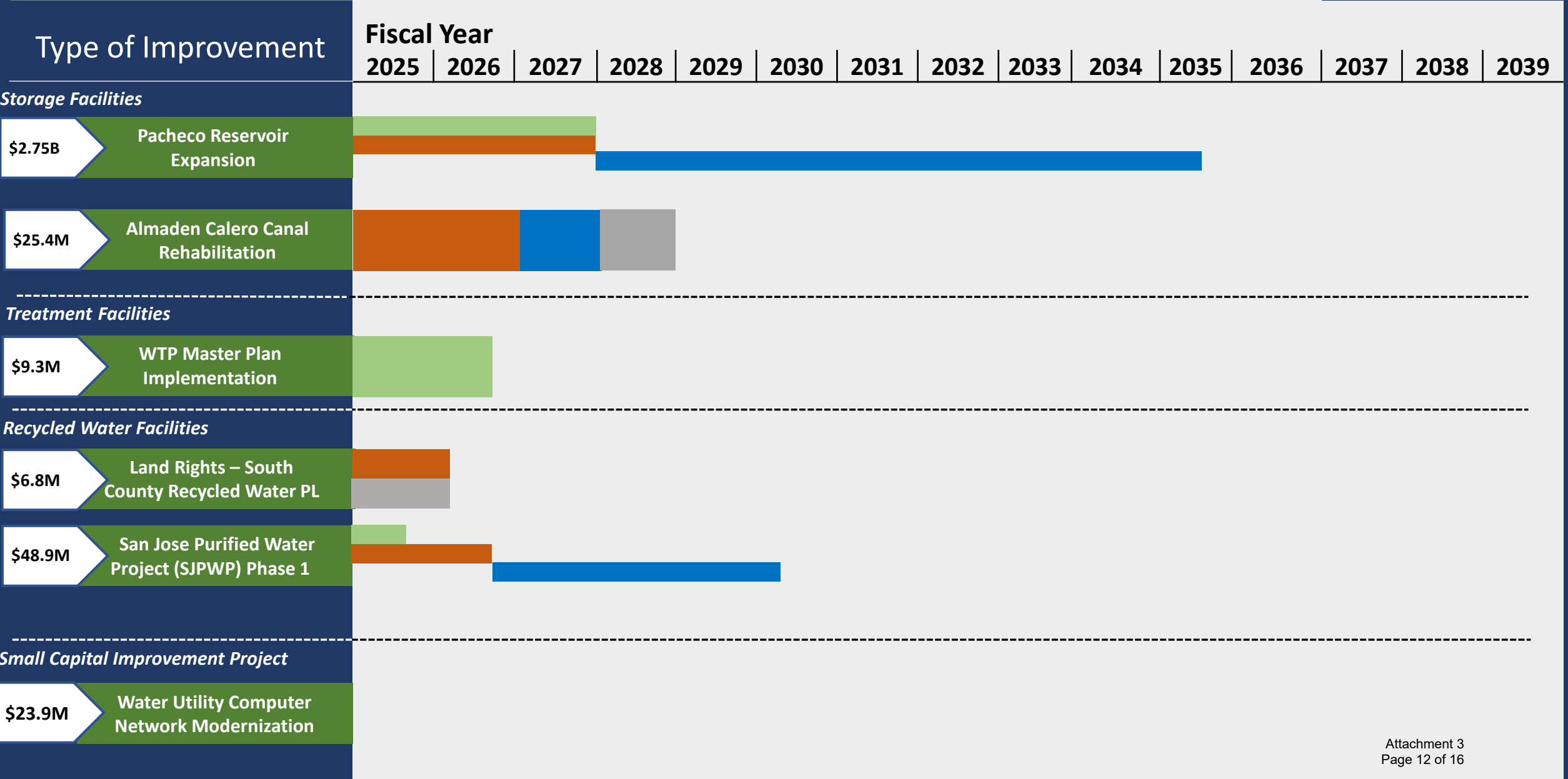
Type of Improvement	Fiscal Year														
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
<i>Treatment Facilities</i>															
\$41.5M PWTP Residuals Mgmt.															
\$6.9M RWTP Ammonia Storage & Metering															
<i>Transmission Facilities</i>															
\$10.4M SMPIP Improvements - Phase 1															

Fund 61: Category 3 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan



- Existing infrastructure with BRE ≤ 75
- NEW Infrastructure
- Placeholder/Small Caps



Fund 61: Category 3 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan

Planning

Design

Construction

Closeout

- Existing infrastructure with BRE ≤ 75
- NEW Infrastructure
- Placeholder/Small Caps

Type of Improvement	Fiscal Year													
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Small Capital Improvement Projects														
\$79.7M San Felipe (Reaches 1-3)														
\$14.8M Raw Water Transmission														
\$1.27M Treated Water Transmission														
\$60.7M Water Treatment														
Placeholder Projects														
\$20M WS Habitat Enhancements														

Attachment 3
Page 13 of 16

Fund 73: Category 1 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan

Planning

Design

Construction

Closeout

- Existing infrastructure with BRE ≥ 88; and/or
- In construction and/or mandated

Type of Improvement	Fiscal Year														
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Information Technology															
\$2.6M IT Disaster Recovery															
\$1.3M Data Consolidation															

Attachment 3
Page 14 of 16

Fund 73: Category 3 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan

Planning

Design

Construction

Closeout

- Existing infrastructure with BRE ≤ 75
- NEW Infrastructure
- Placeholder/Small Caps

Type of Improvement	Fiscal Year													
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Small Capital Improvement Project														
\$20.8M Software Upgrades & Enhancements														

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Initially Validated and Currently Unfunded Projects

Project Name	Estimated Total Project Cost (\$ thousands w/inflation)	Phase	Potential Funding Source	FY 2024-25 Funding Category	CIP Evaluation Team Recommendations
FY 2023-24 Initially Validated Projects					
Coyote Dam Seismic Retrofit	\$406,400	Planning	Fund 61	Category 1 - Existing Infrastructure	Include in the funded CIP FY26-30 Five-Year Plan
Pipeline Maintenance Program*	\$55,375	Plan/Design/Const.	Fund 61	Category 2 - Existing Infrastructure	Include in the funded CIP FY26-30 Five-Year Plan
Almaden-Calero Canal Rehabilitation - Phase II	\$12,950	Planning	Fund 61	Category 3 - Existing Infrastructure	Move to the unfunded list
Enterprise Resource Planning (ERP) System Replacement	\$33,508	Planning	Fund 73	Category 3 - Existing Infrastructure	Include in the funded CIP FY26-30 Five-Year Plan
Current Unfunded Projects					
Llagas Creek - Lower, Capacity Restoration, Buena Vista Road to Pajaro River	\$98,831**	Planning	Fund 12	Category 1 - Existing Infrastructure	Re-validate following emergency repair work
Permanente & Hale Creek Concrete Replacement	\$20,810	Planning/Design	Fund 12	Category 1 - Existing Infrastructure	Remain on the unfunded list until FY28
Calabazas/San Tomas Aquino Creek Marsh Connection - Construction (ONLY)	\$34,562	Construction	Fund 12	Category 2 - Existing Infrastructre	Remain on the unfunded list pending available funding/resources
Pond A4 - Phase 2 (Construction ONLY)	\$32,128	Construction	Fund 12	Category 3 - NEW Infrastructure	Remain on the unfunded list pending available funding/resources
South Babb Flood Protection - Long-Term	\$22,070	Planning	Fund 12	Category 3 - Existing Infrastructure	Remain on the unfunded list pending available funding/resources
Alamitos Operable Dam Replacement	\$13,889	Planning	Funds 12/61	Category 3 - Existing Infrastructure	Remain on the unfunded list pending available funding/resources
Palo Alto Purified Water Project (PAPWP)	\$1,097,076***	Planning	Fund 61	Category 3 - NEW Infrastructure	Remain on the unfunded list pending further development of SJPWP

* Renewal of the 10-yr Pipeline Inspection and Rehabilitation Project (sunsets in FY28)

** Llagas Capacity has prior year actuals = \$6,947, TPC = \$105,778

*** PAPWP Fund 61 unfunded cost is \$14,633,000; Public Private Partnership (P3 contribution for PAPWP) is \$1,082,443,000

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Proposed Adjustments and Modification to Project E7: San Francisco Bay Shoreline Protection under Priority E of the Renewed Safe, Clean Water and Natural Flood Program

Summary

In November 2020, Santa Clara County voters approved renewing and replacing the 2012 Safe, Clean Water and Natural Flood Protection Program (2012 Program). The renewed Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) carried forward many of the projects from the 2012 Program as well as included a new priority, new projects, updated and new project key performance indicators (KPIs), and new funding allocations.

One such project that has been carried forward with updated KPIs is Project E7: San Francisco Bay Shoreline Protection (Project E7). The project, a multi-agency effort between the U.S. Army Corps of Engineers (USACE), Valley Water, the California State Coastal Conservancy, and regional stakeholders, is to provide tidal flood protection, restore and enhance tidal marsh and related habitats, and improve recreational and public access along Santa Clara County's shoreline.

In 1976, the U.S. Congress authorized the USACE to study the coastal flood risk of the entire 18-mile South San Francisco Bay Shoreline in Santa Clara County. Due to its size and complexity (multiple jurisdictions, land uses, and ecosystems), the original project area was broken up into 11 more manageable pieces, known as Economic Impact Areas (EIAs).

Led by the USACE, the project is being carried out in the following three phases:

- **Phase I** covers EIA 11 and includes the urban area of North San José, the community of Alviso, and the San José-Santa Clara Regional Wastewater Facility;
- **Phase II** covers EIAs 1-4 and includes Palo Alto and parts of Mountain View; and
- **Phase III** covers EIAs 5-10, encompassing Sunnyvale, unincorporated Santa Clara County, and portions of Mountain View, San Jose, and Santa Clara.

While EIA 11 is included in the renewed Safe, Clean Water Program as part of the project description for Project E7, it is not currently included as part of Project E7's KPIs. The renewed Safe, Clean Water Program's Project E7 has the following two key performance indicators (KPIs):

1. Provide a portion of the local share of funding for planning, design, and construction phases for the Santa Clara County shoreline area, EIAs 1-4.

2. Provide a portion of the local share of funding for planning and design phases for the Santa Clara County shoreline area, EIAs 5-9.

No Federal Interest in Pursuing Phase II (EIAs 1-4)

In FY 2024, USACE concluded the South San Francisco Bay Shoreline Phase II Study and determined insufficient overall project benefits to justify federal investment in a project. It concluded that the damages from coastal flooding were not great enough to justify the cost of a levee until sea level rise is greater in several decades. The study area is not predicted to experience flood damages significant enough to justify federal investment in a shoreline levee until approximately 2060 when sea levels are projected to be high enough to cause more significant damages.

Without federal participation, Valley Water cannot implement planning, design, and construction independently due to limited funding. Consequently, in the first 15-year funding cycle (FY2022 - 2036) of the renewed Safe, Clean Water Program, Valley Water cannot implement Project E7's KPI #1.

Additional Funding Required for EIA 11 Completion (Project # 00044026)

EIA 11, or Phase I, was originally included under the 2012 Program, which provided \$15 million as a portion of Valley Water's local share of funding for this phase. USACE began construction work on EIA 11, Reaches 1-3 (from Alviso Slough to Artesian Slough) in December 2021. Approximately 90% of the construction has been completed, and the remaining will be completed by the summer of 2025.

In 2021, USACE updated EIA 11 costs, which nearly tripled from \$194 million to \$545 million, creating a funding shortfall. Consequently, the design of Reaches 4-5, which extends from Artesian Slough to Coyote Creek, was paused as the project partners explored ways to lower costs and conduct a value engineering effort for Reaches 4-5 and United Pacific Railroad (UPRR)-owned infrastructure Valley Water is expecting an updated cost estimate from USACE in spring 2025.

Meanwhile, Valley Water staff has updated the project plan for EIA 11 (Project number 00044026) to reflect the known project costs, which resulted in a funding shortfall of \$87.4 million. There are additional cost increases that are yet to be quantified, such as the improvements to the UPRR-owned infrastructure in the project area, ecotone design and construction costs, pond breaching, monitoring, and adaptive management. Staff anticipates these additional costs to be estimated in the upcoming fiscal year as the project design further develops.

Construction of Reaches 4-5 and other remaining elements is vital to complete EIA 11 and provide flood protection to approximately 5,500 people, about 1,100 structures, including the San José-Santa Clara Regional Wastewater Facility that serves more than

1.5 million residents, and State Route 237, which is among the key roads and highways in north San Jose, and 20,000 businesses in the heart of Silicon Valley.

EIA 11 will also restore approximately 2,900 acres of tidal marsh, increase critical habitat for endangered species, and improve public recreation and trail access around the Bay in Alviso, including creating key connections to the San Francisco Bay Trail.

Proposed Modification and Adjustment to Project E7 (Project No 26444002)

The USACE decision not to advance Project E7, Phase II (EIAs 1-4) necessitates modifying KPI #1 in accordance with the Safe, Clean Water Program's Change Control Process (Attachment 1). Furthermore, approximately \$23 million (inflated) in remaining unspent funding for KPI #1 must be reallocated. This available funding could be allocated to the critical funding required to construct the last two reaches of EIA 11, complete Phase I, and deliver the benefits to the community.

Valley Water has secured \$15 million from the 2012 Safe, Clean Water Program, \$61 million from the San Francisco Bay Restoration Authority's Measure AA Program, \$14.7 million from a Coastal Conservancy grant, and \$8 million from the State Department of Water Resources-Subventions to support the project.

On December 16, 2024, to help close the funding shortfall for EIA 11, Valley Water's Capital Improvement Program Committee approved recommending to the Board to bring EIA 11 back into Project E7, KPI #1, and utilize the approximately \$23 million (inflated) in funding that must be reallocated from EIAs 1-4. To close the remaining shortfall, Valley Water plans to utilize revenue bonds that can be paid back over a 30-year time frame, thus reducing the impact on the near-term financial health of its funds.

Additionally, staff recommends adjusting the project Description and Benefits text to align with the proposed modified KPI.

Proposed KPI Modification:

1. KPI #1: Provide a portion of the local share of funding for planning, ~~design, and construction~~ phases of EIAs 1-4 and design and construction phases of EIA-11 for the Santa Clara County shoreline area, ~~EIAs 1-4~~.

Proposed Project Text Adjustments

Description:

This project is a partnership with the California State Coastal Conservancy, the U.S. Army Corps of Engineers (USACE), and regional stakeholders to provide tidal flood protection, restore and enhance tidal marsh and related habitats, and provide recreational and public access opportunities along Santa Clara County's shoreline.

This project relies on federal participation from the USACE to develop the project, and prepare the plans, and construct the project. Without federal participation, Valley Water cannot implement planning, design, and construction on its own due to limited available funding. The Safe, Clean Water Program funding provides a portion of the local share of funding for planning, design and construction phases for Economic Impact Areas (EIAs) 1-4, design and construction of EIA 11, and a portion of the local share of funding for the planning study and design phases for EIAs 5-9.

The 2012 Safe, Clean Water Program has already provided \$15 million as a portion of Valley Water's local share of funding for flood protection improvements in ~~Economic Impact Area (EIA)~~ EIA 11, which is the urban area of North San José and the community of Alviso. Once completed, EIA 11 will provide flood protection to more than 1,000 residential structures and 100 non-residential structures and allow for the restoration of 2,900 acres of tidal marsh and related habitats.

The project will provide coastal flood protection from rising sea levels and will restore and enhance tidal marsh by using a combination of flood protection levees, wetlands, and transitional zone habitats, also known as ecotones. Ecotones will provide an additional protective buffer for the levee and allow marsh habitat to migrate upslope as the sea level rises. This approach of using natural infrastructure will help develop a resilient and adaptable flood protection system that can evolve in the future.

Benefits:

- Provides planning and/or design to protect nearly 4,700 acres and more than approximately 4,060 5,000 structures, including roads, highways, parks, airports, and sewage treatment plants in Santa Clara County
- Provides flood protection to more than 1,000 residential structures and 100 non-residential structures (EIA 11)
- Allows for the restoration of 2,900 acres of tidal marsh and related habitats (EIA 11)
- Allows for restoration of tidal marsh habitat for endangered wildlife such as the salt marsh harvest mouse and Ridgway's rail; rich feeding grounds for shorebirds; and nursery areas for young fish such as leopard sharks and steelhead
- Provides educational, recreational, and public access opportunities
- ~~Protects more than 4,300 structures (EIAs 1-4)~~
- ~~Allows for the restoration of 400 acres of tidal marsh and related habitats (EIAs 1-4)~~
- Addresses climate change by providing coastal flood protection from rising sea levels and restoring and enhancing tidal marshes

Geographic Area of Benefit: Milpitas, Mountain View, Palo Alto, San Jose, Santa Clara and Sunnyvale

Safe, Clean Water and Natural Flood Protection Program Background

In November 2020, Santa Clara County voters overwhelmingly approved Measure S, a renewal of Valley Water's Safe, Clean Water and Natural Flood Protection Program. Voters first approved a community-focused program to address our waterways and water supply in 2000 as the Clean, Safe Creeks and Natural Flood Protection Plan, then again in 2012 as the Safe, Clean Water and Natural Flood Protection Program.

The Safe, Clean Water Program addresses the following six community priorities:

- Priority A:** Ensure a Safe, Reliable Water Supply
- Priority B:** Reduce Toxins, Hazards, and Contaminants in Our Waterways
- Priority C:** Protect Our Water Supply and Dams from Earthquakes and Other Natural Disasters
- Priority D:** Restore Wildlife Habitat and Provide Open Space
- Priority E:** Provide Flood Protection to Homes, Businesses, Schools, Streets, and Highways
- Priority F:** Support Public Health and Public Safety for Our Community

Each of these priorities has specific operational and capital projects, which have key performance indicators (KPIs) to keep them on track in meeting the overall Safe, Clean Water Program priorities. KPIs are considered the measurement for the delivery of each project and represent Valley Water's commitment to the voters.

The renewed Safe, Clean Water Program will continue to be monitored by the Independent Monitoring Committee to ensure transparency, accountability, and fiscal responsibility. The Program also requires that staff develop five-year implementation plans, implement a change control process, and conduct independent audits at least every five years.

As changes may be required throughout the implementation of the Safe, Clean Water Program, staff has developed a change control process, which outlines the differences between adjustments and modifications to the Program and identifies the different processes for implementing both. In summary, "adjustments" are project changes that do not impact KPIs, such as updates to text, financial allocation, or schedule, and can be approved by the Valley Water Board during a public board meeting. Any changes to KPIs are considered "modifications." Modifications to KPIs or a decision to "Not Implement" a project require a public hearing, which must be publicly noticed.

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 20-64

**PROVIDING FOR THE CONTINUATION AND LEVY OF A SPECIAL TAX TO PAY
THE COST OF THE SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION
PROGRAM IN THE COMBINED FLOOD CONTROL ZONE OF THE SANTA CLARA VALLEY
WATER DISTRICT SUBJECT, NEVERTHELESS, TO SPECIFIED LIMITS AND CONDITIONS**

WHEREAS, the Santa Clara Valley Water District (Valley Water) policy is to ensure current and future water supplies and provide healthy, clean, and reliable water in Santa Clara County; and

WHEREAS, Valley Water policy is to protect Santa Clara County creeks, reservoirs, Monterey Bay, and San Francisco Bay from toxins, pollutants, and contaminants; and

WHEREAS, Valley Water policy is to provide for flood water and storm water flood protection to residents, businesses, visitors, public highways, and the watercourses flowing within the District; and

WHEREAS, Valley Water policy is to protect our water supply, pipelines, and local dams from earthquakes and natural disasters; and

WHEREAS, Valley Water maintains a flood protection system of levees, channels, drains, detention basins, and other improvements upon which the lives and property of Valley Water residents depend, which said improvements must be kept in a safe and effective condition; and

WHEREAS, the Valley Water policy is to protect, enhance, and restore healthy Santa Clara County creeks, watersheds, and bay lands ecosystems; and

WHEREAS, in 2000, voters passed the 15-year Clean, Safe Creeks and Natural Flood Protection Plan; and

WHEREAS, the Valley Water policy is to engage in partnerships with the community to provide open spaces, trails, and parks along Santa Clara County creeks and watersheds; and

WHEREAS, in November 2012, voters passed the Safe, Clean Water and Natural Flood Protection Program which replaced the Clean, Safe Creeks and Natural Flood Protection Plan in its entirety when it became effective on July 1, 2013; and

WHEREAS, the Safe, Clean Water and Natural Flood Protection Program was originally scheduled to sunset on June 30, 2028; and

WHEREAS, in order to protect Santa Clara County water supplies, creeks, watersheds, and bay lands and ensure residents have an ample supply of clean water in the future, Valley Water will need a dedicated source of revenue in the future and beyond 2028 to maintain the programs established in the Safe, Clean Water and Natural Flood Protection Program; and

WHEREAS, the California State Legislature has authorized Valley Water to levy a special tax on each parcel of property within Valley Water or any zone or zones thereof upon approval by a two-thirds vote of the electorate of Valley Water or zones therein; and

WHEREAS, the purpose of the special tax is to supplement other available but limited revenues to keep said improvements in a safe and effective condition; to enable Valley Water to respond to emergencies; to perform maintenance and repair; to acquire, restore, and preserve habitat; to provide opportunities and access to recreation; to conduct environmental education; to protect and improve water quality; and to construct, operate, and maintain flood protection and storm drainage facilities; to support public health and public safety through efforts authorized by the District Act; and to fund the cost of financing such activities; and

WHEREAS, State California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(4), states that government funding mechanisms are not projects subject to the requirements of CEQA.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District as follows:

FIRST: The Board hereby finds that since (a) the management of creeks, watersheds, and bay lands are necessary to ensure safe, clean water and to protect, enhance and restore healthy ecosystems, (b) the construction and management of flood protection services are made necessary by stormwater runoff, and (c) the lands from which runoff derives are benefitted by provision of means of disposition which alleviates or ends the damage to other lands affected thereby, by direct protection of loss of property, and other indirect means which include improved aesthetics and quality of life, the basis on which to levy the special tax is at fixed and uniform rates per area and county or city designated land use of each parcel, taxed as such parcel is shown on the latest tax rolls.

SECOND: Pursuant to the authority of Section 3 of the District Act, a Combined Zone consisting of the aggregate metes and bounds descriptions of Zones One, Two, Three, Four, and Five is presently existing as generally depicted in Attachment 1.

THIRD: A special Valley Water Election for November 3, 2020 will be called within said District, on the proposition of levy of a special tax.

FOURTH: Subject to approval by two-thirds of the electors of Valley Water voting at such election and pursuant to the authority vested in the Board, there is hereby established a special tax as authorized by this resolution, the proceeds of which shall be used solely for the purpose of supporting the priorities of the Safe, Clean Water and Natural Flood Protection Program. The priorities are summarized in Attachment 2. The Safe, Clean Water and Natural Flood Protection Program Report (hereafter "Report") generally describes the priorities. This tax shall be instituted with the following provisions:

- A. The Chief Executive Officer (CEO) or designee of Valley Water is directed to cause a written Report to be prepared for each fiscal year for which a special tax is to be levied and to file and record the same, all as required by governing law. Said Report shall include the proposed special tax rates for the upcoming fiscal year at any rate up to the maximum rate approved by the voters. Valley Water's Board of Directors shall consider formal acceptance of this Report at a public meeting and shall thereafter make a final determination of special taxes with a confirming resolution. A special fund shall be established into which proceeds from the tax shall be deposited. Proceeds from the tax may be used only for the Safe, Clean Water and Natural Flood Protection Program.

- B. The CEO, or designee of Valley Water may cause the special tax to be corrected in the same manner as assessor's or assessee's errors may be corrected but based only upon any or all of the following:
1. Changes or corrections in ownership of a parcel;
 2. Changes or corrections of address of an owner of a parcel;
 3. Subdivision of an existing parcel;
 4. Changes or corrections in the use of all or part of a parcel;
 5. Changes or corrections in the computation of the area of a parcel;
 6. As to railroad, gas, water, telephone, cable television, electric utility right of way, electric line right of way, or other utility right of way properties.

Changes and corrections are not valid unless and until approved by the Board.

- C. The Clerk of the Board shall immediately file certified copies of the final determination of special taxes and confirming resolution with the Auditor-Controller of the County of Santa Clara and shall immediately record with the County Recorder of said County a certified copy of the resolution confirming the special tax.
- D. The special tax for each parcel set forth in the final determination by the Board shall appear as a separate item on the tax bill and shall be levied and collected at the same time and in the same manner as the general tax levy for county purposes. Upon recording of the resolution confirming the special tax such special tax shall be a lien upon the real property affected thereby.
- E. Failure to meet the time limits set forth in this resolution for whatever reason shall not invalidate any special tax levied hereunder.
- F. No special tax for the Safe, Clean Water and Natural Flood Protection Program shall be imposed upon a federal or state or local governmental agency. Where real property owned by a federal, state, or local agency is leased to a private person or private entity, the private interest so created shall be separately assessed as a possessory interest and the special tax for the Safe, Clean Water and Natural Flood Protection Program shall be levied on all holders of such possessory interests. With said exceptions, a Safe, Clean Water and Natural Flood Protection Program special tax is levied on each parcel of real property in the five Flood Control Zones of Valley Water subject to this resolution for the purposes stated in the Report and in this resolution. Except for the minimum special tax as hereinafter indicated, the special tax for each parcel of real property in each such zone is computed by determining its area (in acres or fractions thereof) and land use category (as hereinafter defined) and then multiplying the area by the special tax rate applicable to land in such land use category. A minimum special tax may be levied on each parcel of real property having a land area up to 0.25 acre for Groups A, B, and C, up to 10 acres for Groups D and E Urban and, for Group E Rural, the minimum special tax shall be that as calculated for the E Urban category.

- G. Land use categories for each parcel of land in Valley Water are defined and established as follows:
- Group A: Land used for commercial or industrial purposes.
 - Group B: Land used for institutional purposes such as churches and schools or multiple dwellings in excess of four units, including apartment complexes, mobile home parks, recreational vehicle parks, condominiums, and townhouses.
 - Group C: (1) Land used for single-family residences and multiple-family units up to four units and (2) the first 0.25 acre of a parcel of land used for single-family residential purposes.
 - Group D: (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses, and similar uses and (2) the portion of the land, if any, in excess of 0.25 acre of a parcel used for single-family residential purposes.
 - Group E: Vacant undisturbed land (1) in urban areas and (2) in rural areas including dry farmed land, grazing and pasture land, forest and brush land, salt ponds, and small parcels used exclusively as well sites for commercial purposes.
 - Group F: Parcels used exclusively as well sites for residential uses are exempt from the special tax.
- H. The special tax amounts applicable to parcels in the various land uses shall be as prescribed by the Board of Directors in each fiscal year (July 1 through June 30) beginning with fiscal year 2021-2022 as set forth in Attachment 3, which is incorporated herein by reference, and as required by law; provided, that the annual basic special tax unit (single-family residential parcel of 1/4 acre or less) shall not exceed a maximum limit of \$67.67 annually (averaging \$0.006 per square foot annually), as adjusted by the compounded percentage increases of the San Francisco-Oakland-San Jose Consumer Price Index (CPI-U) for all Urban Consumers (or an equivalent index published by a government agency) in the year or years after April 30, 2021; provided, however, that appropriate amounts may be increased in any year by up to the percentage increase of the San Francisco-Oakland-San Jose Consumer Price Index for all Urban Consumers in the preceding year or two percent (2%) whichever is greater; provided further, however, that in any period, not exceeding three years, immediately following a year in which the Governor of the State of California or the President of the United States has declared an area of said zones to be a disaster area by reason of flooding or other natural disaster, then to the extent of the cost of repair of Valley Water facilities damaged by such flooding or other natural disaster, the maximum tax rate shall be the percentage increase in CPI-U plus 4.5 percent; and provided, that special taxes for the Safe, Clean Water and Natural Flood Protection Program shall be levied annually until ended by voters.

- I. In the event that the county or city designated land use for a parcel is different than the actual land use, the CEO of Valley Water may, pursuant to written policies and procedures, cause the special tax to be adjusted based upon any or all of the following:
1. The parcel owner shall provide Valley Water a claim letter stating that the present actual land use is different than the county or city designated land use, including an estimate of the portion of the parcel that is different than the designated land use. Such claim is subject to investigation by Valley Water as to the accuracy of the claim. Parcel owner shall furnish information deemed necessary by Valley Water to confirm the actual uses and areas in question which may include, but not be limited to, a survey by a licensed surveyor.
 2. The parcel owner shall request Valley Water to inspect the parcel and reevaluate the parcel tax.
 3. The parcel owner shall notify Valley Water after a substantial change in the actual land use occurs, including a new estimate of the portion of the parcel that is different than the designated land use.
 4. Valley Water may inspect and verify the actual land use for these parcels on a regular basis and will notify the appropriate parcel owners when it is determined that the actual land use has matched a county or city designated land use. Valley Water shall then correct the special tax rates for these parcels accordingly.
- J. Pursuant to state law, Valley Water may provide an exemption from the special tax for low income owner-occupied residential properties for taxpayer-owners who are 65 years of age or older, the following shall apply:
- Residential parcels where the total annual household income does not exceed 75 percent of the latest available figure for state median income at the time the annual tax is set, and such parcel is owned and occupied by at least one person who is aged 65 years or older is qualified to apply for an exemption from the applicable special tax.
- K. The Safe, Clean Water and Natural Flood Protection Program shall follow 15-year financial planning cycles. This will allow Valley Water to align its budget each year with the projects' key performance indicators as well as long-term financial planning efforts, such as the Capital Improvement Program. Prior to the development of each 15-year financial plan, Valley Water will conduct outreach to engage the community and key stakeholders, including the Safe, Clean Water and Natural Flood Protection Program's independent monitoring committee (IMC) and Valley Water advisory committees, to help ensure that the Safe, Clean Water and Natural Flood Protection Program's priorities remain aligned with the priorities of the residents of Santa Clara County.
- L. After a period of no longer than fifteen (15) years, the Board of Directors shall evaluate the need for the Safe, Clean Water and Natural Flood Protection Program, and make an affirmative determination of whether the special tax should be reduced or repealed, or is needed to build additional Projects to achieve related programmatic benefits in accordance with the priorities of the Safe, Clean Water and Natural Flood Protection Program. Should the Board of Directors determine that no additional Projects are needed, the Safe, Clean Water and Natural Flood Protection Program special tax will be

reduced accordingly, to reflect a transition from funding new Projects to funding operation, maintenance and replacement of Projects that were constructed with Safe, Clean Water and Natural Flood Protection Program funds. This evaluation process shall include the Valley Water advisory committees and the Program's IMC, which will be charged with making recommendations to the Board of Directors on the determination of whether the special tax should be reduced, repealed, or maintained. Following the first fifteen-year determination of continued need for the special tax, the determination shall be made every fifteen (15) years thereafter.

- M. As projects under the Program are completed, the Board of Directors shall identify and prioritize new projects for inclusion in the Program. These new projects may be identified and proposed for Board approval at a public meeting through the Board's review and approval of the Program's five-year implementation plans, the first of which will be produced by the CEO or designee of Valley Water in year one of the Program and every five years thereafter; or, as directed by the Board.
- N. The Board of Directors may direct that proposed projects in the Safe, Clean Water and Natural Flood Protection Program be modified or not implemented depending upon a number of factors, including federal and state funding limitations and the analysis and results of CEQA environmental review and permitting by state and federal regulatory agencies. The Board of Directors must hold a formal, public hearing on the matter, which will be noticed by publication and notification to interested parties, before adoption of any such decision to modify or not implement a project.
- O. The Chief Financial Officer or designee of Valley Water shall file a fiscal year report with the Board of Directors no later than January 1 of each year for the prior fiscal year. The annual report shall contain both of the following: (a) the amount of funds collected and expended; and (b) the status of any project required or authorized to be funded under this resolution.
- P. An external, independent monitoring committee (IMC) shall be appointed by the Valley Water Board of Directors to conduct an annual review of Valley Water's fiscal year report and provide an annual report from the IMC to the Board of Directors regarding implementation of the intended results of the Program. The IMC shall also review each proposed five-year implementation plan prior to its submittal for Board approval. Through review of both the annual reports and five-year implementation plans, the IMC may make recommendations to the Valley Water Board of Directors regarding reasonably necessary measures to meet the priorities of the Safe, Clean Water and Natural Flood Protection Program. Every fifteen years, the IMC will review, and recommend to the Board and general public, whether the special tax should be reduced or repealed, or is needed to build additional Projects to achieve related programmatic benefits in accordance with the priorities of the Safe, Clean Water and Natural Flood Protection Program as described in Paragraph L of this resolution.
- Q. While the Safe, Clean Water and Natural Flood Protection Program is in effect, the Board of Directors shall conduct independent professional audits of the Program to provide for accountability and transparency at least every five years.
- R. Grants and partnerships offered through the Safe, Clean Water and Natural Flood Protection Program, where aligned with the District Act and permitted by law, may

extend to state and local governmental organizations; organized community groups with an established structure; nonprofit organizations as defined by Internal Revenue Code subsections (c) or (d); schools, community colleges, or universities (public or nonprofit; non-profit organizations as defined under Internal Revenue Code section 501(c); religious or apostolic associations as defined under Internal Revenue Code section 501(d); for-profit organizations; and persons.

- S. Pursuant to the State California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(4), adoption of this resolution for continuation of the parcel tax and as a government funding mechanism, is not a project subject to the requirements of CEQA. Prior to commencement of any project included in the Safe, Clean Water and Natural Flood Protection Program, any necessary environmental review required by CEQA shall be completed.
- T. Upon entering into effect, the Safe, Clean Water and Natural Flood Protection Program parcel tax authorized by this resolution and placed on the ballot by RESOLUTION NO. 20-63, shall repeal and replace the Safe, Clean Water and Natural Flood Protection Program parcel tax approved by the voters in 2012. On the date that the parcel tax authorized by this resolution and RESOLUTION NO. 20-63 goes into effect, the updated Safe, Clean Water and Natural Flood Protection Program (the priorities of which are summarized in Attachment 2) will replace in its entirety the previously approved Safe, Clean Water and Natural Flood Protection Program. Any tax payments already made by voters and collected for use by Valley Water for the prior Safe, Clean Water and Natural Flood Protection Program will be used to achieve priorities identified in this updated Safe, Clean Water and Natural Flood Protection Program. Funding for capital projects currently identified in the prior Safe, Clean Water and Natural Flood Protection Program, will continue under this updated Safe, Clean Water and Natural Flood Protection Program to meet previous commitments. All other projects and programs identified in the prior Safe, Clean Water and Natural Flood Protection Program will be replaced by comparable projects or programs with similar or expanded obligations under the updated Safe, Clean Water and Natural Flood Protection Program. Commitments for incomplete non-capital projects or programs carried forward from the 2012 Safe, Clean Water and Natural Flood Protection Program, shall continue at no less than the current levels (funding or key performance indicators) as identified in the comparable replacement projects or programs under the updated Safe, Clean Water and Natural Flood Protection Program, until such time as they are completed. Changes to funding levels or key performance indicators may only be made by the Board as set forth under Paragraphs K and L or through Board decisions via a Board-approved Change Control Process.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on July 21, 2020:

AYES:	Directors	Santos, Estremera, Keegan, Kremen, LeZotte, Varela, Hsueh
NOES:	Directors	None.
ABSENT:	Directors	None.
ABSTAIN:	Directors	None.

SANTA CLARA VALLEY WATER DISTRICT



NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC



Clerk, Board of Directors

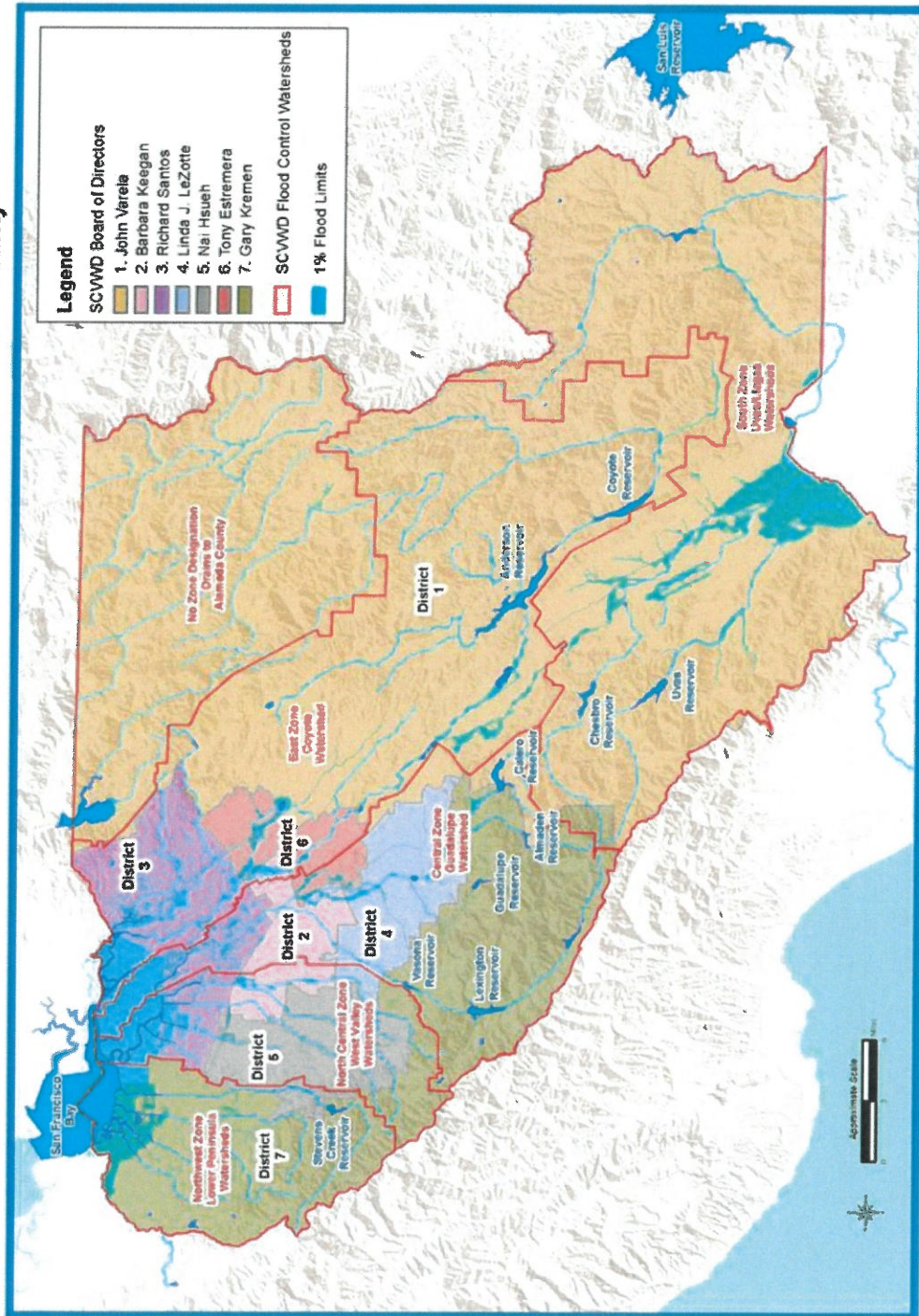
ATTACHMENT 1 COVERSHEET

SCVWD FLOOD CONTROL ZONES AND BOARD DISTRICTS IN SANTA CLARA COUNTY

No. of Pages: 1

Additional Items: None.

SCVWD Flood Control Zones and Board Districts in Santa Clara County



GIS themes are for illustration and general analysis purposes only and are not accurate to surveying or engineering standards. Information is not guaranteed to be accurate, current, or complete and use of this information is your responsibility.

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ATTACHMENT 2 COVERSHEET

SUMMARY OF KEY PERFORMANCE INDICATORS FOR THE FIRST 15 YEARS OF PROGRAM

No. of Pages: 5

Additional Items: None.

Summary of Key Performance Indicators for the First 15 Years of Program

Project	Key Performance Indicator
Priority A: Ensure a Safe, Reliable Water Supply	
A1 Pacheco Reservoir Expansion	1. Provide a portion of funds, up to \$10 million, to help construct the Pacheco Reservoir Expansion Project.
A2 Water Conservation Rebates and Programs	1. Award up to \$1 million per year toward specified water conservation program activities, including rebates, technical assistance and public education within the first seven (7) years of the Program.
A3 Pipeline Reliability	1. Install four (4) new line valves on treated water distribution pipelines.

Project	Key Performance Indicator
Priority B: Reduce Toxins, Hazards, and Contaminants in Our Waterways	
B1 Impaired Water Bodies Improvement	<ol style="list-style-type: none"> 1. Investigate, develop and implement actions to reduce methylmercury in fish and other organisms in the Guadalupe River Watershed. 2. Prepare and update a plan for the prioritization of surface water quality improvement activities, such as addressing trash and other pollutants. 3. Implement at least two (2) priority surface water quality improvement activities identified in the plan per 5-year implementation period.
B2 Inter-Agency Urban Runoff Program	<ol style="list-style-type: none"> 1. Address trash in creeks by maintaining trash capture devices or other litter control programs. 2. Maintain Valley Water's municipal stormwater compliance program and partner with cities to address surface water quality improvements, including participation in at least three (3) countywide, regional or statewide stormwater program committees to help guide regulatory development, compliance, and monitoring. 3. Support at least one (1) stormwater quality improvement activity per 5-year implementation period in Santa Clara County, including providing up to \$1.5 million over 15 years to support implementation of green stormwater infrastructure consistent with Santa Clara Basin and South County Stormwater Resource Plans.
B3 Hazardous Materials Management and Response	<ol style="list-style-type: none"> 1. Respond to 100% of hazardous materials reports requiring urgent on-site inspection in two (2) hours or less.
B4 Support Volunteer Cleanup Efforts	<ol style="list-style-type: none"> 1. Fund Valley Water's creek stewardship program to support volunteer cleanup activities such as annual National River Cleanup Day, California Coastal Cleanup Day, the Great American Litter Pick Up; and the Adopt-A-Creek Program.

Project	Key Performance Indicator
Priority C: Protect Our Water Supply and Dams from Earthquakes and Other Natural Disasters	
C1 Anderson Dam Seismic Retrofit	1. Provide portion of funds, up to \$54.1 million, to help restore full operating reservoir capacity of 90,373 acre-feet.

Project	Key Performance Indicator
Priority D: Restore Wildlife Habitat and Provide Open Space	
D1 Management of Riparian Planting and Invasive Plant Removal	<ol style="list-style-type: none"> 1. Maintain a minimum of 300 acres of riparian planting projects annually to meet regulatory requirements and conditions. 2. Maintain a minimum of 200 acres of invasive plant management projects annually to meet regulatory requirements and conditions. 3. Remove 25 acres of <i>Arundo donax</i> throughout the county over a 15-year period.
D2 Revitalize Riparian, Upland and Wetland Habitat	<ol style="list-style-type: none"> 1. Revitalize at least 21 acres over a 15-year period through native plant revegetation and/or removal of invasive exotic species. 2. Develop an Early Detection and Rapid Response Program Manual. 3. Identify and treat at least 100 occurrences of emergent invasive species over a 15-year period, as identified through the Early Detection and Rapid Response Program. 4. Develop at least eight (8) information sheets for Early Detection of Invasive Plant Species.
D3 Sediment Reuse to Support Shoreline Restoration	<ol style="list-style-type: none"> 1. Maintain partnership agreements to reuse sediment to improve the success of salt pond and tidal marsh restoration projects and activities. 2. Provide up to \$4 million per 15-year period to support activities necessary for sediment reuse.
D4 Fish Habitat and Passage Improvement	<ol style="list-style-type: none"> 1. Complete planning and design for one (1) creek/lake separation. 2. Construct one (1) creek/lake separation project in partnership with local agencies. 3. Use \$8 million for fish passage improvements by June 30, 2028. 4. Update study of all major steelhead streams in the county to identify priority locations for fish migration barrier removal and installation of large woody debris and gravel as appropriate. 5. Complete five (5) habitat enhancement projects based on studies that identify high priority locations for large wood, boulders, gravel, and/or other habitat enhancement features.
D5 Ecological Data Collection and Analysis	<ol style="list-style-type: none"> 1. Reassess and track stream ecological conditions and habitats in each of the county's five (5) watersheds every 15 years. 2. Provide up to \$500,000 per 15-year period toward the development and updates of five (5) watershed plans that include identifying priority habitat enhancement opportunities in Santa Clara County.
D6 Restoration of Natural Creek Functions	<ol style="list-style-type: none"> 1. Construct the Hale Creek Enhancement Pilot Project, which includes restoration and stabilization of a 650-foot section of concrete-lined channel on Hale Creek, between Marilyn Drive and North Sunshine Drive on the border of Mountain View and Los Altos. 2. Construct the Bolsa Road Fish Passage Project along 1,700 linear feet of Uvas-Carnadero Creek in unincorporated Santa Clara County, which includes geomorphic design features that will restore stability and stream function. 3. Identify, plan, design, and construct a third geomorphic-designed project to restore stability and stream function by preventing incision and promoting sediment balance throughout the watershed.

Priority D: Restore Wildlife Habitat and Provide Open Space cont...

D7 Partnerships for the Conservation of Habitat Lands

1. Provide up to \$8 million per 15-year period for the acquisition or enhancement of property for the conservation of habitat lands.

Project**Key Performance Indicator****Priority E: Provide Flood Protection to Homes, Businesses, Schools, Streets, and Highways**

E1 Coyote Creek Flood Protection, Montague Expressway to Tully Road – San Jose

1. Construct flood protection improvements along Coyote Creek between Montague Expressway and Tully Road to provide protection from floods up to the level that occurred on February 21, 2017, approximately a 5% (20-year) flood event.

E2 Sunnyvale East and Sunnyvale West Channels Flood Protection, San Francisco Bay to Inverness Way and Almanor Avenue – Sunnyvale

1. Provide 1% (100-year) flood protection for 1,618 properties and 47 acres (11 parcels) of industrial land, while improving stream water quality and working with other agencies to incorporate recreational opportunities.

E3 Lower Berryessa Flood Protection, including Tularcitos and Upper Calera Creeks (Phase 3) – Milpitas

1. With local funding only: Complete the design phase of the 1% (100-year) flood protection project to protect an estimated 1,420 parcels.

E4 Upper Penitencia Creek Flood Protection, Coyote Creek to Dorel Drive – San Jose

1. Preferred project with federal and local funding: Construct a flood protection project to provide 1% (100-year) flood protection to 8,000 parcels.
2. With local funding only: Construct a 1% (100-year) flood protection project from Coyote Creek confluence to Capital Avenue to provide 1% (100-year) flood protection to 1,250 parcels, including the new Berryessa BART station.

E5 San Francisquito Creek Flood Protection, San Francisco Bay to Upstream of Highway 101 – Palo Alto

1. Preferred project with federal, state and local funding: Protect more than 3,000 parcels by providing 1% (100-year) flood protection.
2. With state and local funding only: Protect approximately 3,000 parcels by providing 1% (100-year) flood protection downstream of Highway 101, and approximately 1.4% (70-year) protection upstream of Highway 101.

Priority E: Provide Flood Protection to Homes, Businesses, Schools, Streets, and Highways cont...

E6 Upper Llagas Creek Flood Protection, Buena Vista Avenue to Llagas Road – Morgan Hill, San Martin, Gilroy	<ol style="list-style-type: none"> 1. Preferred project with federal and local funding: Plan, design and construct flood protection improvements along 13.9 miles of Upper Llagas Creek from Buena Vista Avenue to Llagas Road to provide flood protection to 1,100 homes, 500 businesses, and 1,300 agricultural acres, while improving stream habitat. 2. With local funding only: Construct flood protection improvements along Llagas Creek from Buena Vista Avenue to Highway 101 in San Martin (Reaches 4 and 5 (portion)), Monterey Road to Watsonville Road in Morgan Hill (Reach 7a), approximately W. Dunne Avenue to W. Main Avenue (portion of Reach 8), and onsite compensatory mitigation at Lake Silveira.
E7 San Francisco Bay Shoreline Protection – Milpitas, Mountain View, Palo Alto, San Jose, Santa Clara, and Sunnyvale	<ol style="list-style-type: none"> 1. Provide portion of the local share of funding for planning, design and construction phases for the Santa Clara County shoreline area, EIAs 1-4. 2. Provide portion of the local share of funding for planning and design phases for the Santa Clara County shoreline area, EIAs 5-9.
E8 Upper Guadalupe Flood Protection, Highway 280 to Blossom Hill Road – San Jose	<ol style="list-style-type: none"> 1. Preferred project with federal and local funding: Construct a flood protection project to provide 1% (100-year) flood protection to 6,280 homes, 320 businesses and 10 schools and institutions. 2. With local funding only: Construct flood protection improvements along 4,100 feet of Guadalupe River between the Southern Pacific Railroad (SPRR) crossing, downstream of Willow Street, to the Union Pacific Railroad (UPRR) crossing, downstream of Padres Drive, and provide gravel augmentation along approximately 800 linear feet of the Upper Guadalupe River in San Jose, from approximately the Union Pacific Railroad Bridge to West Virginia Street Bridge to improve aquatic habitat for migrating steelhead and channel stability.

Project	Key Performance Indicator
Priority F: Support Public Health and Public Safety for Our Community	
F1 Vegetation Control and Sediment Removal for Capacity	<ol style="list-style-type: none"> 1. Maintain completed flood protection projects for flow conveyance.
F2 Emergency Response Planning and Preparedness	<ol style="list-style-type: none"> 1. Coordinate with local municipalities to merge Valley Water-endorsed flood emergency processes with their own emergency response plans and processes. 2. Complete five (5) flood management plans/procedures per 5-year period, selected by risk priorities. 3. Train Valley Water staff and partner municipalities annually on disaster procedures via drills and exercises before testing the plans and procedures. 4. Test flood management plans/procedures annually to ensure effectiveness.
F3 Flood Risk Assessment Studies	<ol style="list-style-type: none"> 1. Complete engineering studies on three (3) creek reaches to address 1% (100-year) flood risk. 2. Annually, update floodplain maps on a minimum of three (3) creek reaches in accordance with new FEMA standards.

Priority F: Support Public Health and Public Safety for Our Community cont...

F4 Vegetation Management for Access and Fire Safety	<ol style="list-style-type: none">1. Provide vegetation management for access and fire risk reduction on an average of 495 acres per year, totaling 7,425 acres along levee, property lines and maintenance roads over a 15-year period.
F5 Good Neighbor Program: Encampment Cleanup	<ol style="list-style-type: none">1. Perform 300 annual cleanups to reduce the amount of trash and pollutants entering the streams.2. Provide up to \$500,000 per year in cost-share with other agencies for services related to encampment cleanups, including services supporting staff safety, discouraging re-encampments along waterways or addressing the homelessness crisis with the goal of reducing the need for encampment cleanups.
F6 Good Neighbor Program: Graffiti and Litter Removal and Public Art	<ol style="list-style-type: none">1. Cleanup identified trash and graffiti hotspots at approximately 80 sites four (4) times per year.2. Respond to requests on litter or graffiti cleanup within five (5) working days.3. Provide up to \$1.5 million over 15 years to implement public art projects on Valley Water property and infrastructure.
F7 Emergency Response Upgrades	<ol style="list-style-type: none">1. Maintain existing capabilities for flood forecasting and warning.2. Improve flood forecast accuracy and emergency response time working with the National Weather Service and through research and development.
F8 Sustainable Creek Infrastructure for Continued Public Safety	<ol style="list-style-type: none">1. Provide up to \$7.5 million in the first 15-year period to plan, design and construct projects identified through Watersheds asset management plans.
F9 Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship	<ol style="list-style-type: none">1. Provide a grant and partnership cycle each year for projects related to safe, clean drinking water, flood protection and environmental stewardship.2. Provide annual funding for bottle filling stations to increase drinking water accessibility, with priority for installations in economically disadvantaged communities and locations that serve school-age children and students.3. Provide annual mini-grant funding opportunity for projects related to safe, clean drinking water, flood protection and environmental stewardship.4. Provide up to \$3 million per 15-year period for partnerships with small municipalities (defined as under 50,000 people in the most recent census available), or special districts with boundaries substantially within the footprint of small cities, for projects aligned with the District Act and related to safe, clean drinking water, flood protection and environmental stewardship.

ATTACHMENT 3 COVERSHEET

FIGURE 1 ACTUAL FY 2019–20 AND ACTUAL FY 2020–21 SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION SPECIAL TAX RATES

No. of Pages: 1

Additional Items: None.

FIGURE 1
Actual FY 2019–20 and Actual FY 2020–21
Safe, Clean Water and Natural Flood Protection Special Tax Rates

Land Use Categories	Actual FY '19-20	Actual FY '20-21
A - Commercial, Industrial		
Rate (\$/Acre)	\$541.60	\$541.60
Minimum Assessment ⁽¹⁾	\$135.39	\$135.39
B - Apartment, Schools, Churches, Condominiums & Townhouse		
Rate (\$/Acre)	\$406.20	\$406.20
Minimum Assessment ⁽¹⁾	\$101.55	\$101.55
Condominiums & Townhouses (\$/unit)	\$32.95	\$32.95
C - Single Family Residential, Small Multiples (2-4 units) ⁽²⁾		
Minimum Assessment ⁽¹⁾	\$67.67 (Averaging \$0.006 per square foot)	\$67.67 (Averaging \$0.006 per square foot)
D - Utilized Agriculture⁽²⁾		
Rate (\$/Acre)	\$3.47	\$3.47
Minimum Assessment ⁽¹⁾	\$34.70	\$34.70
E - Urban - Nonutilized Agricultural, Grazing Land, Salt Ponds, Well Site in Urban Areas		
Rate (\$/Acre)	\$1.02	\$1.02
Minimum Assessment ⁽¹⁾	\$10.23	\$10.23
E - Rural - Nonutilized Agricultural, Grazing Land, Well Sites in Rural Areas		
Rate (\$/Acre)	\$0.14	\$0.14
Minimum Assessment ⁽¹⁾	\$10.23	\$10.23

⁽¹⁾ The minimum assessments shown for Categories A, B, and C apply to parcels 1/4 acre or less in size. Category C parcels larger than 1/4 acre pay the minimum assessment for the first 1/4 acre and the remaining acreage is assessed at the Category D rate. For Category D, the minimum assessment applies to parcels less than 10 acres. The minimum assessment for Group E parcels is the amount charged for 10 acres of urban undeveloped land; the minimum assessment is the same for both the Urban Category and the Rural Category parcels, however the Rural Category applies to parcels of 80 acres or less.

⁽²⁾ Residential land in excess of 1/4 acre is assessed at the "D" rate.



Modification to the San Francisco Bay Shoreline Protection Project



- What:** Public Hearing on a Proposed Modification to the San Francisco Bay Shoreline Protection Project
- Who:** Santa Clara Valley Water District (Valley Water)
- When:** Tuesday, February 11, 2025, 1:00 p.m.
- Where:** Valley Water Headquarters Building Boardroom
5700 Almaden Expressway, San Jose, CA
and by Zoom Teleconference at <https://valleywater.zoom.us/j/84454515597>

Valley Water invites you to a Public Hearing regarding the proposed modification of the San Francisco Bay Shoreline Protection Project.

In November 2020, Santa Clara County voters approved renewing and replacing the 2012 Safe, Clean Water and Natural Flood Protection Program (2012 Program). The renewed Safe, Clean Water and Natural Flood Protection Program (renewed Safe, Clean Water Program) retained several projects, introduced new priorities, and updated key performance indicators (KPIs). Among these is Project E7: San Francisco Bay Shoreline Protection (Project E7), a U.S. Army Corps of Engineers (USACE)-led project in partnership with Valley Water, the California State Coastal Conservancy, and local stakeholders.

The project aims to enhance flood protection, restore tidal marsh habitats, and improve public access along Santa Clara County's shoreline. It consists of three phases: Phase I, including North San José and Alviso; Phase II, encompassing Palo Alto and parts of Mountain View; and Phase III, covering areas from Sunnyvale to Santa Clara. While EIA 11 is included in the renewed Safe, Clean Water Program as part of the project description for Project E7, it is not currently included as part of Project E7's KPIs. The renewed Safe, Clean Water Program's Project E7 has the following two KPIs:

1. Provide a portion of the local share of funding for planning, design, and construction phases for the Santa Clara County shoreline area, EIAs 1-4.
2. Provide a portion of the local share of funding for planning and design phases for the Santa Clara County shoreline area, EIAs 5-9.

No Federal Interest in Pursuing Phase II

In fiscal year (FY) 2022-2024, USACE concluded the South San Francisco Bay Shoreline Phase II Study and found insufficient benefits to justify federal funding. Without federal

participation, Valley Water cannot implement planning, design, and construction independently due to limited funding. Consequently, in the first 15-year funding cycle (FY2022-2036) of the renewed Safe, Clean Water Program, Valley Water cannot implement Project E7's KPI #1. Furthermore, approximately \$23 million (inflated) in remaining unspent funding for KPI #1 must be reallocated.

Meanwhile, Phase I, focused on Economic Impact Area (EIA) 11 and included in the 2012 Safe, Clean Water Program, has faced escalating costs, rising from \$194 million to \$545 million. While EIA 11 Reaches 1-3 construction is nearly 90% complete, efforts are underway to explore cost-saving measures for the remaining project elements, including the final two Reaches 4-5.

Once completed, EIA 11, which was part of the 2012 Safe, Clean Water Program, will protect approximately 5,500 people, vital infrastructure, including the San José-Santa Clara Regional Wastewater Facility that serves more than 1.5 million residents, and businesses while restoring 2,900 acres of tidal marsh and enhancing public recreation opportunities.

Proposed Modification

Given USACE's decision not to pursue Phase II, Valley Water proposes modifying Project E7 KPI #1 to remove the reference to designing and constructing EIAs 1-4 and instead bring EIA 11 back into the renewed Safe, Clean Water Program and reallocate approximately \$23 million (inflated) in unspent funds from EIAs 1-4 to EIA 11. This adjustment would help address the funding gap for constructing the remaining final elements of EIA 11 and delivering critical flood protection and ecological benefits. Valley Water plans to issue revenue bonds repayable over 30 years to bridge the remaining shortfall. Below is the proposed modification:

1. KPI #1: Provide a portion of the local share of funding for planning, ~~design, and construction~~ phases **of EIAs 1-4 and design and construction phases of EIA-11** for the Santa Clara County shoreline area. ~~-, EIAs 1-4.~~

This meeting is being held in accordance with the Brown Act. The 1:00 p.m., February 11, 2025, public hearing will be held during a board meeting and is accessible for public in-person participation at the time, date, and location shown above and by public virtual participation at the Zoom link above. Document(s) associated with this hearing are available for public inspection prior to the meeting in the Clerk of the Board's Office and online at www.valleywater.org, and will be available at the meeting.

For more information, contact Meenakshi Ganjoo, Program Administrator, at 408-630-2295.

Important Notices:

Valley Water, in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in Valley Water Board meetings to please contact the Clerk of the Board's office at (408) 630-2711, at least 3 business days before the scheduled Valley Water Board meeting to ensure that Valley Water may assist you. Reasonable efforts will be made to accommodate persons with disabilities.

重要通知：

Valley Water 遵守美國殘疾人法案 (ADA), 要求需要特殊便利才能訪問和/或參加 Valley Water 委員會會議的個人請致電 (408) 630-2711 聯繫委員會辦公室的書記員, 網址為在預定的 Valley Water 委員會會議召開前至少 3 個工作日, 以確保 Valley Water 可以為您提供幫助。將做出合理的努力以容納殘疾人。

Thông báo quan trọng:

Valley Water, để tuân thủ Đạo luật Người Mỹ Khuyết tật (ADA), yêu cầu những cá nhân cần điều chỉnh đặc biệt để tiếp cận và/hoặc tham gia các cuộc họp của Hội đồng Valley Water vui lòng liên hệ với Văn phòng Thư ký của Hội đồng theo số (408) 630-2711, tại ít nhất 3 ngày làm việc trước cuộc họp đã lên lịch của Hội đồng Valley Water để đảm bảo rằng Valley Water có thể hỗ trợ bạn. Những nỗ lực hợp lý sẽ được thực hiện để hỗ trợ người khuyết tật.

Aviso Importantes:

Valley Water, en cumplimiento de la Ley de Estadounidenses con Discapacidades (ADA), solicita a las personas que requieren adaptaciones especiales para acceder y/o participar en las reuniones de la Junta de Valley Water que se comuniquen con la oficina del Secretario de la Junta al (408) 630-2711, al menos 3 días hábiles antes de la reunión programada de la Junta de Valley Water para asegurarse de que Valley Water pueda ayudarlo. Se harán esfuerzos razonables para acomodar a las personas con discapacidades.

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RESOLUTION NO. 99- 21

ADOPTING "WATER UTILITY TAXING AND PRICING POLICY" AND
RESCINDING RESOLUTION NO. 96-82

WHEREAS, the Santa Clara Valley Water District (District) adopted a District mission, goals and objectives on February 19, 1985, in order to conduct a sound water management program that serves the community; and

WHEREAS, the District Act authorizes the District to enter into water sales contracts and to levy and collect taxes and assessments on property within the District and in the respective zones of the District and sets forth requirements for groundwater charges and rates between agricultural and nonagricultural water; and

WHEREAS, several Board resolutions, as identified in Exhibit "A," are related to the management of water resources and the implementation of this water taxing and pricing policy; and

WHEREAS, several changes which affect revenue sources and benefit distribution have occurred since adoption of Resolution No. 96-82. These changes include: (1) passage of Resolution Nos. 98-44 and 98-45 setting agricultural charges for groundwater and surface water at 10 percent of the nonagricultural charges; (2) revisions to the policy governing sale of noncontract water in 1998; (3) pending completion of an agreement to act as the wholesaler to deliver recycled water in South County.

BE IT RESOLVED, by the Board of Directors of the District as follows:

1. **The policy of the District in the areas of taxation and water pricing for water utility revenues shall be and is hereby adopted:**

Policy Statement

The intent of this water utility taxing and pricing policy is to provide revenue for the management of water resources and operation of the water utility enterprise. This policy establishes a framework for establishing a system of water charges as permitted by the District Act to meet revenue requirements and to allocate costs amongst the beneficiaries. The general approach is to charge the recipients of the various benefits for the benefits received from the District's comprehensive water utility program.

The consumptive and nonconsumptive benefits provided by District water supply facilities and operations are listed and described below:

- Provision of a water supply and effective management of water resources available to the community from a variety of sources of supply, transmission, and water treatment facilities operated by the District.
- Protection of water quality through the purification and treatment of water and the protection of water supplies.
- Stewardship of watersheds and riparian corridor.
- Administration of related programs and projects such as recycled water and water conservation administered solely by the District or in partnership with another organization.

Resolution Adopting "Water Utility Taxing and Pricing Policy" and Rescinding Resolution No. 96-82

- Ancillary flood protection.
- Recreation, such as fishing, boating, picnicking, hiking, and other related recreation activities.
- Support for the economic well being of the community.
- Protection of the community infrastructure from subsidence.

2. Policy Implementation

The following water taxing and pricing concepts and framework shall be implemented in order to provide for revenue in order to continue providing direct and ancillary benefits to the customers of the District and the community of Santa Clara County.

Water Taxing and Pricing Concepts

- ***Water Pooling:*** Water is considered to be a single commodity irrespective of the water's source or cost. It is a single commodity whether it is from water provided locally, imported, or recycled, and all users benefit from the availability of multiple sources of water.
- ***Water Facilities Cost Pooling:*** All water supply facilities contribute to the common benefit of effective water resources management. In general, the water charges and property taxes are based on the common benefits of the capital and operations outlays, rather than reference to named facilities, with the exception of the liability for bonded indebtedness which is applied to each zone of benefit.
- ***Water Resources Management:*** Water supplies are managed, through taxing and pricing, to obtain the effective utilization of the water resources of the District to the advantage of the present and future populations of the County. This concept provides for development of taxing and pricing structures that will achieve the effective use of available resources and conserve supplies for potential drought conditions.
- ***Revenue Pooling:*** For the most part, water utility revenues are collected in a common fund and not designated for a specific cost. Such revenues are available for the general capital and operating outlays of the water utility enterprise. Some revenues such as certain property taxes are specifically designated for debt service and the fixed costs of the State Water Project, and are not available to the common fund. Water charges are established to provide the revenues that are required in the common fund for general capital and operating outlays and that are over and above revenues from ad valorem taxes, interest, and miscellaneous sources. This provides flexibility in managing continuing operations and funding capital outlays.

Water Taxing and Pricing Framework

The following procedures are intended as a general framework to guide staff in the development of a water rate structure implementing this policy:

- ***Zones of Benefit:*** Zones of benefit are to be identified and established in accordance with the District Act. Groundwater charges and property taxes are levied for the benefits received by the water users and property owners benefitting from that zone. For each zone, a basic

Resolution Adopting “Water Utility Taxing and Pricing Policy” and Rescinding Resolution No. 96-82

water user charge is determined for current groundwater and raw surface water users to be applied to the quantities of water used or consumed.

- **Basic Water Charge Zones:** The objective of establishing various water charge zones is to recover costs for the benefits resulting from conservation, import, and recharge of water which occur only within that zone. Water charges are levied for water producing operations, such as groundwater pumping and raw surface water diversion. In addition, users may be subject to specific charges that meet special needs of a group of users, such as water master charges for surface water deliveries, a capital charge for equipment or facilities, and power costs for pumping.
- **Treated Water Surcharge:** A treated water surcharge shall be added to the basic water charge for the price of treated surface water delivered by the District. The charge is to be established at an amount that would promote the effective use of available water resources. The charge may differ between treatment plants to better manage regional variations in groundwater conditions.
- **Costs for Specific Benefits:** Whenever costs associated with specific benefits are clearly and easily measurable, those costs shall be charged to the beneficiaries, in accordance with their specific zones of benefit. Where there is a question as to the identity of the beneficiary or the method of measuring the benefit, the allocation of costs should remain flexible and be determined in accordance with accepted practices and sound judgements based on the four water pricing concepts. The District recognizes and supports the State Legislature’s limitation imposed on the District that rates for agricultural water shall not exceed one-fourth of the rate for all water other than agricultural water. In order to encourage the continuance of agricultural use of land in the County, to encourage the preservation of open space, to defer intensification of users and to further support the limitation imposed by the State Legislature, it is the District’s policy that rates for agricultural water shall not exceed one-tenth the rate for all water other than agricultural water.

Both water charges and property taxes are used to recover costs incurred for the benefit of current water users. The costs for future supply sources can be recovered using current revenues or through project specific long-term financing.

- **Balancing Costs:** The District recognizes that there may be imbalances between revenues and costs within a zone of benefit from year to year. The District will strive to achieve balance over the long-term in accordance with the District Act and to properly charge recipients for the benefits received.
- **Incentives:** Incentives in the form of subsidies may be provided in order to reduce the price of specific sources of water in order to optimize use of available or future water resources.
- **Recycled Water:** From time to time, the District may enter into agreements to provide wholesale delivery or other services related to recycled water. The District will strive to recover the costs of these facilities consistent with the pooling concepts outlined above, while adhering to the specifics of any agreement.

Resolution Adopting "Water Utility Taxing and Pricing Policy" and Rescinding Resolution No. 96-82

3. Executive and Staff Limitations

District staff are authorized to develop a water rate structure which meets the objectives set forth herein, in accordance with the District Act, and using the concepts set forth above. The District's rate structure is implemented only by resolutions approved by the Board of Directors.

Staff is authorized to recommend water charges for consideration by the Board in accordance with the District Act. Water charges, if any, shall be recommended by staff each year be at fixed and uniform rates for agricultural water and for all water other than agricultural water, respectively, except that each such rate for agricultural water shall be one-tenth of the rate for all water other than agricultural water. The Board has determined that agricultural use of lands is of value to the County and the state, and that agricultural lands provide an open space benefit. The Board's limiting staff to a recommendation of agricultural water rates below the maximum allowed by the District Act will benefit water users Countywide, and is necessary to carry out the policies of the State Legislature and the District Board of Directors.

Staff is authorized to prepare, for the Board's consideration, resolutions for the collection of property taxes as needed and authorized under applicable laws.

4. Previous Policy Rescinded

The "Water Taxing and Pricing Policy," adopted by Resolution No. 96-82, is hereby rescinded.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District on
March 16, 1999 by the following vote:

AYES: Directors Gross, Zlotnick, Judge, Kamei, Sanchez, Estremera, Wilson

NOES: Directors None

ABSENT: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By:


Chair/Board of Directors

ATTEST: LAUREN L. KELLER


Clerk/Board of Directors

RESOLUTION NO. 12- 10

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SANTA CLARA VALLEY WATER DISTRICT ADOPTING PROCEDURES
FOR THE IMPOSITION OF SURFACE WATER CHARGES

WHEREAS, pursuant to Section 4 of the District Act, the purposes of the District Act are to authorize the District to provide comprehensive water management for all beneficial uses within Santa Clara County; and

WHEREAS, Section 5(5) of the District Act authorizes District to do any and every lawful act necessary to be done that sufficient water may be available for beneficial uses within Santa Clara County; and

WHEREAS, Section 5(12) authorizes the District to make contracts and do all acts necessary for the full exercise of all powers vested in the District; and

WHEREAS, Proposition 218, adopted on November 6, 1996, added Articles XIIIC and XIID to the California Constitution which impose certain procedural and substantive requirements with respect to the imposition of certain new or increased fees and charges; and

WHEREAS, whether legally required or not, the District Board believes it to be in the best interest of the community to align its practices with respect to the imposition of surface water charges to mirror the majority protest requirements of Article XIII D, section 6 applicable to charges for water services to the extent possible; and

WHEREAS, the District Board believes it to be in the best interest of the community to record its decisions regarding implementation of the provisions relating to imposition of surface water charges and to provide the community with a guide to those decisions and how they have been made; and

NOW, THEREFORE, the Board of Directors of Santa Clara Valley Water District does hereby resolve as follows:

SECTION 1. Statement of Legislative Intent. It is the Board of Directors' intent in adopting this resolution, to adopt the notice, hearing, and majority protest procedure proceedings that are consistent, and in conformance with, Articles XIIIC and XIID of the California Constitution and with the Proposition 218 Omnibus Implementation Act and the provisions of other statutes authorizing imposition of surface water charges. To the extent that these requirements are legally required to supercede the requirements set forth in the District Act, these provisions are intended to prevail.

SECTION 2. Definitions.

- A. Record Owner.** The District will provide the required notice to the Record Owner. "Record Owner" means the record owner of the property on which the surface water use-facility is present, and the tenant(s) who are District surface water permittees liable for the payment of the surface water charge.

A Resolution of the Board of Directors of the Santa Clara Valley Water District Adopting
Procedures for the Imposition of Surface Water Charges

- B. Charge Zone.** "Charge Zone" means the District zone (i.e. Zone W-2 or Zone W-5) that a surface water user's turnout is located, which is applicable in identifying the proposed surface water charge. Surface water users that receive surface water outside of either Zone W-2 or Zone W-5 are deemed to be located in the zone to which the surface water user's turnout is most nearly located.

SECTION 3. Surface Water Charge Proceeding. The following procedures will be used:

- A. Those Subject to the charge.** The Record Owners of the existing surface use-facilities.
- B. Amount of Charge.** A formula or schedule of charges by which the customer can easily calculate the potential surface water charge will be included in the notice. The surface water charge is comprised of a basic user charge and a surface water master charge. The surface water charge must comply with the following substantive requirements:
1. Revenues derived from the surface water charge will not be used for any purpose other than that for which the charge is imposed.
 2. Revenues derived from the surface water charge will not exceed the direct and indirect costs required to provide the service.
 3. The amount of the surface water charge must not exceed the proportional cost of the service attributable to the property.
 4. No charge may be imposed for a service unless the service is actually used by, or immediately available to the property owner (or, if applicable, the tenant).
 5. No charge can be imposed for general governmental services where the service is available to the public at large in substantially the same manner as it is to property owners.
- C. Notice.** The following guidelines apply to giving notice of the surface water charge.
1. Record Owner(s) of each parcel subject to the surface water charge, meaning any parcel with a surface water use-facility, will be determined from the last equalized property tax roll. If the property tax roll indicates more than one owner, each owner will be sent the notice. District surface water permittees liable for the payment of the surface water charge will also be provided with the notice.
 2. The notice must be sent at least forty-five (45) days prior to the date set for the public hearing on the surface water charge.
 3. Failure of any person to receive the notice will not invalidate the proceedings.

A Resolution of the Board of Directors of the Santa Clara Valley Water District Adopting
Procedures for the Imposition of Surface Water Charges

D. Surface Water Charge Protest. The following guidelines apply to the surface water charge protest procedure:

1. The notice will be mailed to all affected Record Owners at least forty-five (45) days prior to the date of the public hearing on the proposed surface water charge.
2. Written protests must be forwarded to the Clerk of the Board by mail or in person, sealed in an envelope which conceals the contents, with the property address or APN written on the outside of the envelope. To be counted, protests must be received no later than the date for return of protests stated on the notice, or the close of the public hearing, whichever is later.
3. A protest must be signed under penalty of perjury. For properties with more than one Record Owner, a protest from any one surface water user-facility will count as a protest for the property. No more than one protest will be counted for any given property.
4. Only protests with original signatures will be accepted. Photocopied signatures will not be accepted. Protests will not be accepted via e-mail. Protests must be submitted in sealed envelopes identifying the property on which the surface water user-facility is located, and include the legibly printed name of the signator. Protests not submitted as required by this Resolution will not be counted.
5. This proceeding is not an election.
6. Written Protests must remain sealed until the tabulation of protests commences at the conclusion of the public hearing. A written protest may be submitted or changed by the person who submitted the protest prior to the conclusion of the public testimony on the proposed charge at the public hearing.
7. Prior to the public hearing, neither the protest nor the envelope in which it is submitted will be treated as a public record, pursuant to the Government Code section 6254(c) and any other applicable law, in order to prevent potential unwarranted invasions of the submitter's privacy and to protect the integrity of the protest process.

E. Tabulating Protests. The following guidelines apply to tabulating protests:

1. It will be the responsibility of the Clerk of the Board to determine the validity of all protests. The Clerk will accept as valid all protests except those in the following categories:
 - a. A photocopy which does not contain an original signature;
 - b. An unsigned protest;
 - c. A protest without a legible printed name;
 - d. A protest which appears to be tampered with or otherwise invalid based upon its appearance or method of delivery or other circumstances;

A Resolution of the Board of Directors of the Santa Clara Valley Water District Adopting
Procedures for the Imposition of Surface Water Charges

- e. A protest submitted to the District via e-mail;
- f. A protest submitted in an envelope that does not have the address or APN written on the outside of the envelope;
- g. A protest signed by someone other than the Record Owner for the APN.

The Clerk's decision, after consultation with the District Counsel, that a protest is invalid is final.

- 2. An impartial person, designated by the governing board, who does not have a vested interest in the outcome of the proposed charge will tabulate the written protests submitted, and not withdrawn. The impartial person may be a member of the Clerk of the Board Office.
- 3. A Record Owner who has submitted a protest may withdraw that protest at any time up until the conclusion of the final public hearing on the surface water charge.
- 4. A property owner's failure to receive notice of the surface water charge will not invalidate the proceedings conducted under this procedure.

F. Public Hearing.

- 1. At the public hearing, the District Board will hear and consider all public testimony regarding the proposed surface water charge and accept written protests until the close of the public hearing, which hearing may be continued from time to time.
- 2. The District Board may impose reasonable time limits on both the length of the entire hearing and the length of each speaker's testimony.
- 3. At the conclusion of the hearing, the Clerk of the Board, or other neutral person designated to do the tabulation will complete tabulation of the protests from Record Owners, including those received during public hearing.
- 4. If it is not possible to tabulate the protests on the same day as the public hearing, or if additional time is necessary for public testimony, the District Board may continue the public hearing to a later date to receive additional testimony, information or to finish tabulating the protests; or may close the public hearing and continue the item to a future meeting to finish tabulating the protests.
- 5. If according to the final tabulation of the protests from Record Owners, the number of protests submitted against the proposed surface water charge (or increase of the surface water charge) within a Charge Zone exceeds 50% plus one of either: (i) the identified number of parcels within that Charge Zone, or (ii) the identified number of owners and tenants who are subject to the surface water charge within that Charge Zone, then a "majority protest" exists and the District Board of Directors will not impose the surface water charge within that Charge Zone.

A Resolution of the Board of Directors of the Santa Clara Valley Water District Adopting
Procedures for the Imposition of Surface Water Charges

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the
following vote on February 14, 2012.

AYES: Directors T. Estremera, D. Gage, J. Judge, P. Kwok, R. Santos, B. Schmidt,
L. LeZotte

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By:


LINDA J. LEZOTTE

Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC


Clerk/Board of Directors

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Capital Improvement Program Preliminary FY 2026-30 Five-Year Plan and FY 2025-26 Groundwater Production Charges

Presented by:

Luz Penilla, Office of Integrated Water Management Assistant Officer

Carmen Narayanan, Financial Planning and Revenue Manager

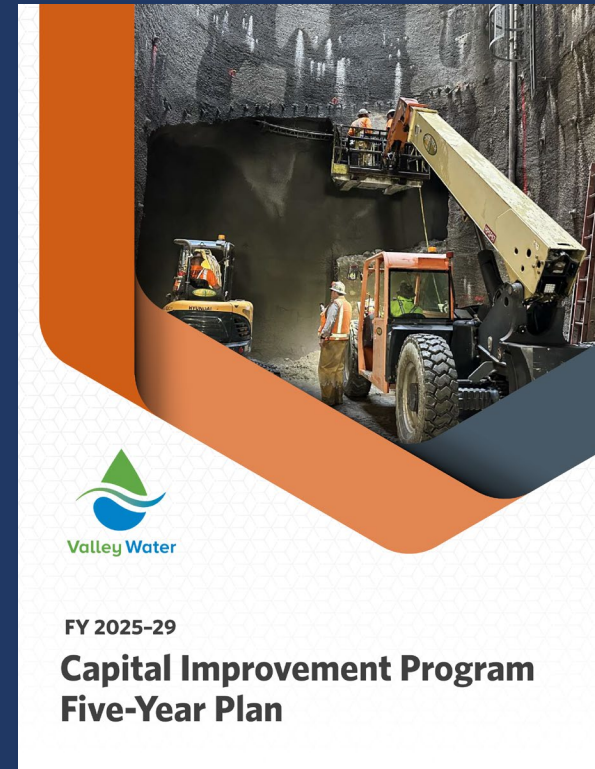


Recommended Board Actions

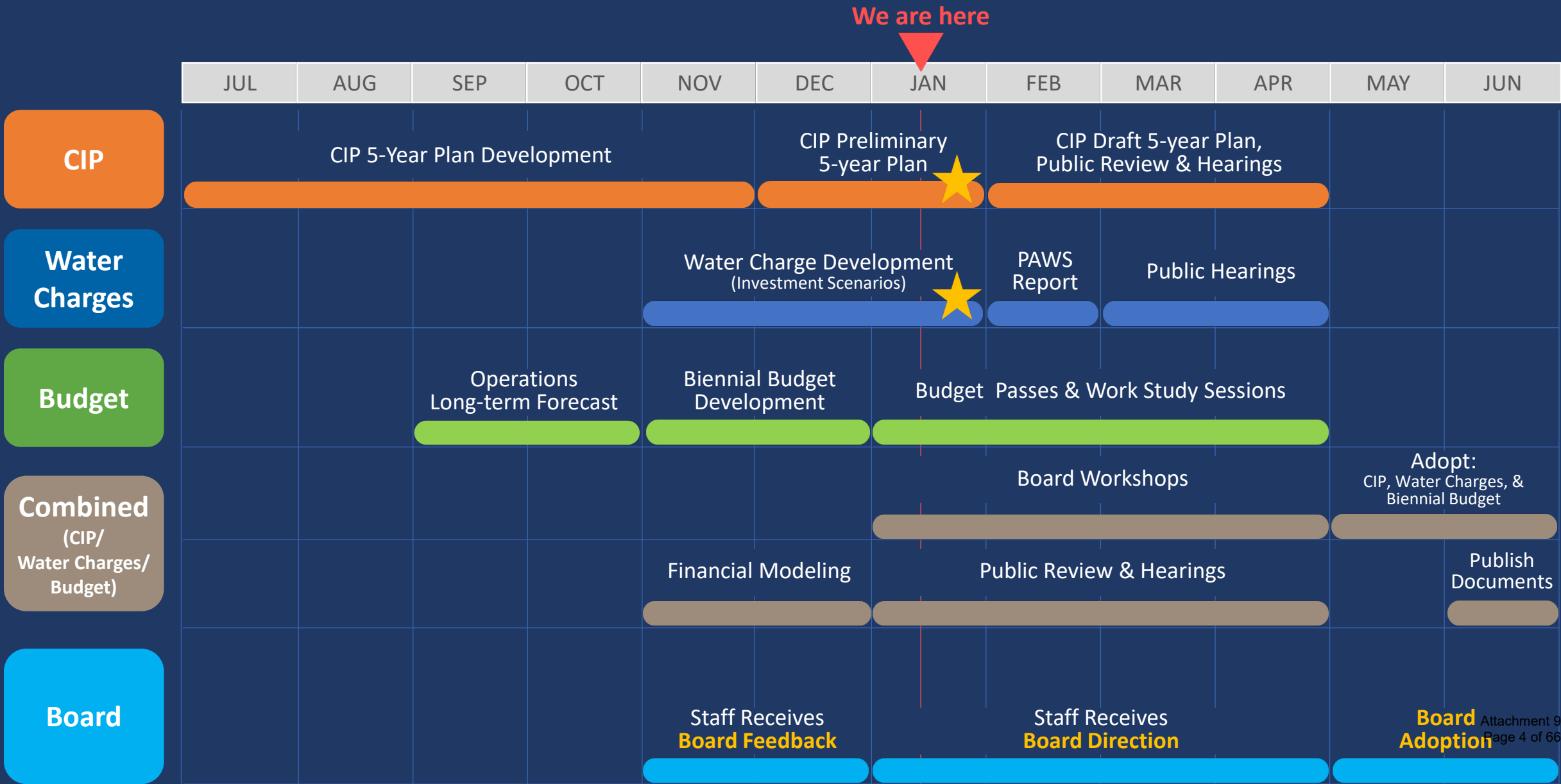
- A. Review the Capital Improvement Program (CIP) Evaluation Team's recommended funding scenarios for the CIP Preliminary Fiscal Year 2026-2030 (FY 2026-30) Five-Year Plan and approve the recommendations for the Water Utility Enterprise Fund (Fund 61) and the inclusion of three projects in the CIP Draft FY 2026-30 Five-Year Plan;
- B. Review proposed adjustments and modifications to the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) Fund (Fund 26);
- C. Set the time and place for a public hearing for modifications to the Safe, Clean Water Program for February 11, 2025; and
- D. Discuss and provide direction on the preliminary FY 2025-2026 (FY 26) Groundwater Production Charge analysis.

Presentation Outline

1. Annual Development Timelines
2. CIP Preliminary FY 2026-30 Five-Year Plan
 - A. Project Plan Updates Summary
 - B. CIP Evaluation Team Analysis and Recommendations
 - 1) Analysis and Recommendations by Fund
 - a) Baseline
 - b) Recommended
 - 2) Initially Validated/Unfunded Projects
3. Preliminary FY 2025-26 Groundwater Production Charge Analysis
4. Next Steps

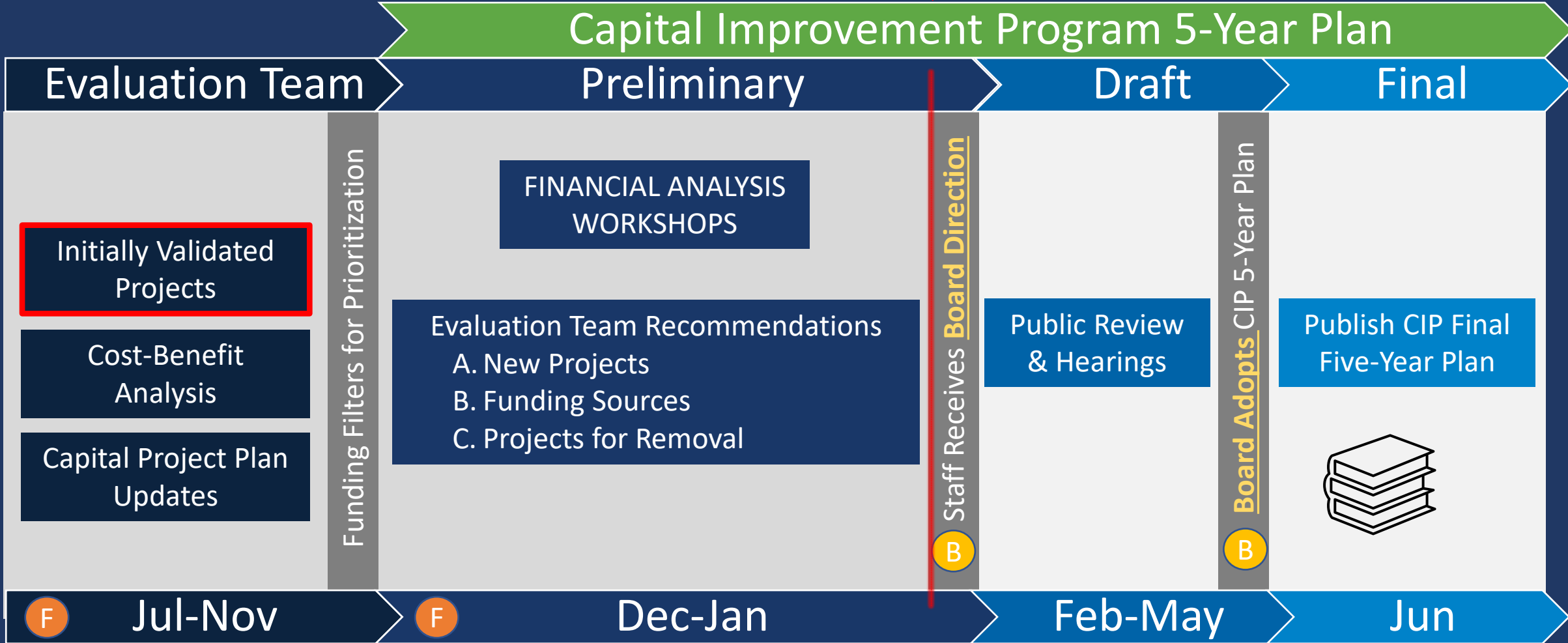


Annual CIP, Biennial Budget & Water Charges Development Timeline



Annual CIP 5-Year Plan Timeline

We are here ↓



F CIP Committee and/or Board Feedback; 11/1; 11/12; 12/16

B Key Decision Points for Board; 1/14; 5/13

Summary of Project Plan Updates

**Changes from Board Adopted
CIP FY 2025-29 Five-Year Plan**

Project Plan Updates from CIP Adopted Five-Year Plan

Overview of 45 Project Plan Updates:

- **24 Projects** had changes to **SCHEDULE** and **COST**
- **11 Projects** had changes to **SCOPE, SCHEDULE** and **COST**
- **3 Projects** had changes to **SCHEDULE ONLY**
- **5 Projects** had changes to **COST ONLY**
- **2 Project** had changes to **SCOPE** and **COST**

Small Capital Project Updates

- **5 Projects** had changes due to **SMALL CAPITAL FORECAST REVISIONS**

Project Plan Updates Fund Impacts

Changes from Adopted CIP FY 2025-29 Five-Year Plan

Impact, by fund, of the 45 project plan updates:

Fund	Cost Impact* (±)
General Buildings & Grounds (Fund 11)	\$216K
Watersheds Stream Stewardship (Fund 12)	\$83.27M
Safe, Clean Water and Natural Flood Protection Program (Fund 26)	-\$4.30M
Water Utility Enterprise (Fund 61)	\$70.46M
Information Technology (Fund 73)	-\$26.73M

* Cost includes inflation.

New/Pending Project Plan Updates

Project plan updates are underway for the following projects:

1. San Franscisquito Creek – San Francisco Bay to Searsville Dam (E5) (26284002)
2. Berryessa Ck, Calaveras I-680 – Corps (26174041)
3. Llagas Creek-Upper, Corps Coordination (E6a) (26174052)
4. Anderson Dam Tunnel Project (91864006)
5. Anderson Dam Seismic Retrofit Project (91864005)
6. Coyote Creek Stream Augmentation Fish Protection Measure (Chillers) (91864008)
7. Cross Valley Pipeline Extension (91864010)

(NOTE: The pending changes have not been finalized and therefore are not incorporated into the Baseline CIP Preliminary FY 2026-30 Five-Year Plan. The changes will be incorporated and modeled for the February 25, 2025, Board Meeting, along with any additional project plan updates.)

CIP Preliminary FY 2026-30 Five-Year Plan (Baseline)

With changes from Adopted CIP FY 2025-29 Five-Year Plan

Fund	FY25-29 Adopted	FY26-30 Preliminary (Baseline)	Change in Cost (±)
General Buildings & Grounds (Fund 11)	\$95.956M	\$96.172M	\$216K
Watersheds Stream Stewardship (Fund 12)	\$881.713M	\$964.978M	\$83.27M
Safe, Clean Water and Natural Flood Protection Program (Fund 26)	\$1.257B	\$1.252B	- \$4.30M
Water Utility Enterprise (Fund 61)	\$7.293B	\$7.364B	\$70.46M
Information Technology (Fund 73)	\$42.371M	\$15.643M	-\$26.73M
Totals:	\$9.570B	\$9.693B	\$121.41M

Baseline Includes:

- *Capital project plan updates*
- *Cost increases/decreases resulting from inflation*
- *Board approved project closures in FY 25*

CIP Evaluation Team Analysis

Recommendations by Fund

Watershed Stream Stewardship Fund (Fund 12)

Largest/Most Impactful changes from Adopted CIP FY 2025-29 Five-Year Plan

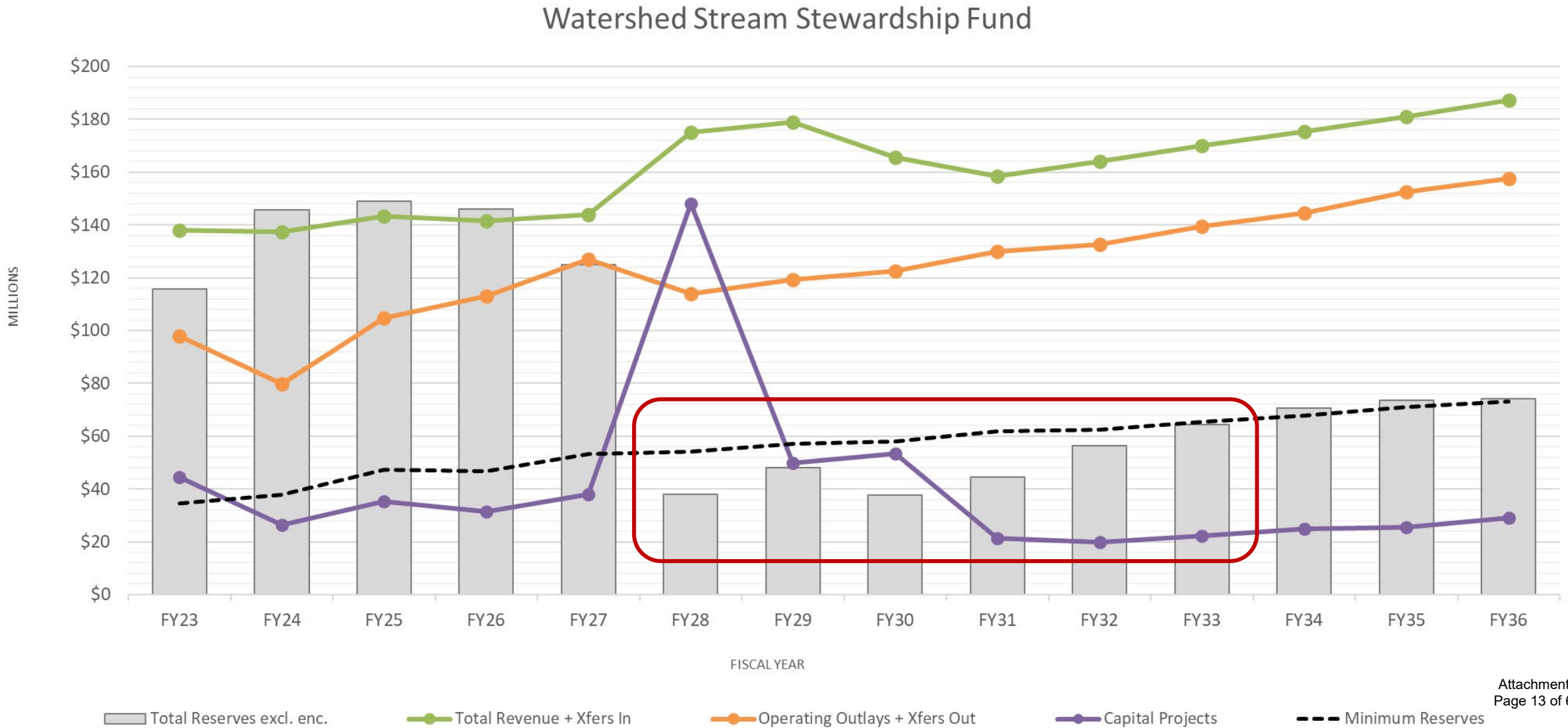
Overview of Largest/Most Impactful Project Plan Updates:

Project Number	Project Name	Scope	Schedule Impact (±)	Cost Impact* (±)
20444002	Pond A4 Resilient Habitat Restoration	Y	+ 2 Years	+ \$5.74M
30154019	Lower Guadalupe River Capacity Restoration Project	-	+ 3 Years	+ \$3.43M**
62084001	Watersheds Asset Rehabilitation Program (WARP)	-	-	+ \$3.33M

* Cost includes inflation

** No change to Total Project Cost, inflation only

Watershed Stream Stewardship Fund 12 - Baseline



CIP Evaluation Team Recommendations – Fund 12

Recommended Scenario = Baseline, with the following modifications:

1. Include the ERP System Replacement - \$33.5M (Fund 12 = 30%)
2. Recommend a public hearing to move the San Francisco Bay Shoreline, EIA 11 Project (00044026) back into the Safe, Clean Water Program (Fund 26) to utilize approximately \$23M in unspent funds from the San Francisco Bay Shoreline, EIA's 1-4 Project (26444002) (KPI #1), which cannot be fully implemented due to the USACE decision not to pursue design and construction of EIAs 1-4
3. Reduce the Board-approved fund transfer from Fund 12 to Fund 26 from \$27.9M to \$10M to balance the fiscal health of both funds

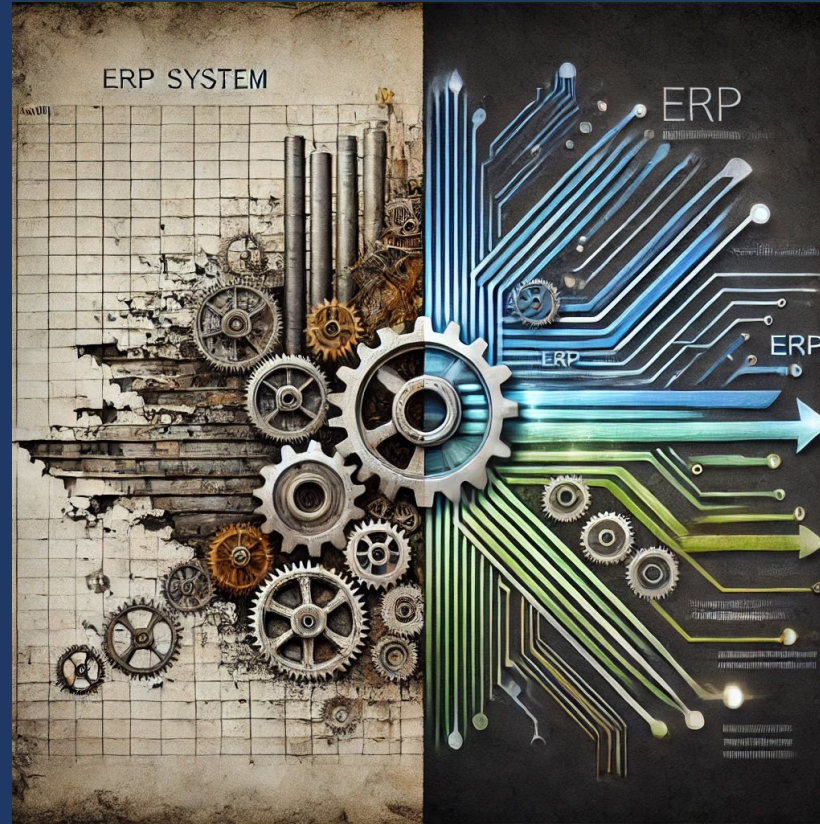
ERP System Replacement Project

TPC: \$33.5 M

Funding: Fund 73 (Fund 12 = 30%)

Duration: 3-4 Years

Location: San Jose, CA

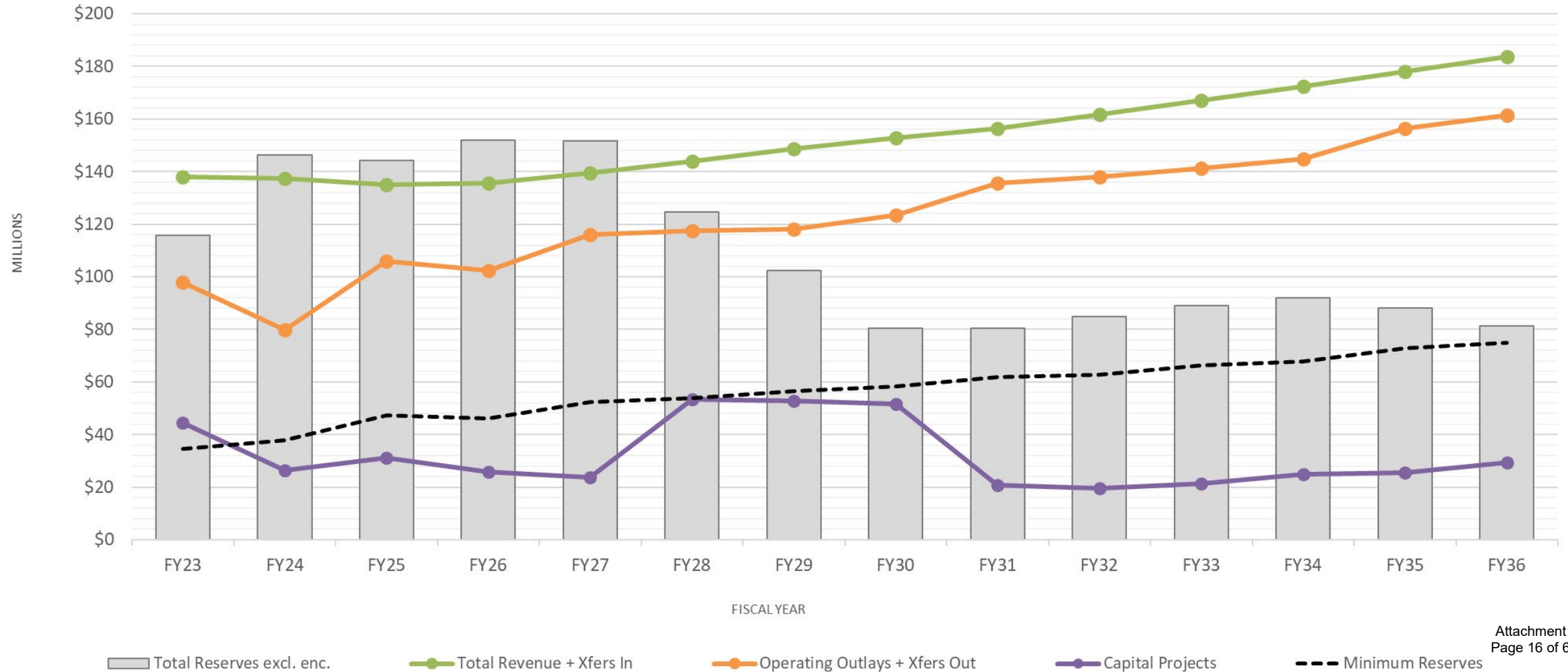


Objectives:

1. Provide an Enterprise Resource Planning (ERP) system to eliminate inefficiencies
2. Replace Infor with a new ERP system
3. Simplify usability for employees, interns, and temps

Watershed Stream Stewardship Fund 12 – Recommended Scenario

Watershed Stream Stewardship Fund



Safe, Clean Water and Natural Flood Protection Program Fund (Fund 26)

Largest/Most Impactful changes from Adopted CIP FY 2025-29 Five-Year Plan

Overview of Largest/Most Impactful Project Plan Updates:

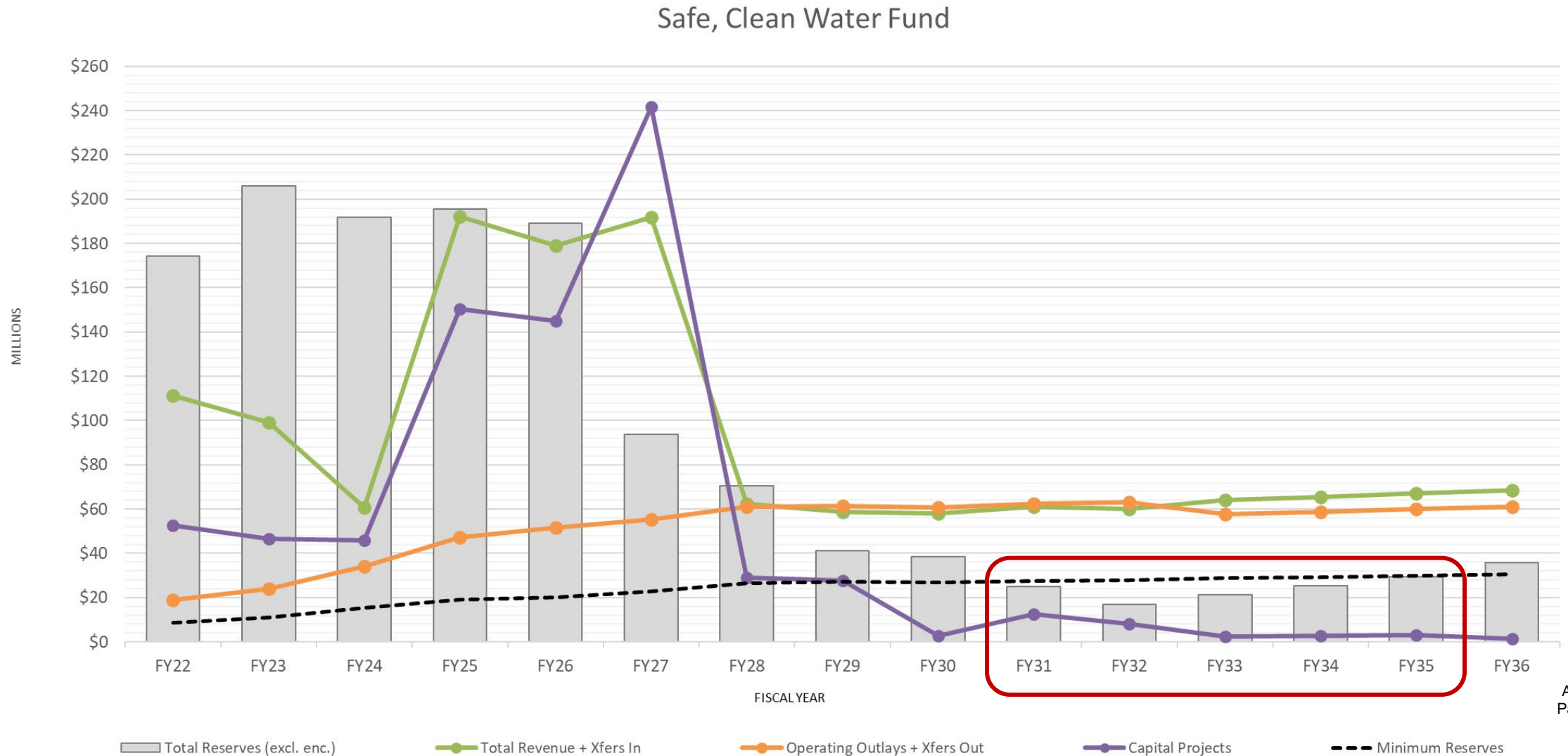
Project Number	Project Name	Scope	Schedule Impact (±)	Cost Impact* (±)
26444004	San Francisco Bay Shoreline EIAs 5-9	-	+ 2 Years	- \$189K**
26074002	Sunnyvale East and West Channels	Y	Phase only	+ \$32.65M
26174054	Llagas Creek – Upper, Design	-	+ 1 Year	- \$3.31M
26174055	Llagas Creek – Upper, Phase 2B Construction	-	+ 4 Years	+ \$55.92M
26764001	IRP2 Additional Line Valves (A3)	-	-	+ \$8.65M
26044003	Ogier Ponds Separation from Coyote Creek (D4.1b)	-	+ 5 Years	+ \$520K
26444002	San Francisco Bay Shoreline – EIAs 1-4	Y	- 7 Years	- \$22.98M
26154003	Guadalupe Rv – Upper, SPRR-Blossom Hill (R7-12)	-	+ 2 Years	- \$39.30M
26324001	Upper Penitencia Ck, Coyote Ck-Dorel Dr, Corps (E4)		+ 5 Years	+ \$2.09M**

* Cost includes inflation

** No change to Total Project Cost, inflation only

Safe, Clean Water Fund 26 – Baseline*

* Includes: \$80M in NRCS funding for Upper Llagas Creek Flood Protection Project – Phase 2B; \$14.8M transfer in from WUE Fund 61 for IRP2; \$27.9M transfer in from WSS Fund 12; and \$26.2M San Francisco Creek JPA funding [unsecured]



CIP Evaluation Team Recommendations – Fund 26

Recommended Scenario = Baseline, with the following modifications:

1. Include the ERP System Replacement - \$33.5M (Fund 26 = 10%)
2. Recommend a public hearing to move the San Francisco Bay Shoreline, EIA 11 Project (00044026) back into the Safe, Clean Water Program (Fund 26) to utilize approximately \$23M in unspent funds from the San Francisco Bay Shoreline, EIA's 1-4 Project (26444002) (KPI #1), which cannot be fully implemented due to the USACE decision not to pursue design and construction of EIAs 1-4
3. Reduce the Board-approved fund transfer from Fund 12 to Fund 26 from \$27.9M to \$10M to balance the fiscal health of both funds

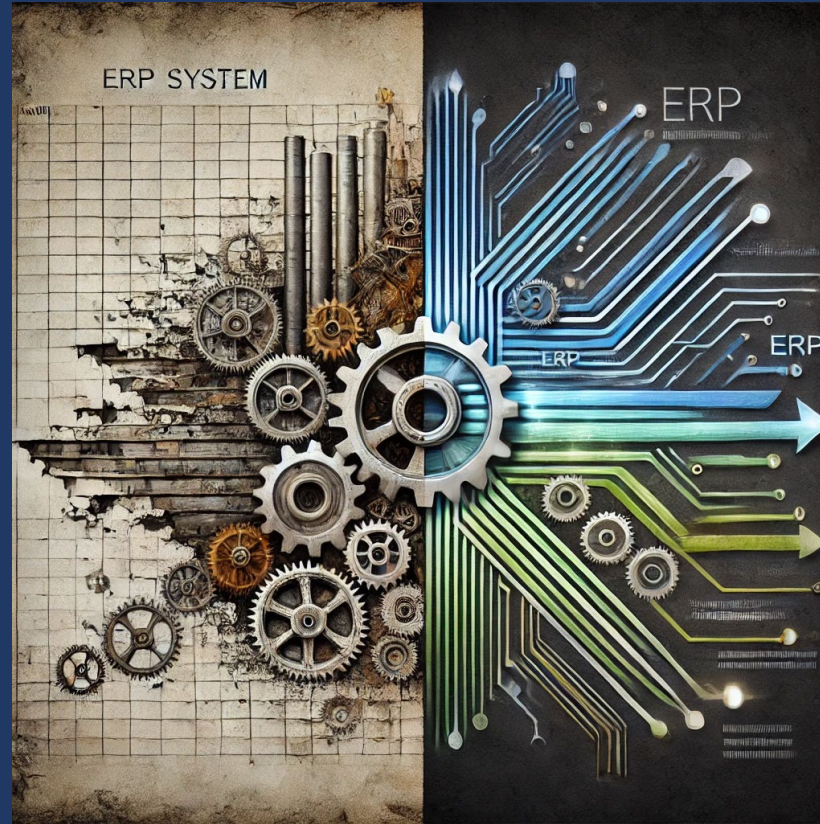
ERP System Replacement Project

TPC: \$33.5 M

Funding: Fund 73 (Fund 26 = 10%)

Duration: 3-4 Years

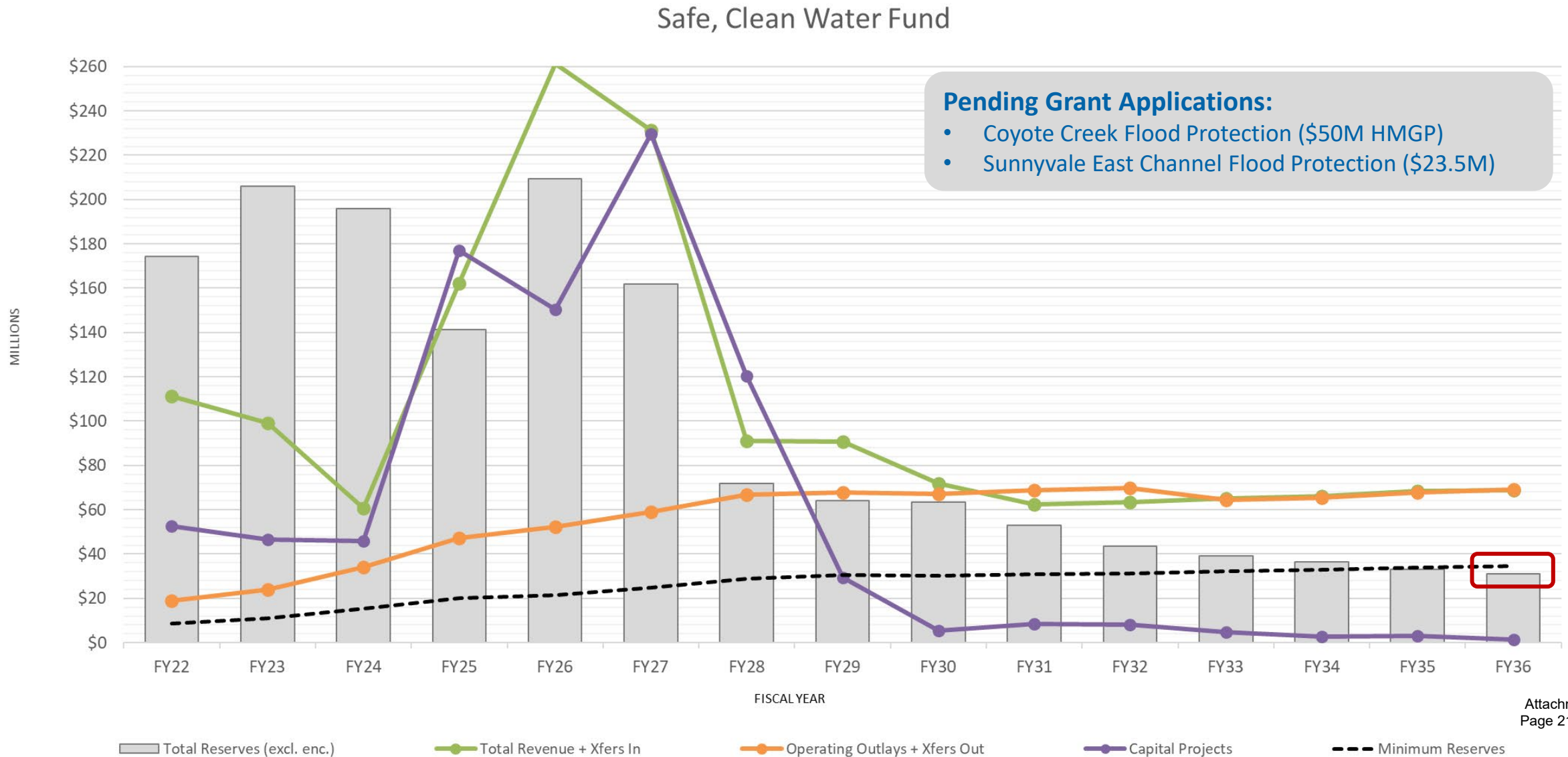
Location: San Jose, CA



Objectives:

1. Provide an Enterprise Resource Planning (ERP) system to eliminate inefficiencies
2. Replace Infor with a new ERP system
3. Simplify usability for employees, interns, and temps

Safe, Clean Water Fund 26 – Recommended Scenario



Water Utility Enterprise Fund (Fund 61)

Largest/Most Impactful changes from Adopted CIP FY 2025-29 Five-Year Plan

Overview of Largest/Most Impactful Project Plan Updates:

Project Number	Project Name	Scope	Schedule Impact (±)	Cost Impact* (±)
91864011	Coyote Percolation Dam Phase 2	Y	- 4 Years	- \$12.23M
91954002	Pacheco Reservoir Expansion	-	+1.5 Years	- \$17.06M**
91294001	San Jose Purified Water Project (SJWP) – Phase 1	Y	Phase Only	+ \$57.49M
91864005	Anderson Dam Seismic Retrofit	-	-	- \$9.05M**
91864007	Coyote Creek Flood Management Measure	-	Phase Only	- \$16.00M
91874004	Calero Dam Seismic Retrofit (Design & Construction)	Y	Phase Only	- \$23.53M
91894002	Guadalupe Dam Seismic Retrofit – Design and Construct	Y	+ 4 Years	+ \$56.02M
93234044	PWTP Residuals Management	Y	+ 3 Years	+ \$53.87M
94084007	Treated Water Isolation Valves	Y	+ 1 Year	+ \$4.90M
95084002	10-Year Pipeline Rehabilitation	-	+ 1 Year	+ \$12.63M
92304001	Almaden Valley Pipeline Replacement Project	-	+ 1 Year	- \$15.72M

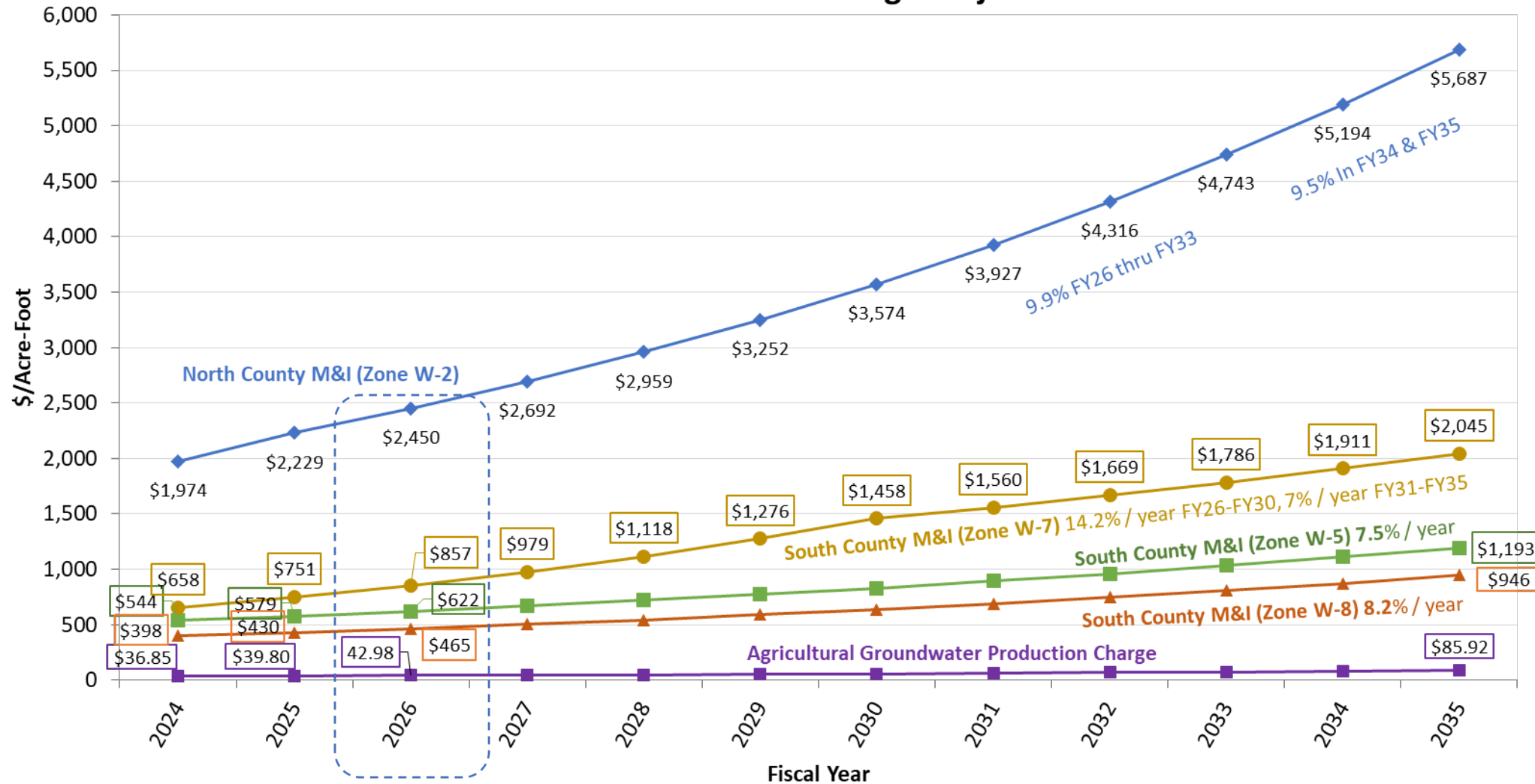
Attachment 9
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*Cost includes inflation

** No change to Total Project Cost, inflation only

Water Utility Fund 61 – Baseline Rate Projections

M&I Groundwater Charge Projection



Reflects baseline case for WUE Rate Projections.

FY26 Water Usage: 218kAF [Moderate Rebound]

Delta Conveyance Project

Pacheco & Anderson w/WIFIA

Ag @ 9.25% M&I Zone W-8

Sisk Dam Raise

[LVE Eliminated]

CIP Evaluation Team Recommendations – Fund 61

Recommended Scenario = Baseline, with the following modifications:

1. Include the ERP System Replacement - \$33.5M (Fund 61 = 60%)
2. Include the Coyote Dam Seismic Retrofit - \$406.4M
3. Include the Pipeline Maintenance Program - \$55.4M

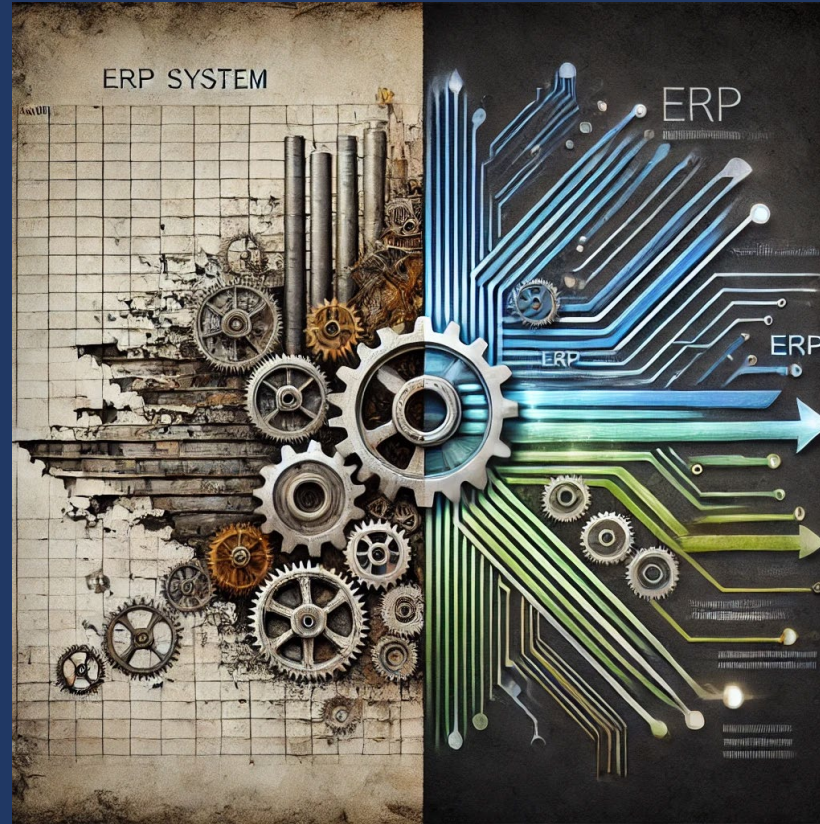
ERP System Replacement Project

TPC: \$33.5 M

Funding: Fund 73 (Fund 61 = 60%)

Duration: 3-4 Years

Location: San Jose, CA



Objectives:

1. Provide an Enterprise Resource Planning (ERP) system to eliminate inefficiencies
2. Replace Infor with a new ERP system
3. Simplify usability for employees, interns, and temps

Coyote Dam Seismic Stability

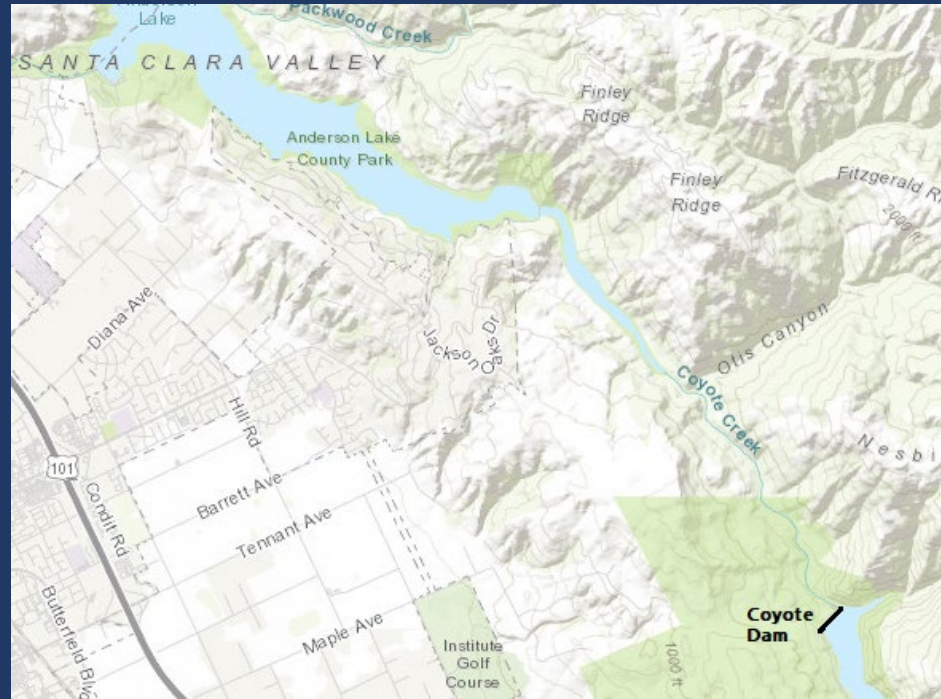
TPC: \$406.4 M

Funding: Funds 61

Duration: 10-12 Years

Location: Morgan Hill, CA

Upstream of the Anderson Dam



Calaveras Fault crossing embankment



Objectives:

1. Enhance dam safety by installing a downstream filter and drainage system to address seismic-related cracking risks
2. Replace the downstream alluvium foundation which is prone to liquefaction
3. Modify spillway to manage Probable Maximum Flood events

Pipeline Maintenance Program

TPC: \$55.4M

Funding: Fund 61

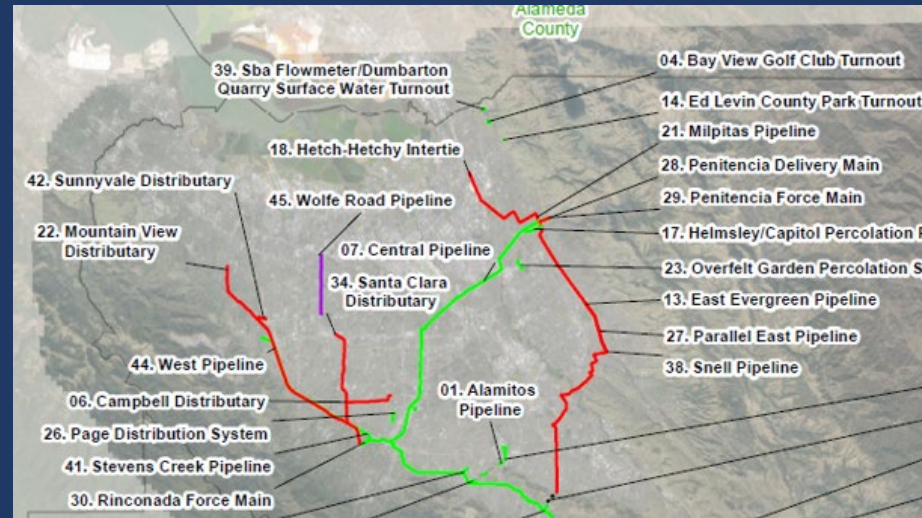
Duration: Ongoing

Location: Santa Clara County

Map Legend

- Raw Water
- Treated Water
- Recycled Water

Proposed Project Sites



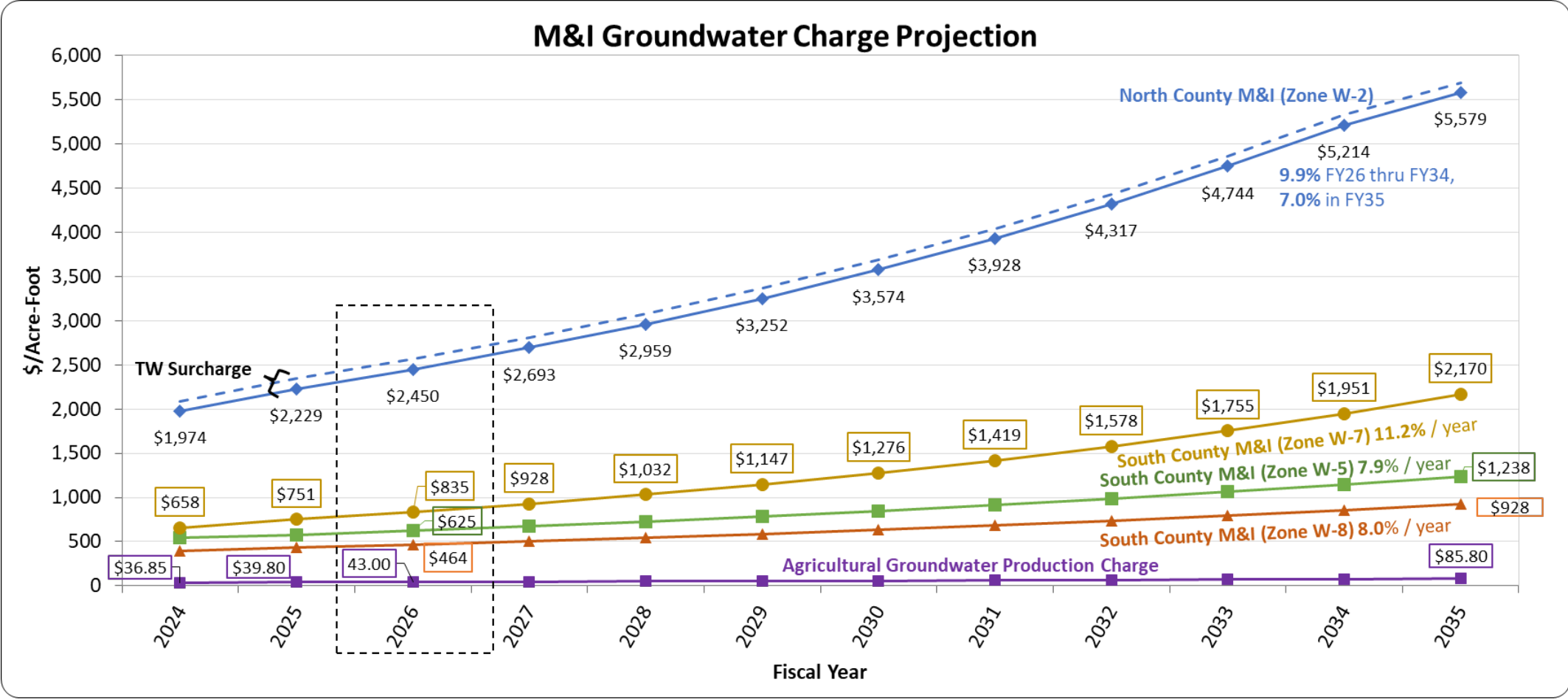
Program's Projects



Objectives:

1. Update Pipeline Maintenance Program and Environmental Impact Report for future efforts
2. Conduct dewatering and inspect Valley Water pipelines and tunnels
3. Assess condition; maintain, repair, and coat as necessary
4. Fix or replace distressed pipe sections
5. Update line valves, flow meters, and piping

Water Utility Fund 61 – Recommended Baseline Rate Projections



Reflects CIP Team Recommended baseline case for WUE Rate Projections.

FY26 Water Usage: 218kAF [Moderate Rebound]

Delta Conveyance Project

Pacheco & Anderson w/WIFIA

Ag @ 9.25% M&I Zone W-8

Sisk Dam Raise

Attachment 9
Page 28 of 66

Baseline rate projections included placeholders for Dam Safety Program [Coyote Dam] and ERP Replacement during the FY 2024-25 planning cycle; revised project costs are reflected above as part of the recommended baseline rate projections.

[LVE Eliminated]

Rate Setting Strategy & Scenario Ideas for FY 2025-26

As discussed with the Board on 11/12/2024

Utilize the CIP Evaluation Team Recommended Baseline for the CIP Preliminary FY 2026-30 Five-Year Plan to model the following rate-setting scenarios:

Modified Baseline with –

- 1. No Pacheco Reservoir Expansion Project (PREP)**
- 2. 15% PREP partner funding**
- 3. No PREP partner funding**

CIP Preliminary FY 2026-30 Five-Year Plan (Recommended)

With changes from Adopted CIP FY 2025-29 Five-Year Plan

Fund	FY25-29 Adopted	FY26-30 Preliminary (Recommended)*	Change in Cost (±)
General Buildings & Grounds (Fund 11)	\$95.956M	\$101.200M	\$5.244M
Watersheds Stream Stewardship (Fund 12)	\$881.713M	\$833.961M	- \$47.752M
Safe, Clean Water and Natural Flood Protection Program (Fund 26)	\$1.257B	\$1.456B	\$199.000M
Water Utility Enterprise (Fund 61)	\$7.293B	\$8.181B	\$888.000M
Information Technology (Fund 73)	\$42.371M	\$55.636M	\$13.265M
Totals:	\$9.570B	\$10.628B	\$1.058B

Recommended CIP Preliminary FY 2026-30 Five-Year Plan Includes:

- *CIP Evaluation Team Recommendations*
- *Cost increases/decreases resulting from inflation*
- *Board approved project closures in FY 25*

CIP Preliminary FY 2026-30 Five-Year Plan (Baseline vs. Recommended)

Fund	FY26-30 Preliminary (Baseline)	FY26-30 Preliminary (Recommended)*	Change in Cost (±)
General Buildings & Grounds (Fund 11)	\$96.172M	\$101.200M	\$5.028M
Watersheds Stream Stewardship (Fund 12)	\$964.978M	\$833.961M	- \$131.017M
Safe, Clean Water Program (Fund 26)	\$1.252B	\$1.456B	\$204.000M
Water Utility Enterprise (Fund 61)	\$7.364B	\$8.181B	\$817.000M
Information Technology (Fund 73)	\$15.64M	\$55.636M	\$54.072M
Totals:	\$9.693B	\$10.628B	\$935.000M

**The estimated recommended preliminary totals do not incorporate the pending project plan updates reflected on slide 10. Those not included will be incorporated for the February 25, 2025, Board Meeting.*

Initially Validated and Currently Unfunded Projects

Project Name	Estimated Total Project Cost (\$ thousands w/inflation)	Phase	Potential Funding Source	FY 2024-25 Funding Category	CIP Evaluation Team Recommendations
FY 2023-24 Initially Validated Projects					
Coyote Dam Seismic Retrofit	\$406,400	Planning	Fund 61	Category 1 - Existing Infrastructure	Include in the funded CIP FY26-30 Five-Year Plan
Pipeline Maintenance Program*	\$55,375	Plan/Design/Const.	Fund 61	Category 2 - Existing Infrastructure	Include in the funded CIP FY26-30 Five-Year Plan
Almaden-Calero Canal Rehabilitation - Phase II	\$12,950	Planning	Fund 61	Category 3 - Existing Infrastructure	Move to the unfunded list
Enterprise Resource Planning (ERP) System Replacement	\$33,508	Planning	Fund 73	Category 3 - Existing Infrastructure	Include in the funded CIP FY26-30 Five-Year Plan
Current Unfunded Projects					
Llagas Creek - Lower, Capacity Restoration, Buena Vista Road to Pajaro River	\$98,831**	Planning	Fund 12	Category 1 - Existing Infrastructure	Re-validate following emergency repair work
Permanente & Hale Creek Concrete Replacement	\$20,810	Planning/Design	Fund 12	Category 1 - Existing Infrastructure	Remain on the unfunded list until FY28
Calabazas/San Tomas Aquino Creek Marsh Connection - Construction (ONLY)	\$34,562	Construction	Fund 12	Category 2 - Existing Infrastructure	Remain on the unfunded list pending available funding/resources
Pond A4 - Phase 2 (Construction ONLY)	\$32,128	Construction	Fund 12	Category 3 - NEW Infrastructure	Remain on the unfunded list pending available funding/resources
South Babb Flood Protection - Long-Term	\$22,070	Planning	Fund 12	Category 3 - Existing Infrastructure	Remain on the unfunded list pending available funding/resources
Alamitos Operable Dam Replacement	\$13,889	Planning	Funds 12/61	Category 3 - Existing Infrastructure	Remain on the unfunded list pending available funding/resources
Palo Alto Purified Water Project (PAPWP)	\$1,097,076***	Planning	Fund 61	Category 3 - NEW Infrastructure	Remain on the unfunded list pending further development of SJPWP

* Renewal of the 10-yr Pipeline Inspection and Rehabilitation Project (sunsets in FY28)

** Llagas Capacity has prior year actuals = \$6,947, TPC = \$105,778

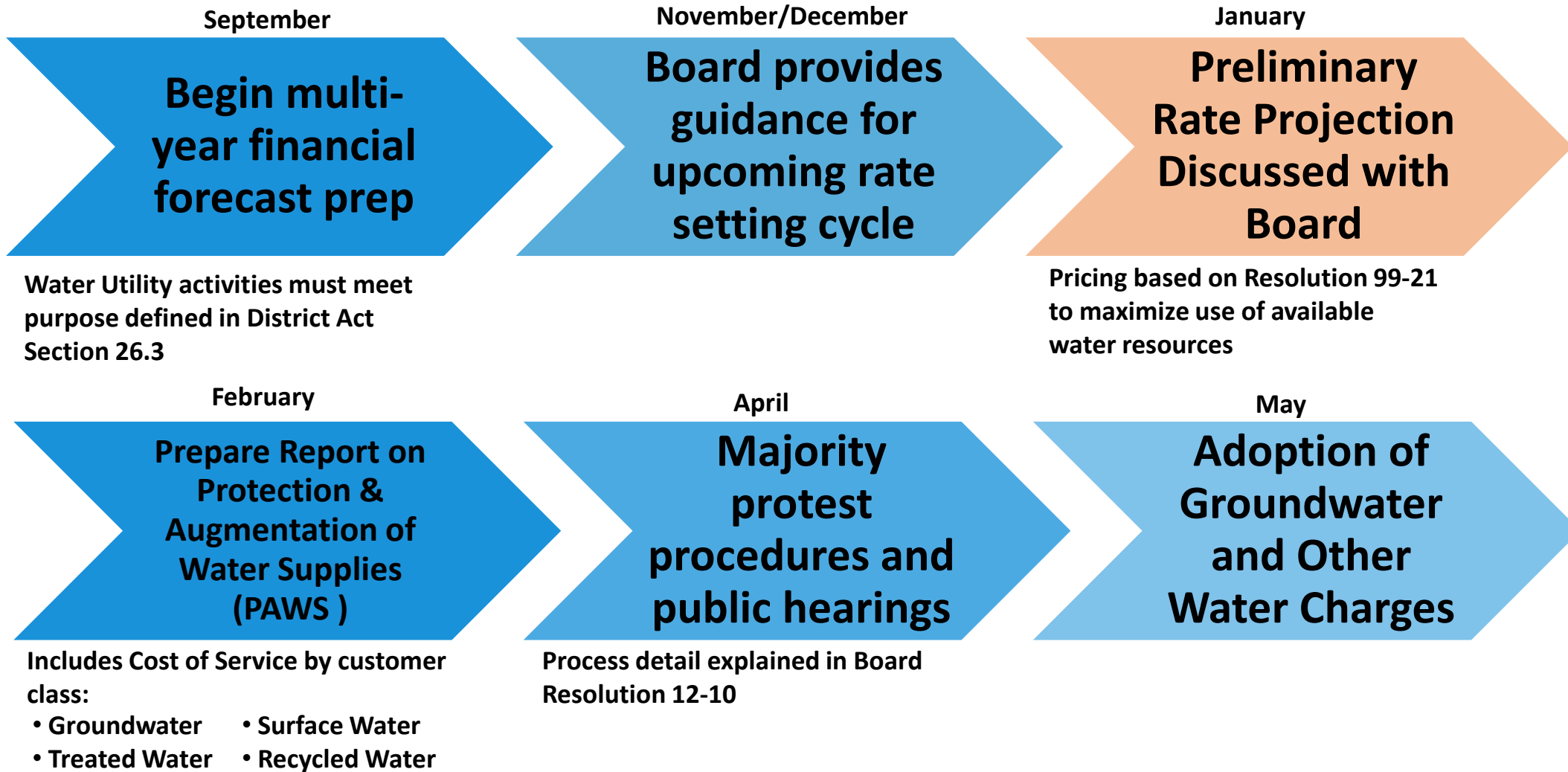
*** PAPWP Fund 61 unfunded cost is \$14,633,000; Public Private Partnership (P3 contribution for PAPWP) is \$1,082,443,000

Preliminary FY 2025-26 Groundwater Production Charge Analysis

Topics

- 1. Strategic Outlook**
- 2. Water Usage**
- 3. Board Questions**
- 4. Scenario Assumptions: Baseline & Alternative Scenarios**
- 5. Preliminary Groundwater Charge Forecast (Baseline & Alt. Scenarios)**
- 6. Other Information**
- 7. Schedule & Summary**

Groundwater Charge-Setting Approach



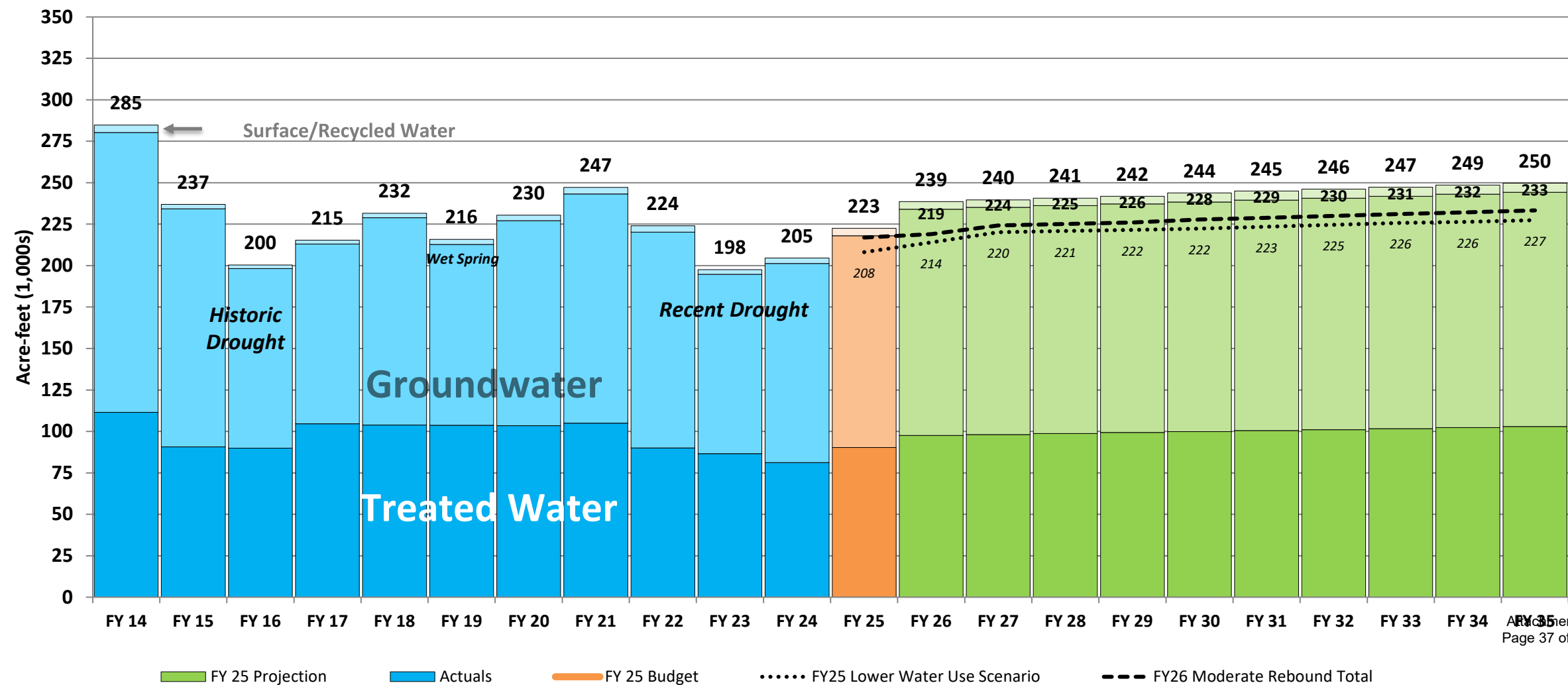
Strategic Outlook

- **Reduced water use projection versus prior year water rate setting cycle puts upward pressure on water rates**
 - Impact offset primarily by elimination of Los Vaqueros Expansion Project
- **Valley Water is in an era of investment**
 - To upgrade, rehabilitate, replace existing water supply infrastructure built decades ago
 - To invest in new infrastructure in response to climate change
- **Baseline water rate case investment assumptions in alignment with Draft Water Supply Master Plan 2050 “Diversified Portfolio”**

District Managed Water Usage

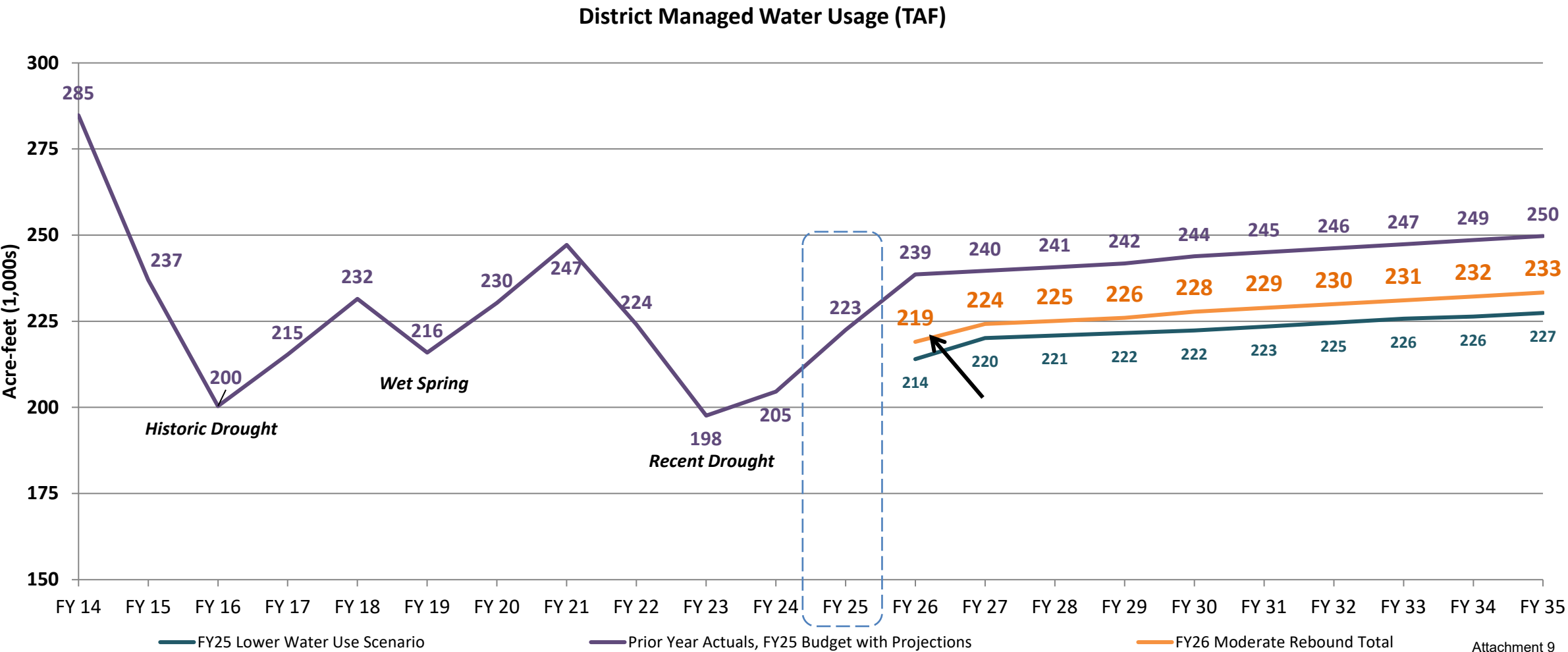
Reflects Ongoing Rebound from 2023 Drought

District Managed Water Usage (TAF)



District Managed Water Usage

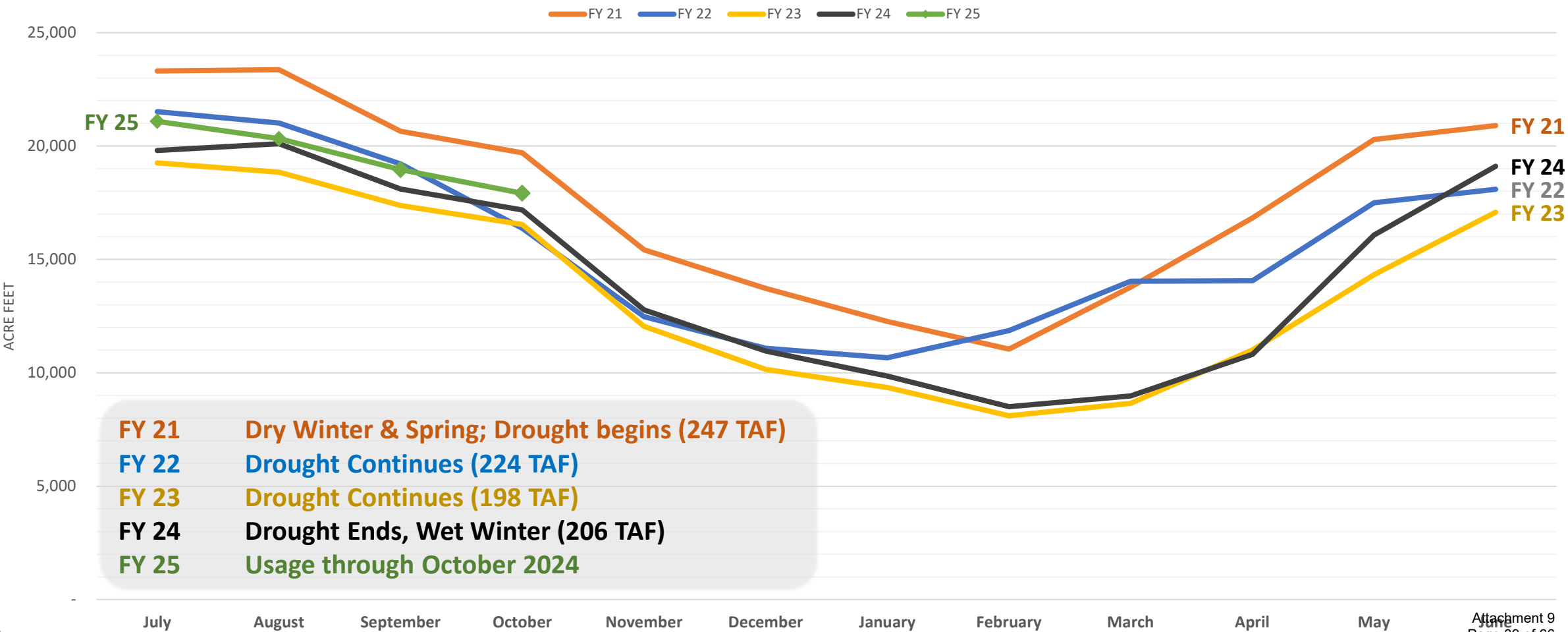
Reflects Ongoing Rebound from 2023 Drought



Recent Water Usage Trends

Initial FY 25 data: reflects ongoing rebound from 2023 Drought

District Managed Water Use, by Month* (Acre Feet)



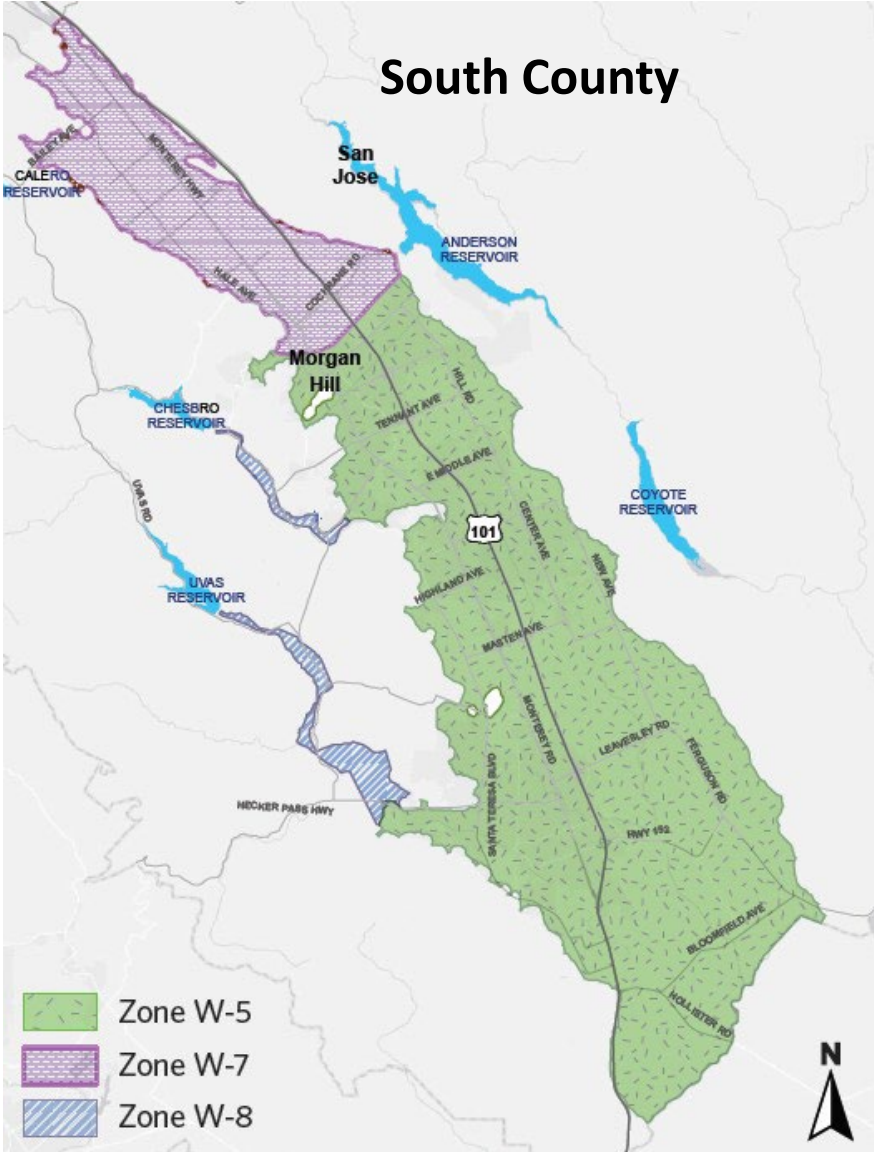
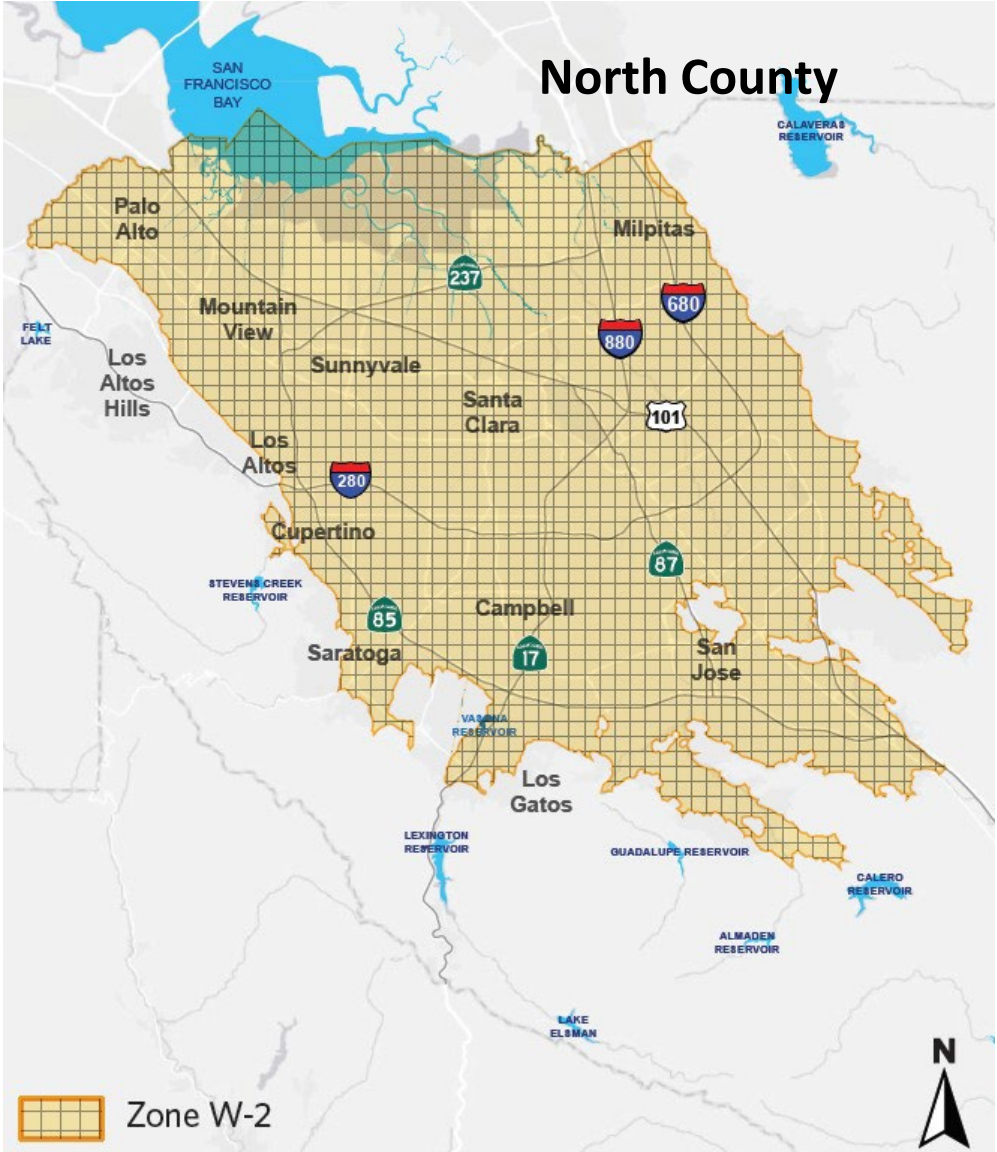
* Reflects water use (acre-feet) for customers billed monthly only.

Follow up on questions/comments from Board

Questions/comments captured during November Board meetings

- 1. Who are big water users?**
- 2. How does Valley Water reward those who conserve? Are wholesale-tiered water rates possible?**
- 3. What is Valley Water projecting to spend on conservation?**
- 4. Are Water Utility reserves projected at a healthy level?**
- 5. How are we addressing low-income water users?**

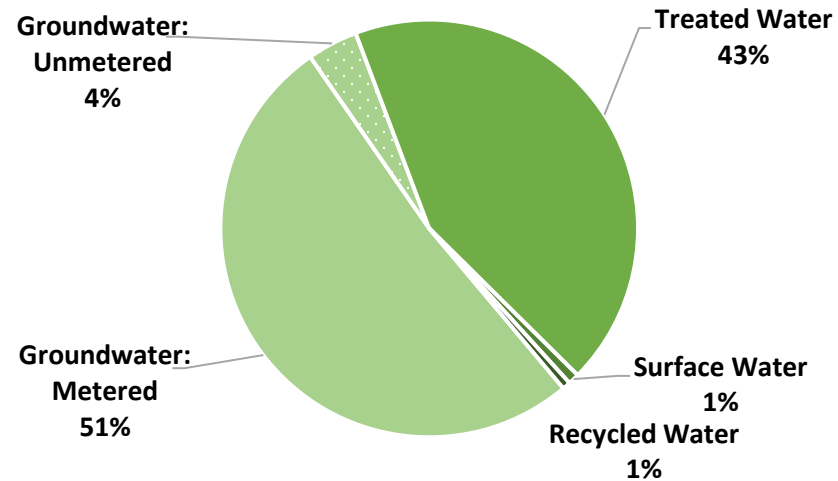
Groundwater Benefit Zones



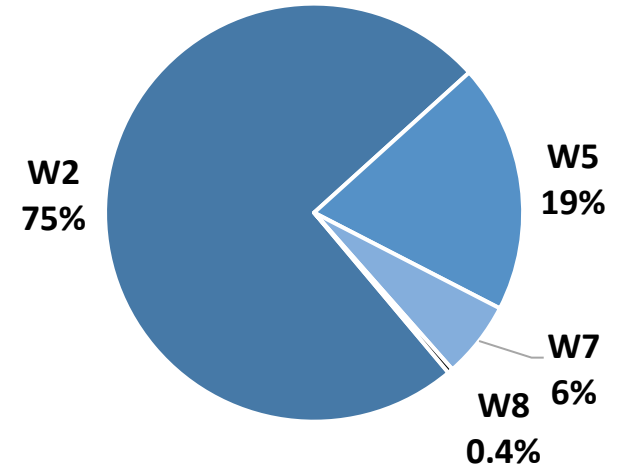
Water Utility Customers – Multi-Year Average

Total Water Use Range: 200,000 – 245,000 acre-feet per fiscal year

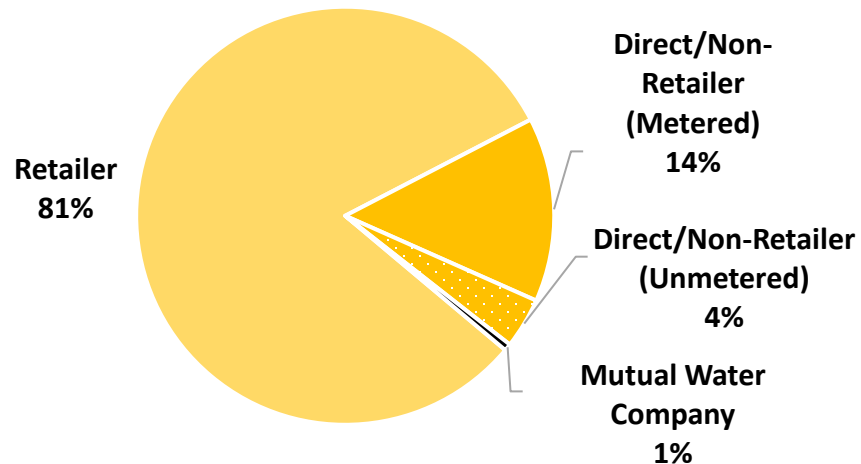
Average Water Use by Water Type (AF as a %)



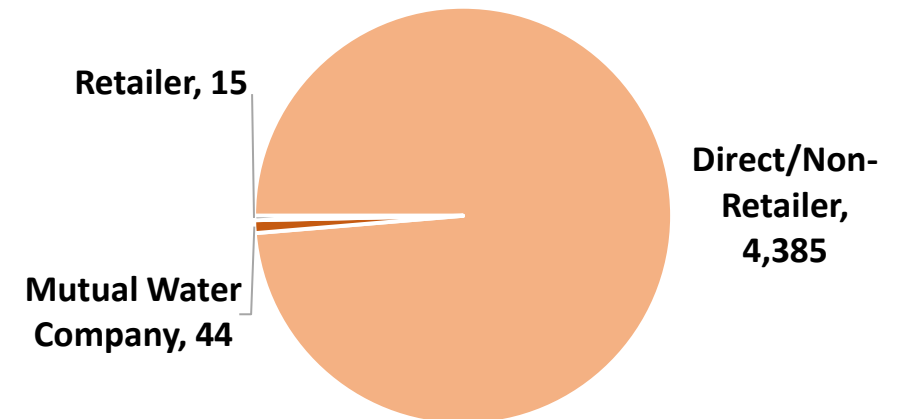
Average Water Use by Zone (Acre-Feet as a %)



Average Water Use by Sector (AF as a %)



Average Number of Customers by Sector



Tiered Groundwater Production Charge Discussion

- **District Act requires "fixed and uniform rates for agricultural water and for all water other than agricultural water"**
- **District Act authorizes imposition of a tiered groundwater charge based upon:**
 - 1. A finding of conditions of drought and water shortage**
 - 2. An analysis showing:**
 - 1. Reduction in groundwater levels in the affected zone compared to a base period,**
 - 2. Cause of the reduction in groundwater levels,**
 - 3. Effect of extractions outside and within the zone,**
 - 4. Evaluation of alternative measures,**
 - 5. Evaluation of alternative supplies available for that zone,**
 - 6. Costs and benefits within the zone.**

Tiered Groundwater Charge Provision under District Act Section 26.7

"The rate or rates, as applied to operators who produce groundwater above a specified annual amount, may,...be subject to prescribed, fixed and uniform increases in proportion to increases by that operator in groundwater production over the production of that operator for a prior base period to be specified by the Board, upon a finding by the board that conditions of drought and water shortage require the increases. The increases shall be related directly to the reduction in the affected zone groundwater levels in the same base period."

Tiered Groundwater Production Charge Discussion

Tiered Groundwater Charges Present Many Challenges

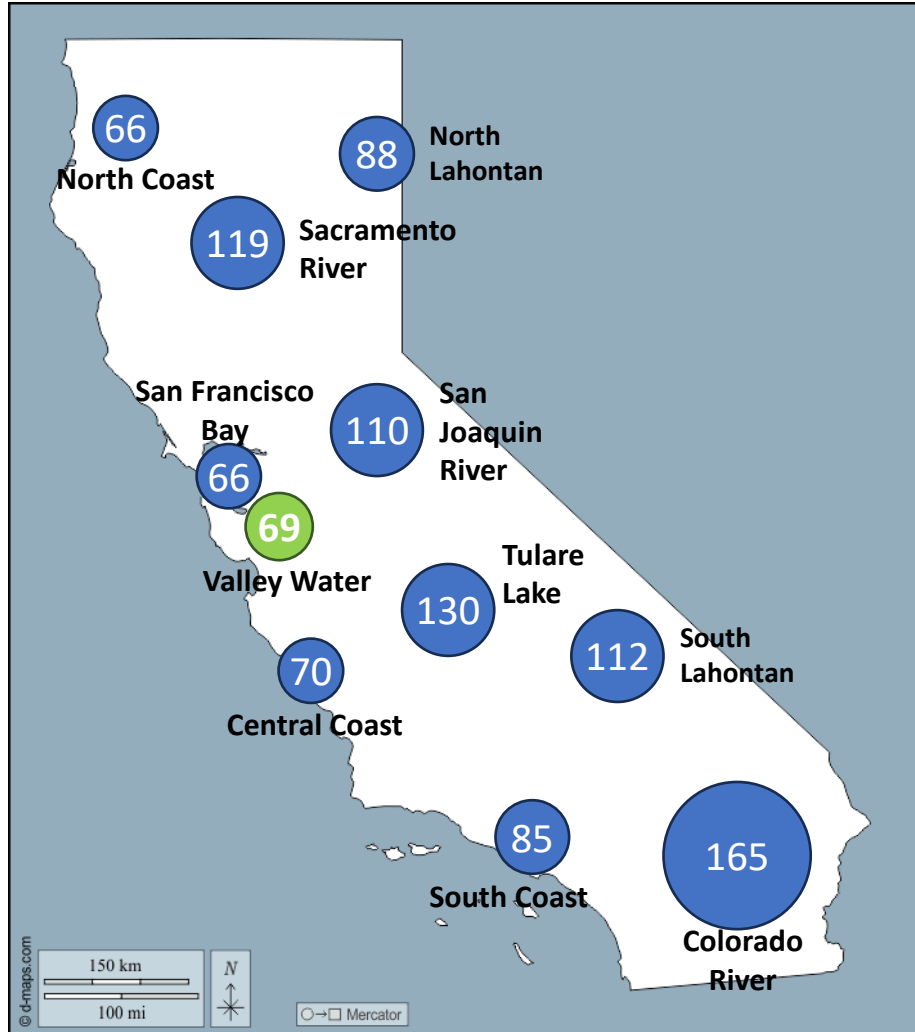
1. **Many Retail Customers have tiered rates (exceptions: Cities of San Jose, Santa Clara, Milpitas, & Morgan Hill)**
 - Wholesale tiered rates would not likely impact price signal to end consumer
2. **Unmetered wells (4% of District managed water use, ~4,000 wells)**
 - Estimated cost to install meters is ~\$10+ million and would take several years to achieve with long-term staff impacts
3. **Difficult to establish “prior base period” water production for ~4,500 wells that would align with Board’s call for conservation resolutions**
 - Prior base period amount must represent water use actually recorded in chosen prior year
 - Many potential reasons for adjustment (wells out of service, crop shifting, new wells, treated water system outages...)
4. **Treated water contracts may need to be amended to include a new base period amount as the new contract amount to align with establishment of prior base period amount for groundwater**
5. **Legal Considerations**
 - Tiered rate structure must be based on cost of service for different tiers (cannot be based on non-cost factors)

Water Conservation Program

www.watersavings.org

Making water conservation a California way of life.

Average Residential Water Use, 2014 - 2023 (Gallons Per Capita Daily)



Data Source: State Water Resources Control Board

- County is very water efficient
- Potential for demand hardening
- Valley Water projecting to spend \$142 million over next 10 years on various rebates & programs



Attachment 9
Page 45 of 66

Rate Setting Strategy for FY 2025-26

FY 26 Baseline Case Assumptions

Reduced water use projection versus prior year rate cycle (FY 26 water use slightly lower than FY 25 budget)

Secure Existing Supplies and Infrastructure

- Baseline Projects ¹
- Anderson Dam Seismic Retrofit with WIFIA loan (up to 49% of TPC)
- Dam Safety Program for Almaden, Calero, Coyote, and Guadalupe Dams
- Master Plan Projects Placeholder ²: Assumes \$377M from FY27-FY35
- SWP Tax pays for 100% of SWP costs (excludes SWP portion of Delta Conveyance)
- Delta Conveyance SWP portion continues at 3.23% ³

Expand Conservation and Reuse

- Purified Water Program with City of San Jose: Phase 1 Demonstration Facility & Phase 2 Full Scale Facility (as a placeholder)

Increase System Reliability & Flexibility

- Pacheco Reservoir Expansion Project (PREP) with \$504M Proposition 1 grants, WIFIA loan (up to 49% of TPC) and Partnership Participation at 35% of TPC
- Sisk Dam Raise at San Luis Reservoir with up to 60,000 AF Storage ³

Maintain Agricultural Rate set at 9.25% of lowest M&I rate (Zone W-8)

¹ Includes but not limited to dam seismic retrofits, Rinconada WTP reliability improvement, 10-year pipeline rehabilitation program.

² Master Plan Project Placeholder includes anticipated costs for new pipelines, pipeline rehabilitations, treatment plant upgrades & SCADA implementation projects.

³ Project costs are reflected as Operations & Maintenance costs.

Note: Participation in the Los Vaqueros Reservoir Expansion project has been eliminated from baseline case assumptions.

TPC: Total Project Cost

SWP: State Water Project

Rate Setting Strategy for FY 2025-26

FY 26 Rate Scenarios

1. Baseline (reflecting Modified Water Use Rebound)

Includes Pacheco Reservoir Expansion Project with 35% partnership participation

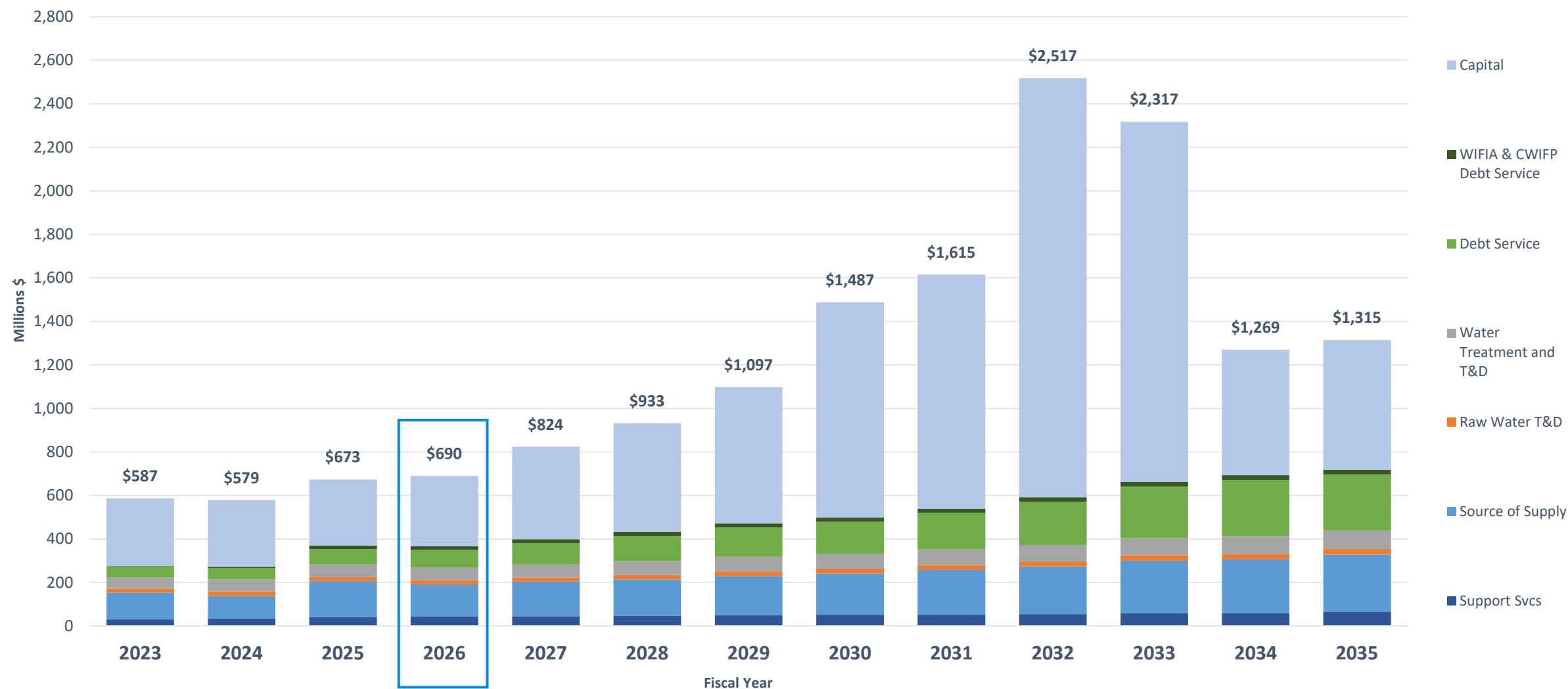
2. Baseline excluding Pacheco Reservoir Expansion Project (PREP)

3. Baseline with 15% Partnership Participation for PREP

4. Baseline with zero Partnership Participation for PREP

Other scenarios based on Board feedback?

Preliminary Cost Projection



Preliminary Groundwater Charge Increase Projection

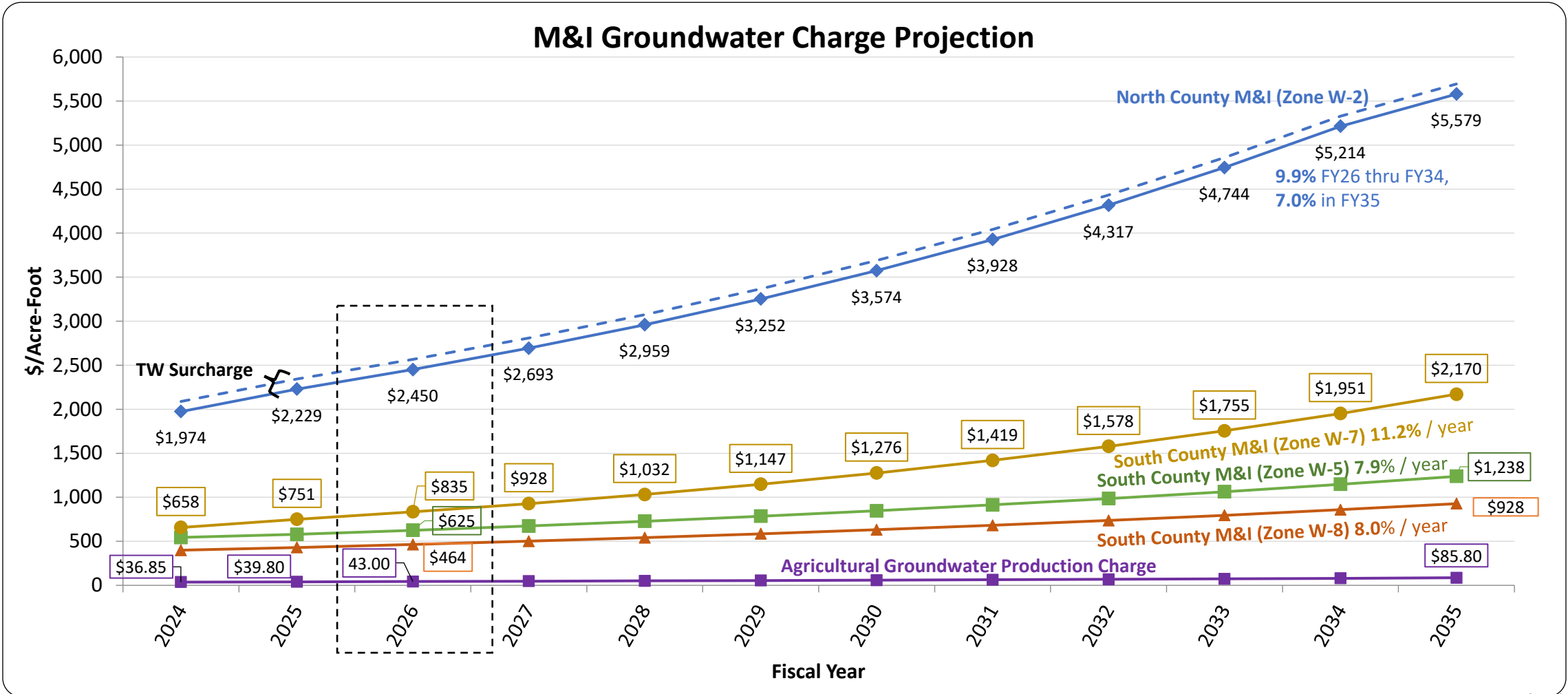
Baseline Scenario

M&I Groundwater Charge Year to Year Growth %

Baseline Scenario 1	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
North County Zone W-2	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	7.0%
Prior Year	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	7.0%	
South County Zone W-5	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%
Prior Year	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	
South County Zone W-7	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%
Prior Year	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	
South County Zone W-8	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Prior Year	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	

Preliminary Groundwater Production Charge Projection

Recommended Baseline Scenario



FY 2025-26 Preliminary Groundwater Production Charge Projection

Municipal & Industrial Rate by Zone	FY 2024-25 GW Production Charge	FY 2025-26 Preliminary GW Production Charge	Preliminary % Increase	Increase to Average Monthly Bill (1,500 CCF/month)
North County W-2	\$2,229.00	\$2,450.00	9.9%	\$7.60
South County W-5	\$578.50	\$624.50	7.9%	\$1.58
South County W-7	\$749.50	\$834.50	11.2%	\$2.89
South County W-8	\$430.00	\$464.00	8.0%	\$1.18
Agricultural	\$39.80	\$43.00	8.0%	\$0.53*

* Assumes Agricultural users who pump 2 AF per acre per year

Preliminary Groundwater Charge Increase Scenarios

M&I Groundwater Charge Year to Year Growth %

North County Zone W-2		FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Scenario #1	Baseline	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	7.0%
Scenario #2	Baseline excluding Pacheco	9.9%	9.9%	9.9%	9.9%	9.9%	7.3%	7.3%	7.3%	7.3%	7.3%
Scenario #3	Baseline including Pacheco with 15% Partnership Funding	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
Scenario #4	Baseline including Pacheco with 0% Partnership Funding	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	10.5%

Preliminary Monthly Impact to Average Household Scenarios

M&I Groundwater Charge – Monthly impact to Average Household

North County Zone W-2		FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Scenario #1	Baseline	\$7.60	\$8.35	\$9.18	\$10.09	\$11.09	\$12.19	\$13.39	\$14.72	\$16.18	\$12.57
Scenario #2	Baseline excluding Pacheco	\$7.60	\$8.35	\$9.18	\$10.09	\$11.09	\$8.99	\$9.64	\$10.35	\$11.10	\$11.91
Scenario #3	Baseline including Pacheco with 15% Partnership Funding	\$7.60	\$8.35	\$9.18	\$10.09	\$11.09	\$12.19	\$13.39	\$14.72	\$16.18	\$17.78
Scenario #4	Baseline including Pacheco with 0% Partnership Funding	\$7.60	\$8.35	\$9.18	\$10.09	\$11.09	\$12.19	\$13.39	\$14.72	\$16.18	\$18.85

Preliminary Groundwater Charge Increase Scenarios

M&I Groundwater Charge Year to Year Growth %

North County Zone W-5		FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Scenario #1	Baseline	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%
Scenario #2	Baseline excluding Pacheco	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%
Scenario #3	Baseline including Pacheco with 15% Partnership Funding	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%
Scenario #4	Baseline including Pacheco with 0% Partnership Funding	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%

Preliminary Monthly Impact to Average Household Scenarios

M&I Groundwater Charge – Monthly impact to Average Household

North County Zone W-5		FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Scenario #1	Baseline	\$1.58	\$1.70	\$1.83	\$1.98	\$2.13	\$2.30	\$2.49	\$2.68	\$2.89	\$3.12
Scenario #2	Baseline excluding Pacheco	\$1.43	\$1.54	\$1.65	\$1.77	\$1.90	\$2.03	\$2.18	\$2.34	\$2.50	\$2.68
Scenario #3	Baseline including Pacheco with 15% Partnership Funding	\$1.62	\$1.77	\$1.91	\$2.07	\$2.24	\$2.42	\$2.62	\$2.84	\$3.07	\$3.32
Scenario #4	Baseline including Pacheco with 0% Partnership Funding	\$1.69	\$1.84	\$1.99	\$2.16	\$2.35	\$2.55	\$2.76	\$3.00	\$3.25	\$3.53

Preliminary Groundwater Charge Increase Scenarios

M&I Groundwater Charge Year to Year Growth %

North County Zone W-7		FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Scenario #1	Baseline	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%
Scenario #2	Baseline excluding Pacheco	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
Scenario #3	Baseline including Pacheco with 15% Partnership Funding	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
Scenario #4	Baseline including Pacheco with 0% Partnership Funding	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%

Preliminary Monthly Impact to Average Household Scenarios

M&I Groundwater Charge – Monthly impact to Average Household

North County Zone W-7		FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Scenario #1	Baseline	\$2.89	\$3.22	\$3.58	\$3.98	\$4.43	\$4.92	\$5.47	\$6.09	\$6.77	\$7.53
Scenario #2	Baseline excluding Pacheco	\$2.55	\$2.81	\$3.09	\$3.40	\$3.73	\$4.10	\$4.51	\$4.95	\$5.44	\$5.98
Scenario #3	Baseline including Pacheco with 15% Partnership Funding	\$2.96	\$3.31	\$3.69	\$4.12	\$4.59	\$5.12	\$5.71	\$6.37	\$7.10	\$7.91
Scenario #4	Baseline including Pacheco with 0% Partnership Funding	\$3.05	\$3.41	\$3.81	\$4.26	\$4.76	\$5.33	\$5.96	\$6.66	\$7.44	\$8.32

Preliminary Groundwater Charge Increase Scenarios

M&I Groundwater Charge Year To Year Growth %

South County Zone W-8	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Baseline and all Scenarios	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

M&I Groundwater Charge – Monthly Impact To Average Household

South County Zone W-8	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Baseline and all Scenarios	\$1.18	\$1.28	\$1.38	\$1.49	\$1.61	\$1.74	\$1.88	\$2.03	\$2.19	\$2.37

Agricultural Groundwater Charges

Agricultural Groundwater Charge Year To Year Growth %

Agricultural Rate	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Baseline and all Scenarios	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

M&I Groundwater Charge – Monthly Impact To Average User*

Agricultural Rate	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Baseline and all Scenarios	\$0.53	\$0.57	\$0.62	\$0.67	\$0.72	\$0.78	\$0.84	\$0.91	\$0.98	\$1.06

* Assumes 2 acre-feet of water usage per acre per year

District Act limits Agricultural Water Charges to 25% of M&I Water charges

- Board Pricing Policy (Resolution 99-21) further limits Agricultural Water Charges to 10% of M&I Water Charges

Board Direction in FY 22

- Maintain full Open Space Credit, keeping Ag rates set at [or under] 10% of lowest M&I charge

Other Charges, Taxes, Reserves Information

	FY 2025	FY 2026	FY 2027
<u>Other Charges</u>	<u>Budget</u>	<u>Projection</u>	<u>Projection</u>
Contract TW Surcharge (\$/AF)	\$115.00	\$115.00	\$115.00
Non-contract TW Surcharge (\$/AF)	\$200.00	\$200.00	\$200.00
Surface Water Master Charge (\$/AF)	\$67.10	\$73.80	\$81.20
Agricultural Groundwater Charge (\$/AF)	\$43.00	\$46.50	\$50.00
<u>SWP Tax</u>			
Revenue	\$28M	\$28M	\$28M
Cost per average household	\$42/Yr.	\$42/Yr.	\$42/Yr.
<u>Reserves</u>			
Supplemental Water Reserve	\$5.3M	\$8.7M	\$12.1M
Drought Reserve	\$0.0M	\$1.0M	\$4.0M
Rate Stabilization Reserve	\$20.5M	\$39.9M	\$44.7M
Operating and Capital Reserve	\$71.4M	\$56.5M	\$62.3M

Consultant Study

On Water Use Projections, Demand Elasticity & Rate Affordability

Study commenced May 2024

- Study will continue through 2025

Study Goals:

- Identify how Valley Water's rates impact water demand (elasticity) and affordability of water service in Santa Clara County
- Validate and/or refine water demand forecasting for purposes of annual rate setting and long-term capital planning

Three key tasks:

1. Analyze Water Use Projections (to inform FY 2025-26 rate setting process)
2. Demand Elasticity Analysis
3. Water Rate Affordability Analysis

Target completion date: July 2025

Rate Setting Schedule FY 2025-26

- Jan 6 Agricultural Water Advisory Committee
- Jan 14 Board Meeting: Preliminary Groundwater Charge Analysis
- Jan 15 Water Retailers Meeting: Preliminary Groundwater Charge Analysis
- Jan 22 Water Commission Meeting: Prelim Groundwater Charge Analysis

- Feb 11 Board Meeting: Set time & place of Public Hearing
- Feb 28 Mail notice of public hearing and file PAWS report

- Mar 11 Board Meeting: Budget development update
- Mar 19 Water Retailers Meeting: FY 26 Groundwater Charge Recommendation
- Mar 25 Long Range Financial Forecast Review

- Apr 7 Agricultural Water Advisory Committee
- Apr 8 Open Public Hearing
- Apr 9 Water Commission Meeting
- Apr 10 Continue Public Hearing in South County
- Apr 22 Conclude Public Hearing

- Apr 23-24 Board Meeting: Budget work study session
- May 13 Adopt budget & groundwater production and other water charges

Next Steps: Integrated Financial Planning Schedule

REF #	MEETING		MILESTONE
	CIP CMTE	BOARD	
1	9/16/24		Annual CIP Development Process Overview/Funding Filters for Prioritization Presentation/Integrated Financial Planning Calendar/Review of CIP FY25-29 Five-Year Plan Projects by Category
2		10/08/24	Annual CIP Development Process Overview/Funding Filters for Prioritization Presentation/Integrated Financial Planning Calendar/Review of CIP FY25-29 Five-Year Plan Projects by Category
3	11/1/24		New Initially Validated & Unfunded Projects Presentation
4		11/12/24	New Initially Validated & Unfunded Projects Presentation/Receive Board Feedback Regarding CIP FY25-29 Five-Year Plan Projects, and New & Unfunded Projects for Inclusion in CIP Preliminary FY26-30 Plan Water Rate Planning Overview
5		11/26/24	Biennial Budget Process Overview
6	12/16/24		CIP Preliminary Five-Year Plan Funding Workshop (Financial Modeling & CIP Updates From Adopted FY25-29 Plan)
7		1/14/25	Five-Year WS & WU Asset Renewal Plans CIP Preliminary 5-yr Plan Workshop (Financial Modeling & Significant Updates); Board to Provide Direction CIP SCW/WS Preliminary 10-yr Financial Analysis Preliminary Water Rate Analysis & Scenarios
8		1/28/25	1 st Pass Budget Update
9		2/11/25 ★	SCW Public Hearing
10		2/25/25	Draft CIP (Authorize to Distribute for Public Review)
11		3/11/25	2 nd Pass Budget Update
12		4/8/25	Ground Water Charge Public Hearings Begin CIP Public Hearing Begins (Optional Date 4/23)
13		4/10/25	Ground Water Charge Public Hearing in South County (Gilroy)
14		4/22/25	Ground Water Charge Public Hearings Close
15		4/23/25	Budget Work-study Session
16		5/13/25	Board Adoption of Water Rates, CIP, Budget, Investment and Debt Resolutions (w/Final CIP and Budget Reports Completed by 6/30/2025)
17		6/30/24	FY25 Rate Notifications: Website and Mailers (Retailers and All Customers)

LEGEND

CIP

Budget

Water Rates

Safe Clean Water (SCW)

Asset Management (AM)



Recommended Board Actions

- A. Review the Capital Improvement Program (CIP) Evaluation Team's recommended funding scenarios for the CIP Preliminary Fiscal Year 2026-2030 (FY 2026-30) Five-Year Plan and approve the recommendations for the Water Utility Enterprise Fund (Fund 61) and the inclusion of three projects in the CIP Draft FY 2026-30 Five-Year Plan;
- B. Review proposed adjustments and modifications to the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) Fund (Fund 26);
- C. Set the time and place for a public hearing for modifications to the Safe, Clean Water Program for February 11, 2025; and
- D. Discuss and provide direction on the preliminary FY 2025-2026 (FY 26) Groundwater Production Charge analysis.

CIP Five-Year Plan Available Online

SCAN THE QR CODE:



Or visit this website:
delivr.com/24wqn

END OF PRESENTATION

Questions & Answers



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Santa Clara Valley Water District

File No.: 25-0098

Agenda Date: 1/14/2025

Item No.: 3.6.

SUPPLEMENTAL BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Work Study Session on the Capital Improvement Program Preliminary Fiscal Year 2026-2030 Five-Year Plan and Preliminary Fiscal Year 2025-2026 Groundwater Production Charges.

REASON FOR SUPPLEMENTAL MEMORANDUM:

This report conveys additional information received after the initial report was released, consistent with Executive Limitations Policy EL-7-10-5.

RECOMMENDATION:

- A. Review the Capital Improvement Program Evaluation Team's recommended funding scenarios for the CIP Preliminary Fiscal Year 2026-2030 (FY 2026-30) Five-Year Plan and approve the recommendations for the Water Utility Enterprise Fund (Fund 61) and the inclusion of three projects in the CIP Draft FY 2026-30 Five-Year Plan;
- B. Review proposed adjustments and modifications to the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) Fund (Fund 26);
- C. Set the time and place for a Public Hearing for modifications to the Safe, Clean Water Program for February 11, 2025; and
- D. Discuss and provide direction on the preliminary FY 2025-26 (FY 26) Groundwater Production Charge analysis.

SUMMARY:

Supplemental Response to Board Member Request

In November 2024, following the Presidential election, staff received a Board member request for a list of capital projects that rely on federal funding, through loans, partnerships, or grants. In response to this request, staff has prepared a table including this information titled CIP Projects with Future Federal Funding and it is included as *Supplemental Attachment 1.

At this time, there has been no indication that the status of federal funding will be impacted under the incoming new administration; however, the fact that the CIP Five-Year Plan is updated on a rolling annual basis allows Valley Water to be highly adaptable to changing conditions. Should federal funding be impacted, staff will bring forward recommendations and scenarios for the Board's consideration to address any resulting funding shortfall. In parallel, Valley Water continues to seek grant and partnership funding to support the financial health of its funds and will continue to lobby the federal government to secure critical federal funding sources.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

No changes.

FINANCIAL IMPACT:

No changes.

CEQA:

No changes.

ATTACHMENTS:

*Supplemental Attachment 1: CIP Projects with Future Federal Funding

UNCLASSIFIED MANAGER:

Luz Penilla, 408-630-2228

Capital Improvement Program (CIP) Projects with Future Federal Funding

(Executed and Non-Executed Agreements)

Fund	Project Number	Project Name	Adopted CIP FY25-29 Five-Year Plan Total Project Cost (\$K)*	Agreements Executed			Agreement Not Awarded/Executed Application In-Progress			Federally Authorized (Construction)
				Loan WIFIA Master Program Amount \$K	Partnership / Grant \$K	Comments	Loan \$K	Partnership / Grant \$K	Comments	
12/26	00044026	South San Francisco Bay Shoreline, EIA 11	\$ 117,324		\$140,000**	USACE Partnership				✓
26	26444004	South San Francisco Bay Shoreline, EIAs 5-9	\$15,739		\$550**	USACE Partnership		\$6,585**	USACE Partnership	
26	26154003	Upper Guadalupe River – Reaches 7-12	\$118,703					TBD**	USACE Partnership	✓
26	26074002	Sunnyvale East and West Channels (E2)	\$ 57,786	\$146,663				\$23,500	FEMA Grant	
26	26174043	Coyote Creek, Montague Expressway to Tully Road (E1)	\$ 221,131					\$50,000	FEMA Grant	
26	26174055	Llagas Creek-Phase 2B Construction	\$ 89,600		\$ 80,000	NRCS Grant				✓
61	91094009	South County Recycled Water Pipeline - Short-Term Implementation Phase 1B	\$ 42,846		\$ 1,281	USBR Grant				

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61	91084020, 91894002, 91854001, 91874004	CWIFP (Corps Water Infrastructure Financing Program) application for the Dam Safety Projects (Guadalupe Dam Seismic Retrofit – Planning, Design & Construction; Almaden Dam Improvements; Calero Dam Seismic Retrofit – Planning, Design & Construction)	\$325,002							
61	Unfunded Project	CWIFP (Corps Water Infrastructure Financing Program) application for the Dam Safety Projects (Coyote Dam Seismic Retrofit)	\$406,400			Project is UNFUNDED and scheduled to be reviewed for inclusion into CIP at 1/14/2025 Board Meeting	\$653,000		Received official notification from USACE to apply	
61	91864005	Anderson Dam Seismic Retrofit (C1) WIFIA (EPA loan upsizing for \$639M Anderson Dam Seismic Retrofit Project)	\$ 1,899,156	\$ 579,408			\$639,000		Received official notification from EPA to apply	
61	91864009	Coyote Percolation Dam Replacement	\$ 17,736							
61	91954002	Pacheco Reservoir Expansion Project (A1)	\$ 2,749,314	\$ 1,449,000						
Totals:			\$5,943,413	\$ 2,175,071	\$221,831		\$1,292,000	\$80,000		

* For USACE Partnership projects, the Total Adopted FY25-29 CIP Project Cost column reflects Valley Water's share and not the Total Project Cost including the USACE contributions.

**Total reflects future remaining federal share from USACE. USACE Partnership funding for the Upper Guadalupe River Flood Protection Project, Reaches 7-12 is TBD, pending updates from the USACE. Note: Based on Water Code 12582.7 and the implementing regulations CCR Section 572, projects need to be congressionally authorized to qualify for state subventions.

CWIFP = Corps Water Infrastructure Financing Program
FEMA = Federal Emergency Management Agency
NRCS = Natural Resources Conservation Service

USACE = U.S. Army Corps of Engineers
USBR = U. S. Bureau of Reclamation
WIFIA = Water Infrastructure Finance and Innovation Act



Santa Clara Valley Water District

File No.: 24-0937

Agenda Date: 1/14/2025

Item No.: 4.1.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☒ No ☐
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Adopt a Resolution Authorizing Exchange of Real Property Rights with Apple Inc. at APN 316-06-064, Real Estate File Nos. 2010-209.1 and 2010-226 (Cupertino, District 5).

RECOMMENDATION:

Adopt the Resolution AUTHORIZING EXCHANGE OF REAL PROPERTY RIGHTS WITH APPLE INC., adjacent to Calabazas Creek, APN 316-06-064, Real Estate File Nos. 2010-209.1 and 2010-226, which does the following:

- A. Authorize the Chief Executive Officer to accept the Easement Deed from Apple Inc., Valley Water Real Estate File No. 2010-226; and
- B. Authorize the Chief Executive Officer to execute the Quitclaim Deed to Apple Inc., Valley Water Real Estate File No. 2010-209.1

SUMMARY:

Apple Inc. is the owner of real property located at One Apple Park Way, APN 316-06-064 in the City of Cupertino, adjacent to Calabazas Creek (Attachment 1). Valley Water currently possesses an ingress/egress easement to access Calabazas Creek on, upon, over, and across APN 316-06-064. The existing Valley Water easement includes language that Valley Water agrees to accept a substitute but equivalent access, if necessary, to accommodate additional development of APN 316-06-064 by Grantor.

Redevelopment of APN 316-06-064 by Apple Inc. requires the existing Valley Water easement to be relocated. Apple Inc. has requested Valley Water accept a substitute ingress/egress easement (Attachment 2) and quit claim the existing ingress/egress easement (Attachment 3) per the terms of the existing Valley Water easement deed. The proposed substitute easement provides functionally equivalent access to Calabazas Creek in approximately the same location as the existing easement.

Section 31 of the District Act states, in part, "The board may by a majority vote exchange real property of equal value with any person, firm, or corporation for the purpose of removing defects in the title to real property owned by the district or where the real property to be exchanged is not required for district use and the property to be acquired is required for district use." This proposed exchange of real property meets this criterion because it fulfills the terms of the existing Valley Water

easement deed to accept a substitute but equivalent access when needed to accommodate development of the property. Staff finds that the proposed ingress/egress easement is functionally equivalent to the existing ingress/egress easement.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

This item is not subject to an environmental justice analysis because the action is not intended for or near an environmental justice community.

FINANCIAL IMPACT:

This real property transaction is an exchange of land of approximately the same size (new Valley Water easement will be slightly larger than the existing easement) and in approximately the same location with no monetary consideration for either party.

CEQA:

This exchange of real property rights between the parties is exempt from the requirements of CEQA under CEQA Guidelines Section 15305, Minor Alterations of Land Use Limitations, which exempts minor alterations in land use limitations in areas with an average slope of less than 20%, which do not result in any changes in land use or density.

ATTACHMENTS:

Attachment A: Gov. Code 84308
Attachment 1: Location Map
Attachment 2: Easement Deed
Attachment 3: Quitclaim Deed
Attachment 4: Resolution

UNCLASSIFIED MANAGER:

Lisa Bankosh, 408-630-2618

Attachment A: Gov. Code § 84308

Adopt a Resolution Authorizing Exchange of Real Property Rights with Apple Inc. at Assessor Parcel No. 316-06-064, Real Estate File Nos. 2010-209.1 and 2010-226 (Cupertino, District 5).

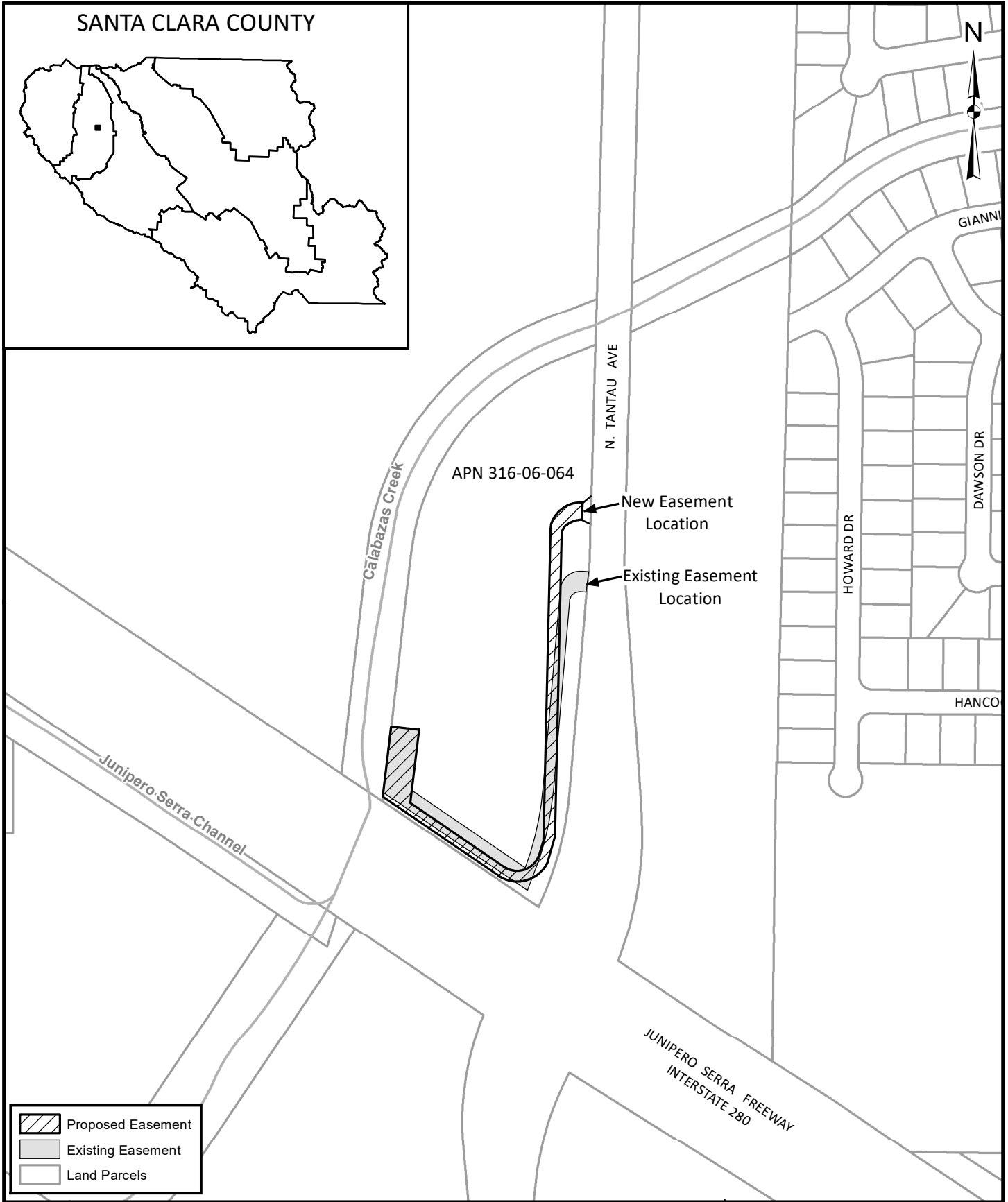
List of Parties and Their Agents/Representatives Known to Staff:

<u>Organization Name</u>	<u>Name</u>	<u>Role</u>	<u>Location</u>
Apple Inc.,	Raspe, Kristina	Vice President of Real Estate and Development	One Apple Park Way Cupertino, CA 95014
Apple Inc.,	Currie, Matthew	Attorney	One Apple Park Way Cupertino, CA 95014
Apple Inc.,	Rickard, John	Real Estate and Development	One Apple Park Way Cupertino, CA 95014

List of Participants and Their Agents/Representatives Known to Staff:

<u>Organization Name</u>	<u>Name</u>	<u>Role</u>	<u>Location</u>

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WEST VALLEY WATERSHED



Valley Water

LOCATION MAP
ATTACHMENT 1

CALABAZAS CREEK	
APNs	316-06-064
RESU FILE NOS.	2010-209.1
	2010-226

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RECORD WITHOUT FEE UNDER SECTION 6103
GOVERNMENT CODE OF THE STATE OF CALIFORNIA

AFTER RECORDING RETURN TO:
REAL ESTATE SERVICES UNIT
SANTA CLARA VALLEY WATER VALLEY WATER
5750 ALMADEN EXPRESSWAY
SAN JOSE, CALIFORNIA 95118

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APN: 316-06-064 (portion of)

DOCUMENT NO.: 2010-226

EASEMENT DEED

(Ingress/Egress)

Apple Inc., a California company, successor by merger to Campus Holdings, Inc., a Delaware corporation, hereinafter "Grantor," do(es) hereby grant, convey and dedicate to the SANTA CLARA VALLEY WATER DISTRICT, a Special District, created by the California Legislature "Grantee", a non- exclusive easement for the purpose of ingress and egress on, upon, over, and across that certain real property in the City of Cupertino, County of Santa Clara, State of California, described as:

See attached Exhibit "A" & "B" hereto and made a part thereof ("Easement Area")

The Easement Area shall be kept clear of any type of building, fences, structure, or trees, other than those presently existing, unless prior written approval is obtained from the Grantee, which approval shall not be unreasonably withheld, delayed or conditioned.

Grantee shall indemnify, defend, and hold Grantor harmless from and against every expense, claim, demand and loss, including but not limited to liabilities, obligations, costs, reasonable expenses, fines, levies, imposts, assessments, demands, damages, or judgments of any kind or nature, whether in law or equity (including without limitation, administration and judicial orders or consents, or any other loss) by reason of injury (including death) to persons or damage to property arising out of Grantee's (including its officers, employees, agents, contractors, and invitees (collectively, the "Grantee Parties")) use of the Easement Area, except to the extent arising out of the negligence or willful misconduct of Grantor or any of the Grantor Parties.

Grantor shall indemnify, defend, and hold Grantee harmless from and against every expense, claim, demand and loss, including but not limited to liabilities, obligations, costs, reasonable expenses, fines, levies, imposts, assessments, demands, damages, or judgments of any kind or nature, whether in law or equity (including without limitation, administration and judicial orders or consents, or any other loss) by reason of injury (including death) to persons or damage to property arising out of Grantor's (including its officers, employees, agents, contractors, and invitees (collectively, the "Grantor Parties")) use of the Easement Area, except to the extent arising out of the negligence or willful misconduct of Grantee or any of the Grantee Parties.

The covenants, terms, conditions, and restrictions of this Easement shall be binding upon, and inure to the benefit of, the parties and their respective personal representatives, heirs, successors, and assigns, and shall constitute a servitude running in perpetuity with the Easement Area.

(As used above, the terms "Grantor" and "Grantee" shall include the plural as well as the singular number. The words "himself and "his" shall include the feminine gender as the case may be.)

Each of the provisions of this easement shall be enforceable independently of any other provision of this easement and independent of any other claim or cause of action. In the event of any matter of dispute arising out of or related to this easement, it is agreed between the parties that the law of the jurisdiction and location where this easement is recorded (including statute of limitation provisions) will govern the interpretation, validity and effect of this easement without regard to the place of execution or place of performance thereof, or any conflicts of law provisions.

Dated this 11 day of July 2024

APPLE INC.

By: 

Kristina Raspe
Vice President of Real Estate and
Development

ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE §1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA SS
COUNTY OF SANTA CLARA

On this 11 day of July, in the year 2021, before me Terencia Tervalon,

Notary Public, personally appeared Kristina Raspe
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.


Notary Public in and for said County and State

**CAPACITY CLAIMED BY SIGNER**

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

- | | |
|---|---|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Trustee (s) |
| <input type="checkbox"/> Corporate Officer(s): _____ | <input type="checkbox"/> Guardian/Conservator |
| <input type="checkbox"/> Partner(s) <input type="checkbox"/> Limited <input type="checkbox"/> General | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Attorney-In-Fact _____ | |

Signer is Representing (Name of Person(s) or Entity(ies))

CERTIFICATE OF CONSENT AND ACCEPTANCE

This is to certify that the interest in real property conveyed by the attached Deed or Grant to the Santa Clara Valley Water District, also referred to herein as the Grantee, is hereby accepted by the undersigned duly authorized agent on behalf of the Board of Directors of said Santa Clara Valley Water District, pursuant to authority conferred by Resolution No. 14-79 of said Board of Directors adopted on the 9th day of September 2014, and the Grantee consents to recordation thereof by its said duly authorized agent.

Dated: _____, 20__

Santa Clara Valley Water District

By: _____
Chief Executive Officer/Clerk of the Board of Directors
(Strike out inapplicable one)

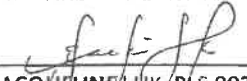
EXHIBIT "A"
LEGAL DESCRIPTION
INGRESS/EGRESS EASEMENT

REAL PROPERTY SITUATED IN THE UNINCORPORATED AREA OF SANTA CLARA COUNTY, STATE OF CALIFORNIA, BEING A PORTION OF PARCEL 4 AS SHOWN ON THAT CERTAIN PARCEL MAP FILED DECEMBER 19, 2014, IN BOOK 879 OF MAPS, AT PAGES 19 TO 25, INCLUSIVE, IN THE OFFICE OF THE COUNTY RECORDER OF SANTA CLARA COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHERLY TERMINUS OF THAT COURSE SHOWN AS "N 00°26'29" E(R), 54.00 FEET" ALONG THE GENERAL EASTERLY LINE OF SAID PARCEL 4; THENCE ALONG SAID COURSE, NORTH 00°26'29" EAST, 10.50 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID COURSE, NORTH 00°26'29" EAST, 33.01 FEET; THENCE FROM A TANGENT THAT BEARS NORTH 88°49'44" WEST, ALONG A CURVE TO THE LEFT WITH A RADIUS OF 60.32 FEET, THROUGH A CENTRAL ANGLE OF 76°52'32", AN ARC LENGTH OF 80.93 FEET TO A POINT OF COMPOUND CURVATURE; THENCE ALONG A TANGENT CURVE TO THE LEFT WITH A RADIUS OF 25.00 FEET, THROUGH A CENTRAL ANGLE OF 14°17'21", AN ARC LENGTH OF 6.23 FEET; THENCE SOUTH 00°00'23" WEST, 603.37 FEET; THENCE SOUTH 14°37'11" WEST, 26.80 FEET; THENCE ALONG A TANGENT CURVE TO THE RIGHT WITH A RADIUS OF 45.00 FEET, THROUGH A CENTRAL ANGLE OF 108°20'28", AN ARC LENGTH OF 85.09 FEET; THENCE NORTH 57°02'21" WEST, 219.30 FEET; THENCE NORTH 05°29'36" EAST, 142.76 FEET; THENCE AT A RIGHT ANGLE, NORTH 84°30'24" WEST, 54.02 FEET TO THE GENERAL WESTERLY LINE OF SAID PARCEL 4; THENCE ALONG LAST SAID LINE, SOUTH 05°29'36" WEST, 137.22 FEET; THENCE SOUTH 57°02'21" EAST, 269.79 FEET; THENCE ALONG A TANGENT CURVE TO THE LEFT WITH A RADIUS OF 65.00 FEET, THROUGH A CENTRAL ANGLE OF 100°58'51", AN ARC LENGTH OF 114.56 FEET; THENCE NORTH 13°56'20" EAST, 49.95 FEET; THENCE NORTH 00°00'23" EAST, 582.67 FEET; THENCE ALONG A TANGENT CURVE TO THE RIGHT WITH A RADIUS OF 25.00 FEET, THROUGH A CENTRAL ANGLE OF 53°13'55", AN ARC LENGTH OF 23.23 FEET TO A POINT OF COMPOUND CURVATURE; THENCE ALONG A TANGENT CURVE TO THE RIGHT WITH A RADIUS OF 48.67 FEET, THROUGH A CENTRAL ANGLE OF 35°37'53", AN ARC LENGTH OF 30.27 FEET TO THE POINT OF BEGINNING.

CONTAINING 30,279 SQUARE FEET, MORE OR LESS.

PREPARED BY LUK AND ASSOCIATES

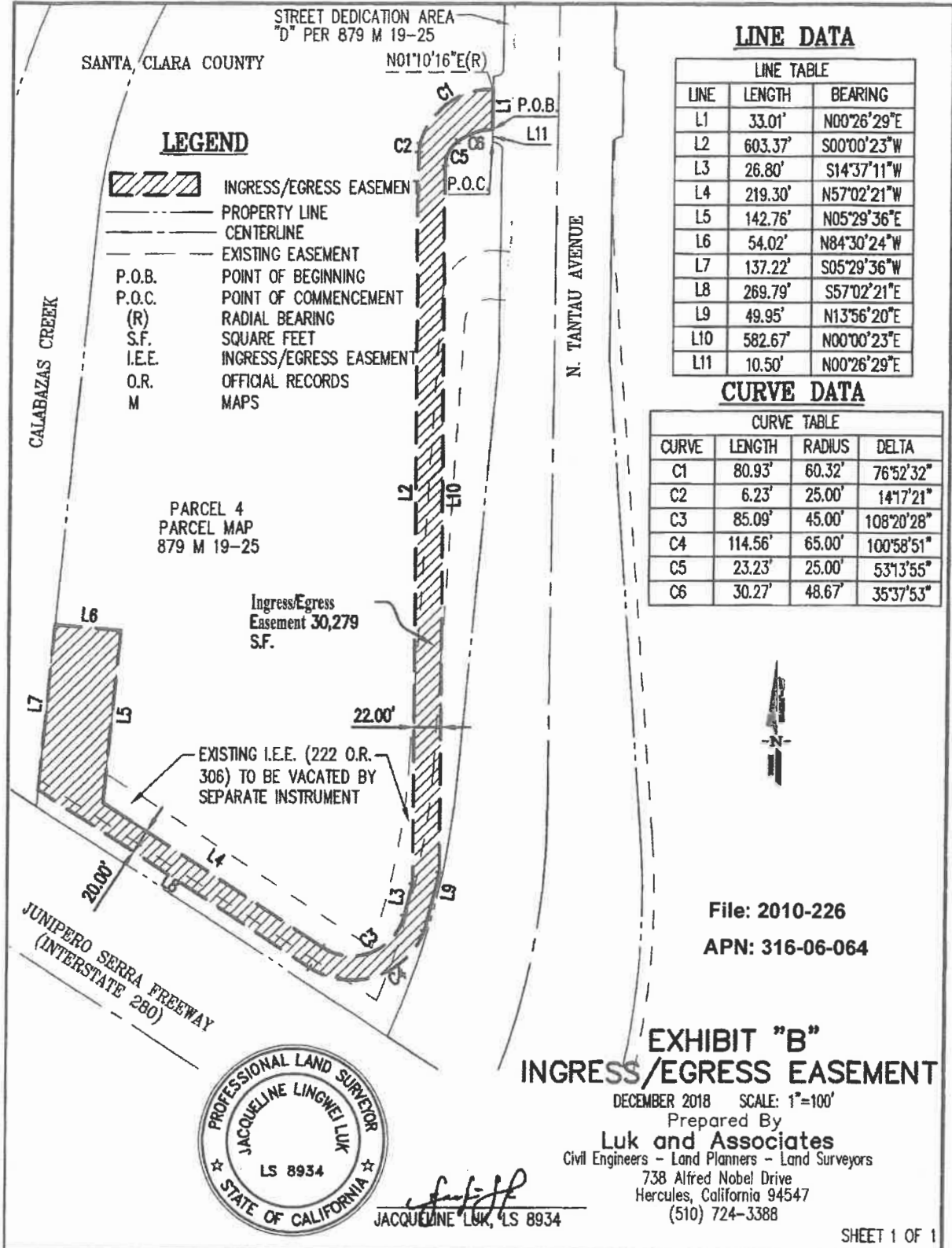


JACQUELINE LUK, PLS 8934

DATE: December 18, 2016



This real property description has been prepared
by me or under my direction in conformance with the Professional Land Surveyors Act.



F:\Jobs\FILE2013\13005A10\Plat and Legals\EASEMENT-CREEK.dwg

PLOT DATE: DECEMBER 18, 2016

RECORD WITHOUT FEE UNDER CALIFORNIA
GOVERNMENT CODE SECTION 6103

AFTER RECORDING RETURN TO:
REAL ESTATE SERVICES UNIT
SANTA CLARA VALLEY WATER DISTRICT
5750 ALMADEN EXPRESSWAY
SAN JOSE, CALIFORNIA 95118

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APN: 316-06-064 (portion of)

DOCUMENT NO.: 2010-209.1

QUITCLAIM EASEMENT DEED (Ingress/Egress)

SANTA CLARA VALLEY WATER DISTRICT, a Special District, created by the California Legislature (Valley Water), hereinafter "Grantor," does hereby release and quitclaim to Apple Inc., a California corporation, (Grantee) all that real property interest in the City of Cupertino, County of Santa Clara, State of California, described in that certain Easement Deed (Ingress/Egress) recorded on February 29, 1996 as instrument No. 13208844, Official Records of Santa Clara County as depicted on Exhibit A attached hereto.

Dated this _____ day of _____, 2025

SANTA CLARA VALLEY WATER
DISTRICT

By: _____
Tina Yoke
Acting Chief Executive Officer

Attest: Maximillion Overland, CMC

By: _____
Interim Clerk/Board of Directors

ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE §1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA SS
COUNTY OF SANTA CLARA

On this ____ day of _____, in the year 20__, before me _____,

Notary Public, personally appeared _____
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public in and for said County and State

CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

☐ Individual

☐ Trustee (s)

☐ Corporate Officer(s): _____

☐ Guardian/Conservator

☐ Partner(s) ☐ Limited ☐ General

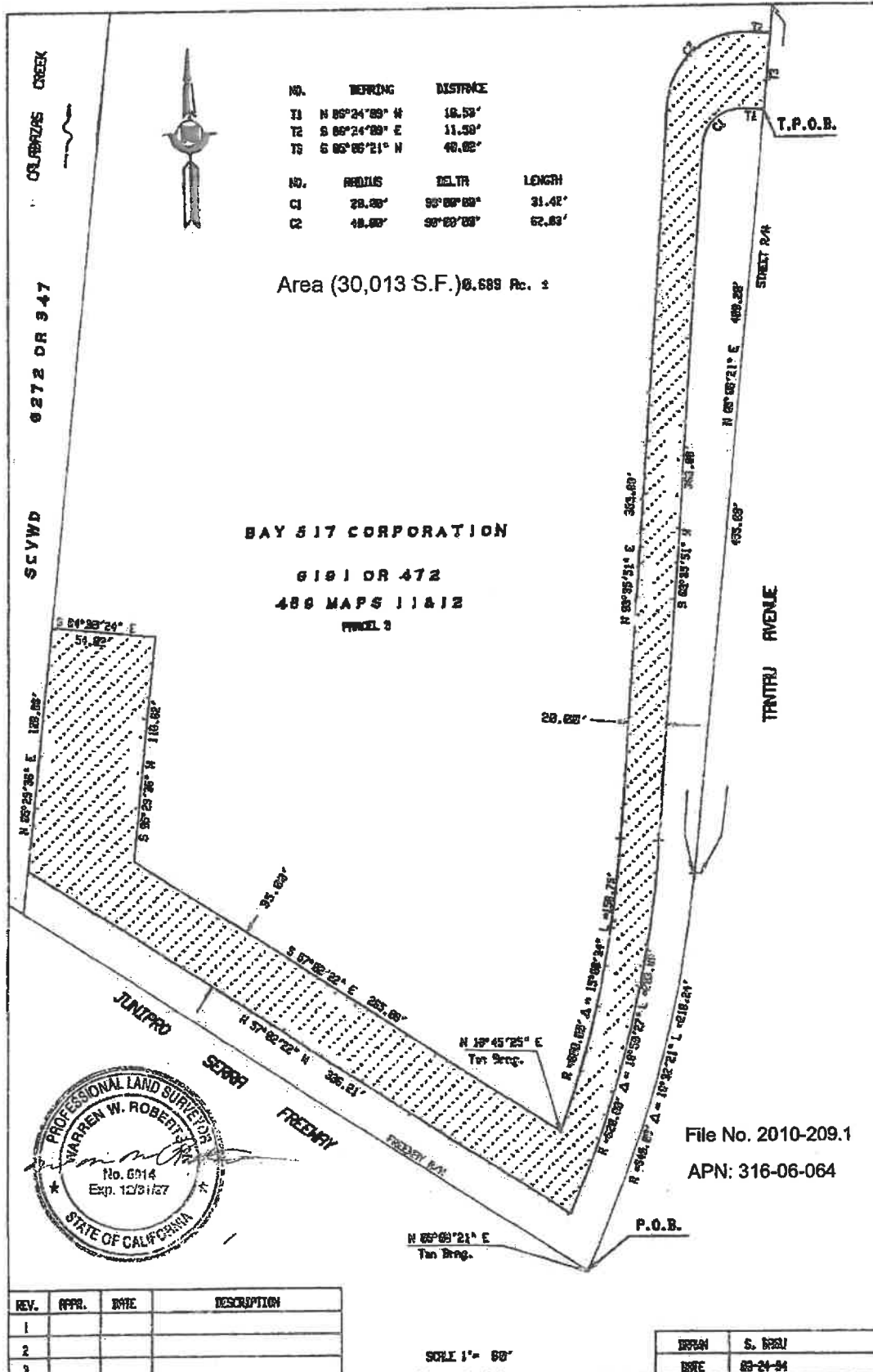
☐ Other: _____

☐ Attorney-In-Fact _____

Signer is Representing (Name of Person(s) or Entity(ies))

Exhibit A

BAY 517 CORP



P222 PAGE 0306

VALLEY TITLE COMPANY
ESCROW NO. 205928 INSURED

RECORD WITHOUT FEE UNDER SECTION 6103
GOVERNMENT CODE OF THE STATE OF CALIFORNIA
AFTER RECORDING RETURN TO:
SANTA CLARA VALLEY WATER DISTRICT
8780 ALMADEN EXPRESSWAY
SAN JOSE, CALIFORNIA 95118

REC. TEL.	✓
FBI	✓
ARCHD.	
RTCF	
LIEN	
SASPI	
PCOR	

3208844

FINANCING AT THE REQUEST OF
Valley Title Company

FEB 29 1996 8:00AM

BRENDA DAVIS, Recorder
Santa Clara County, Official Records

APN NO. 316-06-038 and -39 (portion)

SPACE ABOVE THIS LINE FOR RECORDER'S USE

EASEMENT DEED

(INGRESS/EGRESS)

DOCUMENT NO. 2010-209

TANDEN COMPUTERS INCORPORATED, a Delaware corporation,

hereinafter, "Grantor"

Grant, convey and dedicate to the SANTA CLARA VALLEY WATER DISTRICT, a public corporation ("District"),
an easement for the purpose of ingress and egress on, upon, over, and across that certain real property, in the City of
Cupertino, County of Santa Clara, State of California, described as:

Being a portion of the lands described in the deed recorded in Book G191 of Official Records at Page 472 and shown
as "PARCEL 3" on that certain parcel map filed in Book 489 of Maps at pages 11 and 12, both documents are in the
office of the Recorder, County of Santa Clara, State of California, to wit:

BEGINNING at the intersection of the general westerly line of Tantau Avenue with the northerly line of the Junipero
Serra Freeway, as shown on said map; thence along said general westerly line of Tantau Avenue, along a curve to the
left from a tangent which bears N05°06'21"E, having a radius of 640.00 feet, through a central angle of 19°32'21" for
an arc distance of 218.24 feet; thence continuing along said line, N05°06'21"E 400.20 feet to the TRUE POINT OF
BEGINNING; thence leaving said line, N86°24'09"W 10.53 feet; thence along a curve to the left having a radius of
20.00 feet, through a central angle of 90°00'00" for an arc distance of 31.42 feet; thence S03°35'51"W 363.88 feet;
thence along a curve to the right, having a radius of 620.00 feet, through a central angle of 18°50'27" for an arc distance
of 203.88 feet; thence N57°02'22"W 336.21 feet to a point on the easterly line of the lands of the Santa Clara Valley
Water District as described in the deed recorded in Book G272 of Official Records at Page 347, Santa Clara County
Records, thence along said easterly line, N05°29'36"E 128.86 feet; thence leaving said line, S84°30'24"E 54.02 feet;
thence S05°29'36"W 118.62 feet; thence S57°02'22"E 265.09 feet; thence along a curve to the left from a tangent which
bears N18°45'25"E, having a radius of 600.00 feet, through a central angle of 15°09'34" for an arc distance of 158.75
feet; thence N03°35'51"E 383.88 feet; thence along a curve to the right, having a radius of 40.00 feet, through a central
angle of 90°00'00" for an arc distance of 62.83 feet; thence S86°24'09"E 11.58 feet to a point on said general westerly
line of Tantau Avenue; thence along said line, S05°06'21"W 40.02 feet to the TRUE POINT OF BEGINNING.

Containing 0.689 acre of land, more or less.

20100401.mss

ORIGINAL

P 222 PAGE 0307

DO NOT WRITE ABOVE THIS LINE

ACKNOWLEDGMENT OF SUBSCRIBING WITNESS

STATE OF CALIFORNIA }
COUNTY OF SANTA CLARA } SS

On this 30th day of January, 1995, before me,
the undersigned, a Notary Public in and for the State of California, residing therein, duly commissioned and sworn,
personally appeared J. Scott Erwin known to me to be the person whose name is subscribed
to the within instrument as a witness thereto, who, being by me duly sworn, deposed and said: that . . . he resides in the
County of Santa Clara State of California; that . . . he was present and saw

David J. Rynne

personally known to him to be the person . . . described in and whose name is
subscribed to the within instrument, execute the same; and that affiant subscribed . . . name thereto as a witness to
said execution.



WITNESS my hand and official seal.

Barbara J. Madreski
Notary Public in and for said County and State

CERTIFICATE OF CONSENT AND ACCEPTANCE

This is to certify that the interest in real property conveyed by the attached Deed or Grant to Santa Clara Valley Water District is hereby accepted by the undersigned duly authorized agent on behalf of the Board of Directors of said Santa Clara Valley Water District, pursuant to authority conferred by Resolution No. 68-26 of said Board of Directors adopted on the 26th day of March 1968, recorded March 27, 1968, Book 8069, Page 536, Official Records of Santa Clara County, California, and the Grantee consents to recordation thereof by its said duly authorized agent.

Dated: FEB 5 1995 19

Santa Clara Valley Water District

RECORDER'S MEMO

FAINT WRITING, TYPING, CARBON
COPIES OR DOT MATRIX PRINTERS
MAKE POOR PHOTOGRAPHIC RECORD

By:

James L. Keller
General Manager/Clerk of the Board of Directors

(Strike out inapplicable one)

FC 1016 (03-25-93)

DO NOT WRITE ABOVE THIS LINE

Said easement area shall be kept clear of any type of building, fences, structure, or trees, other than those presently existing, unless prior written approval is obtained from District. However, at a future date, District agrees to accept a substitute but equivalent access, if necessary, to accommodate additional development of the property by Grantor.

(As used above, the term "grantor" shall include the plural as well as the singular number and the words "himself" and "his" shall include the feminine gender as the case may be.)

Dated this 30th day of January, 1995.

Signed and delivered in the presence of
(Subscribing Witness Only)

J. Scott Erwin
J. Scott Erwin, Manager
Corp Design & Construction

TANDEM COMPUTERS INCORPORATED,
A Delaware Corporation

David J. Rynne, Sr. Vice President
Chief Financial Officer

ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA }
COUNTY OF SANTA CLARA }

ss

On this 30th day of January, in the year 1995, before me

personally appeared David J. Rynne

(Name(s) of Signer(s))

☒ personally known to me - OR -

☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Barbara J. Madorski
Notary Public in and for said County and State



CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

☐ Individual

☐ Trustee(s)

☒ Corporate Officer(s): Sr. Vice Pres & CFO

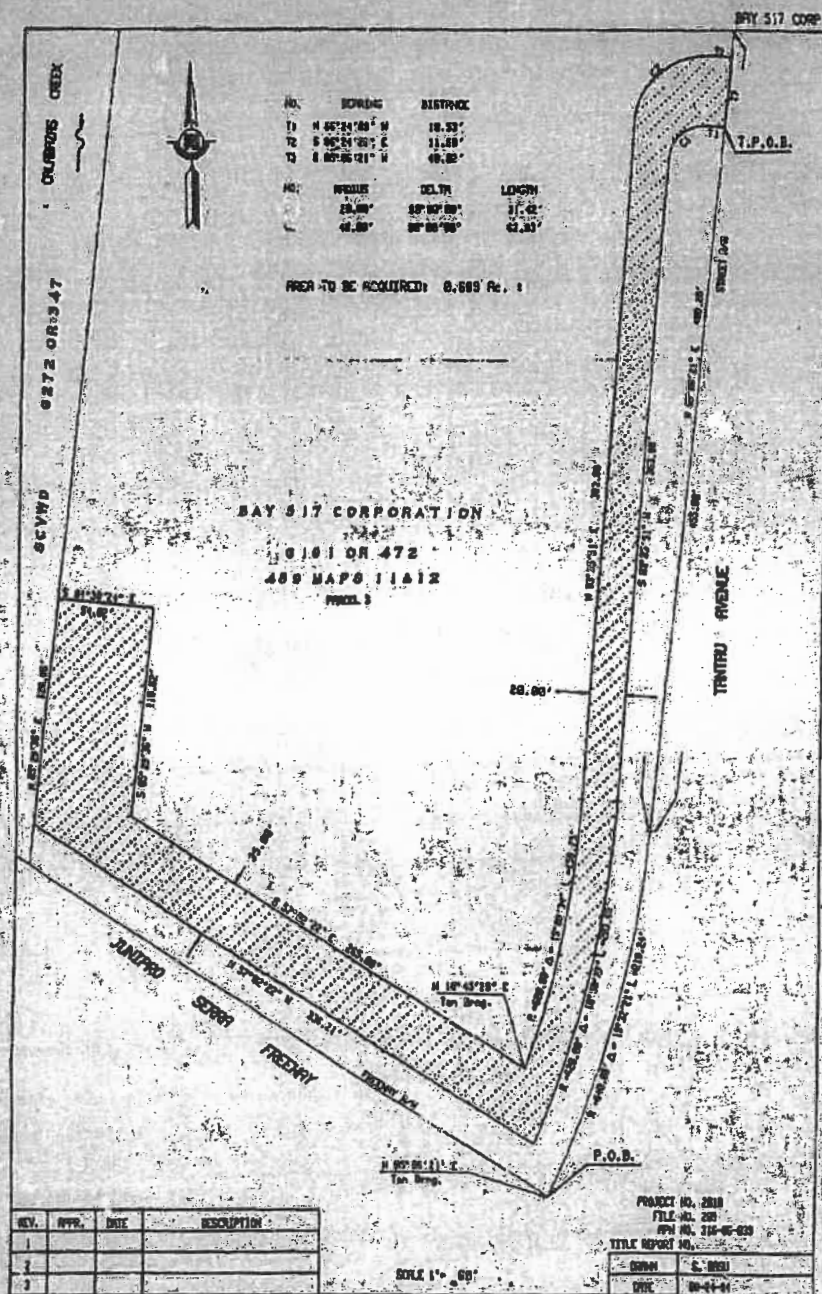
☐ Guardian/Conservator

☐ Partner(s) ☐ Limited ☐ General

☐ Other: _____

☐ Attorney-in-Fact

Signer is Representing (Name of Person(s) or Entity(ies))



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**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 2025-

AUTHORIZING EXCHANGE OF REAL PROPERTY RIGHTS WITH APPLE INC.

WHEREAS, Section 31 of the District Act authorizes the Board by majority vote to exchange real property of equal value with any person, firm, or corporation where the real property to be exchanged is not required for Santa Clara Valley Water District (Valley Water) use and the property to be acquired is required for Valley Water use; and

WHEREAS, Apple Inc. (Apple), a California company, successor by merger to Campus Holdings, Inc., a Delaware corporation, owns fee title to that certain real property located in the City of Cupertino, State of California designated with Assessor Parcel Number (APN) 316-06-064 (hereafter, "Subject Property"); and

WHEREAS, Valley Water currently possesses ingress/egress easement rights on, over, under, and upon portions of the Subject Property for ingress/egress from Tantau Avenue to Calabazas Creek, which flows adjacent to the Subject Property; and

WHEREAS, under the existing easement deed (Document 1308844), recorded, February 29, 1996, Apple has reserved rights to provide a substitute but equivalent ingress/egress to Valley Water if needed to accommodate development at the site; and

WHEREAS, due to site development, Apple would like to provide a substitute ingress/egress easement that is functionally equivalent to the existing Valley Water easement along the eastern portion of the Subject Property adjacent to North Tantau Avenue, I-280, and Calabazas Creek described and depicted in the Ingress/Egress Easement Deed attached hereto and incorporated herein as Exhibit A; and

WHEREAS, in exchange for the proposed easement, Valley Water would quitclaim the existing easement over the Subject Property, between North Tantau Avenue, I-280, and Calabazas Creek, described and depicted in the Quitclaim Deed attached hereto and incorporated herein as Exhibit B, to Apple; and

WHEREAS, upon acceptance of the substitute ingress/egress easement by Valley Water, the existing easement will no longer be necessary for Valley Water use and purposes.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Santa Clara Valley Water District does hereby find that:

1. The recitals above and exhibits attached hereto are incorporated herein by this reference.
2. The right to provide a substitute but equivalent access easement, if needed for future development, is reserved by Apple in the existing easement deed.
3. The interest in real property to be acquired from Apple is described in the Ingress/Egress Easement Deed, attached hereto as Exhibit A and incorporated and herein, is functionally equivalent to the existing ingress/egress easement.

4. The interest in real property to be conveyed from Valley Water to Apple is described in the Quitclaim Deed, attached hereto as Exhibit B and incorporated herein, and will no longer be required for Valley Water ingress and egress purposes upon acceptance of the Ingress/Egress Easement Deed.
5. The proposed exchange of real property is approved and consistent with the requirement of the District Act.
6. The Chair of the Board is authorized to sign this Resolution.
7. The CEO is hereby authorized to accept the real property described in the Ingress/Egress Easement Deed from Apple shown in Exhibit A.
8. The CEO is hereby authorized to execute and deliver the Quitclaim Deed to Apple shown in Exhibit B.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on January 14, 2025:

AYES: Directors

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

TONY ESTREMER
Chair, Board of Directors

ATTEST: MAXIMILLION OVERLAND, CMC

Interim Clerk, Board of Directors

EXHIBIT A COVERSHEET

INGRESS/EGRESS EASEMENT DEED

No. of Pages: 6

Exhibit Attachment: None

EXHIBIT A – INGRESS/EGRESS EASEMENT DEED (Page 1 of 6)

RECORD WITHOUT FEE UNDER SECTION 6103
GOVERNMENT CODE OF THE STATE OF CALIFORNIA

AFTER RECORDING RETURN TO:
REAL ESTATE SERVICES UNIT
SANTA CLARA VALLEY WATER VALLEY WATER
5750 ALMADEN EXPRESSWAY
SAN JOSE, CALIFORNIA 95118

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APN: 316-06-064 (portion of)

DOCUMENT NO.: 2010-226

EASEMENT DEED (Ingress/Egress)

Apple Inc., a California company, successor by merger to Campus Holdings, Inc., a Delaware corporation, hereinafter "Grantor," do(es) hereby grant, convey and dedicate to the **SANTA CLARA VALLEY WATER DISTRICT, a Special District, created by the California Legislature** "Grantee", a non-exclusive easement for the purpose of ingress and egress on, upon, over, and across that certain real property in the City of Cupertino, County of Santa Clara, State of California, described as:

See attached Exhibit "A" & "B" hereto and made a part thereof ("Easement Area")

EXHIBIT A – INGRESS/EGRESS EASEMENT DEED (Page 2 of 6)

DOCUMENT NO.: 2010-226

The Easement Area shall be kept clear of any type of building, fences, structure, or trees, other than those presently existing, unless prior written approval is obtained from the Grantee, which approval shall not be unreasonably withheld, delayed or conditioned.

Grantee shall indemnify, defend, and hold Grantor harmless from and against every expense, claim, demand and loss, including but not limited to liabilities, obligations, costs, reasonable expenses, fines, levies, imposts, assessments, demands, damages, or judgments of any kind or nature, whether in law or equity (including without limitation, administration and judicial orders or consents, or any other loss) by reason of injury (including death) to persons or damage to property arising out of Grantee's (including its officers, employees, agents, contractors, and invitees (collectively, the "Grantee Parties")) use of the Easement Area, except to the extent arising out of the negligence or willful misconduct of Grantor or any of the Grantor Parties.

Grantor shall indemnify, defend, and hold Grantee harmless from and against every expense, claim, demand and loss, including but not limited to liabilities, obligations, costs, reasonable expenses, fines, levies, imposts, assessments, demands, damages, or judgments of any kind or nature, whether in law or equity (including without limitation, administration and judicial orders or consents, or any other loss) by reason of injury (including death) to persons or damage to property arising out of Grantor's (including its officers, employees, agents, contractors, and invitees (collectively, the "Grantor Parties")) use of the Easement Area, except to the extent arising out of the negligence or willful misconduct of Grantee or any of the Grantee Parties.

The covenants, terms, conditions, and restrictions of this Easement shall be binding upon, and inure to the benefit of, the parties and their respective personal representatives, heirs, successors, and assigns, and shall constitute a servitude running in perpetuity with the Easement Area.

(As used above, the terms "Grantor" and "Grantee" shall include the plural as well as the singular number. The words "himself and "his" shall include the feminine gender as the case may be.)

Each of the provisions of this easement shall be enforceable independently of any other provision of this easement and independent of any other claim or cause of action. In the event of any matter of dispute arising out of or related to this easement, it is agreed between the parties that the law of the jurisdiction and location where this easement is recorded (including statute of limitation provisions) will govern the interpretation, validity and effect of this easement without regard to the place of execution or place of performance thereof, or any conflicts of law provisions.

Dated this 11 day of July 2024

APPLE INC.

By: 

Kristina Raspe
Vice President of Real Estate and
Development

EXHIBIT A – INGRESS/EGRESS EASEMENT DEED (Page 3 of 6)

DOCUMENT NO.: 2010-226

ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE §1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA SS
COUNTY OF SANTA CLARA

On this 11 day of July, in the year 2021 before me Terencia Tervalon,
Notary Public, personally appeared Kristina Raspe
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.


Notary Public in and for said County and State



CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

- | | |
|---|---|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Trustee (s) |
| <input type="checkbox"/> Corporate Officer(s): _____ | <input type="checkbox"/> Guardian/Conservator |
| <input type="checkbox"/> Partner(s) <input type="checkbox"/> Limited <input type="checkbox"/> General | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Attorney-In-Fact _____ | |

Signer is Representing (Name of Person(s) or Entity(ies))

EXHIBIT A – INGRESS/EGRESS EASEMENT DEED (Page 4 of 6)

DOCUMENT NO.: 2010-226

CERTIFICATE OF CONSENT AND ACCEPTANCE

This is to certify that the interest in real property conveyed by the attached Deed or Grant to the Santa Clara Valley Water District, also referred to herein as the Grantee, is hereby accepted by the undersigned duly authorized agent on behalf of the Board of Directors of said Santa Clara Valley Water District, pursuant to authority conferred by Resolution No. 14-79 of said Board of Directors adopted on the 9th day of September 2014, and the Grantee consents to recordation thereof by its said duly authorized agent.

Dated: _____, 20__

Santa Clara Valley Water District

By: _____
Chief Executive Officer/Clerk of the Board of Directors
(Strike out inapplicable one)

EXHIBIT A – INGRESS/EGRESS EASEMENT DEED (Page 5 of 6)

DocuSign Envelope ID: 4D369B4D-E797-4E13-9A35-485A38BD838A

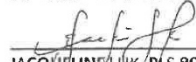
EXHIBIT "A"
LEGAL DESCRIPTION
INGRESS/EGRESS EASEMENT

REAL PROPERTY SITUATED IN THE UNINCORPORATED AREA OF SANTA CLARA COUNTY, STATE OF CALIFORNIA, BEING A PORTION OF PARCEL 4 AS SHOWN ON THAT CERTAIN PARCEL MAP FILED DECEMBER 19, 2014, IN BOOK 879 OF MAPS, AT PAGES 19 TO 25, INCLUSIVE, IN THE OFFICE OF THE COUNTY RECORDER OF SANTA CLARA COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHERLY TERMINUS OF THAT COURSE SHOWN AS "N 00°26'29" E(R), 54.00 FEET" ALONG THE GENERAL EASTERLY LINE OF SAID PARCEL 4; THENCE ALONG SAID COURSE, NORTH 00°26'29" EAST, 10.50 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID COURSE, NORTH 00°26'29" EAST, 33.01 FEET; THENCE FROM A TANGENT THAT BEARS NORTH 88°49'44" WEST, ALONG A CURVE TO THE LEFT WITH A RADIUS OF 60.32 FEET, THROUGH A CENTRAL ANGLE OF 76°52'32", AN ARC LENGTH OF 80.93 FEET TO A POINT OF COMPOUND CURVATURE; THENCE ALONG A TANGENT CURVE TO THE LEFT WITH A RADIUS OF 25.00 FEET, THROUGH A CENTRAL ANGLE OF 14°17'21", AN ARC LENGTH OF 6.23 FEET; THENCE SOUTH 00°00'23" WEST, 603.37 FEET; THENCE SOUTH 14°37'11" WEST, 26.80 FEET; THENCE ALONG A TANGENT CURVE TO THE RIGHT WITH A RADIUS OF 45.00 FEET, THROUGH A CENTRAL ANGLE OF 108°20'28", AN ARC LENGTH OF 85.09 FEET; THENCE NORTH 57°02'21" WEST, 219.30 FEET; THENCE NORTH 05°29'36" EAST, 142.76 FEET; THENCE AT A RIGHT ANGLE, NORTH 84°30'24" WEST, 54.02 FEET TO THE GENERAL WESTERLY LINE OF SAID PARCEL 4; THENCE ALONG LAST SAID LINE, SOUTH 05°29'36" WEST, 137.22 FEET; THENCE SOUTH 57°02'21" EAST, 269.79 FEET; THENCE ALONG A TANGENT CURVE TO THE LEFT WITH A RADIUS OF 65.00 FEET, THROUGH A CENTRAL ANGLE OF 100°58'51", AN ARC LENGTH OF 114.56 FEET; THENCE NORTH 13°56'20" EAST, 49.95 FEET; THENCE NORTH 00°00'23" EAST, 582.67 FEET; THENCE ALONG A TANGENT CURVE TO THE RIGHT WITH A RADIUS OF 25.00 FEET, THROUGH A CENTRAL ANGLE OF 53°13'55", AN ARC LENGTH OF 23.23 FEET TO A POINT OF COMPOUND CURVATURE; THENCE ALONG A TANGENT CURVE TO THE RIGHT WITH A RADIUS OF 48.67 FEET, THROUGH A CENTRAL ANGLE OF 35°37'53", AN ARC LENGTH OF 30.27 FEET TO THE POINT OF BEGINNING.

CONTAINING 30,279 SQUARE FEET, MORE OR LESS.

PREPARED BY LUK AND ASSOCIATES


JACQUELINE LUK, PLS 8934

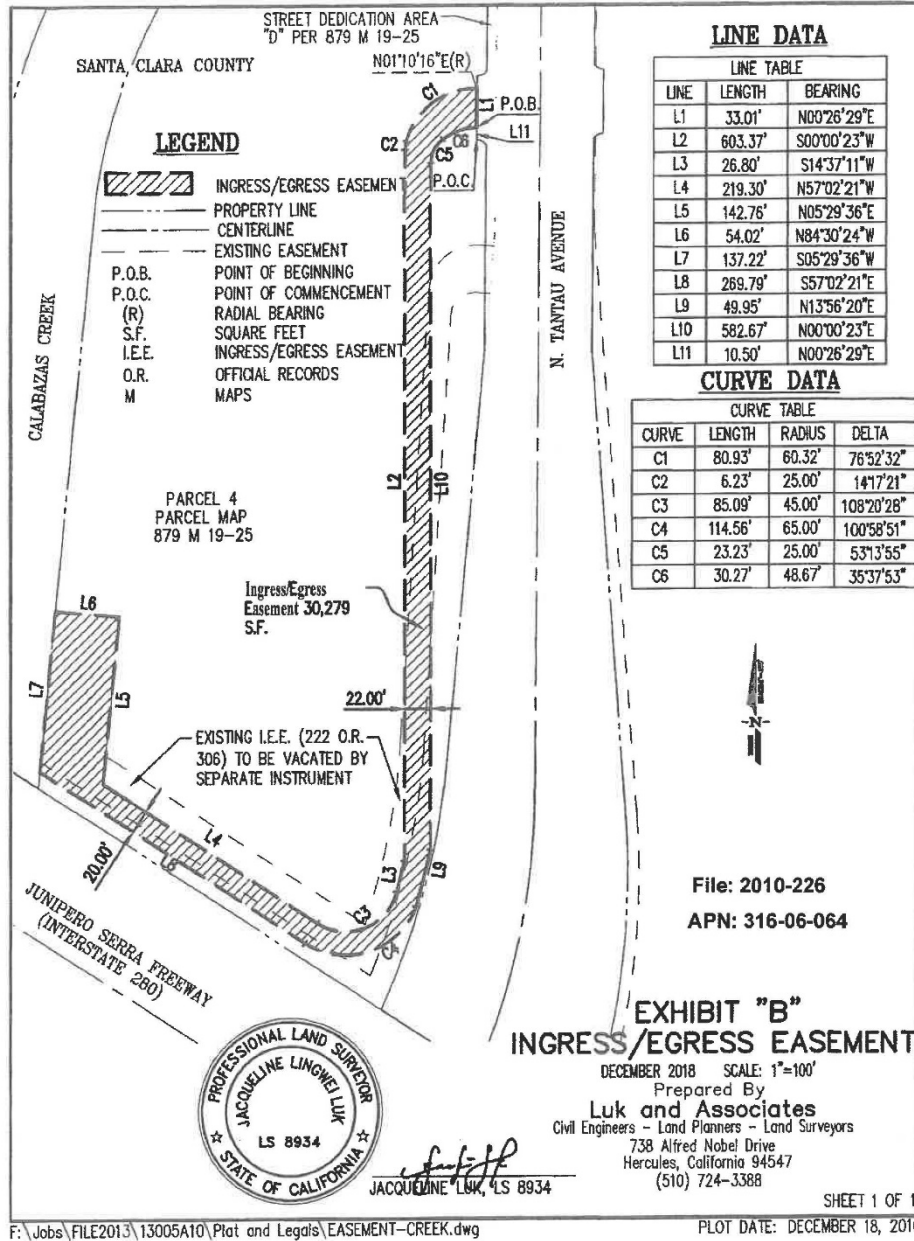
DATE: December 18, 2016



This real property description has been prepared
by me or under my direction in conformance with the Professional Land Surveyors Act.

EXHIBIT A – INGRESS/EGRESS EASEMENT DEED (Page 6 of 6)

DocuSign Envelope ID: 4D369B4D-E797-4E13-9A35-485A38BD838A



F:\Jobs\FILE2013\13005A10\Plat and Legals\EASEMENT-CREEK.dwg

EXHIBIT B COVERSHEET

QUITCLAIM DEED

No. of Pages: 7

Exhibit Attachment: None

EXHIBIT B – QUITCLAIM DEED (Page 1 of 7)

RECORD WITHOUT FEE UNDER CALIFORNIA
GOVERNMENT CODE SECTION 6103

AFTER RECORDING RETURN TO:
REAL ESTATE SERVICES UNIT
SANTA CLARA VALLEY WATER DISTRICT
5750 ALMADEN EXPRESSWAY
SAN JOSE, CALIFORNIA 95118

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APN: 316-06-064 (portion of)

DOCUMENT NO.: 2010-209.1

QUITCLAIM EASEMENT DEED
(Ingress/Egress)

SANTA CLARA VALLEY WATER DISTRICT, a Special District, created by the California Legislature (Valley Water), hereinafter "Grantor," does hereby release and quitclaim to Apple Inc., a California corporation, (Grantee) all that real property interest in the City of Cupertino, County of Santa Clara, State of California, described in that certain Easement Deed (Ingress/Egress) recorded on February 29, 1996 as instrument No. 13208844, Official Records of Santa Clara County as depicted on Exhibit A attached hereto.

Dated this _____ day of _____, 2025

SANTA CLARA VALLEY WATER
DISTRICT

By: _____
Rick L. Callender Esq.
Chief Executive Officer

Attest: Michele L. King

By: _____
Clerk/Board of Directors

EXHIBIT B – QUITCLAIM DEED (Page 2 of 7)

DOCUMENT NO.: 2010-209.1

ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE §1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA SS
COUNTY OF SANTA CLARA

On this _____ day of _____, in the year 20____, before me _____,

Notary Public, personally appeared _____
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public in and for said County and State

CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

- | | |
|---|---|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Trustee (s) |
| <input type="checkbox"/> Corporate Officer(s): _____ | <input type="checkbox"/> Guardian/Conservator |
| <input type="checkbox"/> Partner(s) <input type="checkbox"/> Limited <input type="checkbox"/> General | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Attorney-In-Fact _____ | |

Signer is Representing (Name of Person(s) or Entity(ies))

Exhibit A

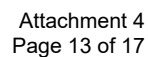


EXHIBIT B – QUITCLAIM DEED (Page 4 of 7)

P222 PAGE 0306
VALLEY TITLE COMPANY
ESCROW NO. 205928 INSURED
RECORD WITHOUT FEE UNDER SECTION 6163
GOVERNMENT CODE OF THE STATE OF CALIFORNIA
AFTER RECORDING RETURN TO:
SANTA CLARA VALLEY WATER DISTRICT
8760 ALAMADEN EXPRESSWAY
SAN JOSE, CALIFORNIA 95116

REC	REC
FBI	
AGRO	
RTCE	
LEN	
SNSP	
PCOR	

3208844
FINISHED AT THE REQUEST OF
Valley Title Company

FEB 29 1996 8:00AM
BRENDA DAVIS, Recorder
Santa Clara County, Official Records

APN NO. 316-06-038 and -39 (portion)

SPACE ABOVE THIS LINE FOR RECORDER'S USE

EASEMENT DEED
(INGRESS/EGRESS)

DOCUMENT NO.: 2010-209

TANDEM COMPUTERS INCORPORATED, a Delaware corporation,

hereinafter, "Grantor"

Grant, convey and dedicate to the SANTA CLARA VALLEY WATER DISTRICT, a public corporation ("District"),
an easement for the purpose of ingress and egress on, upon, over, and across that certain real property, in the City of
Cupertino, County of Santa Clara, State of California, described as:

Being a portion of the lands described in the deed recorded in Book G191 of Official Records at Page 472 and shown
as "PARCEL 3" on that certain parcel map filed in Book 489 of Maps at pages 11 and 12, both documents are in the
office of the Recorder, County of Santa Clara, State of California, to wit:

BEGINNING at the intersection of the general westerly line of Tantau Avenue with the northerly line of the Junipero
Serra Freeway, as shown on said map; thence along said general westerly line of Tantau Avenue, along a curve to the
left from a tangent which bears N05°06'21"E, having a radius of 640.00 feet, through a central angle of 19°32'21" for
an arc distance of 218.24 feet; thence continuing along said line, N05°06'21"E 400.20 feet to the TRUE POINT OF
BEGINNING; thence leaving said line, N86°24'09"W 10.53 feet; thence along a curve to the left having a radius of
20.00 feet, through a central angle of 90°00'00" for an arc distance of 31.42 feet; thence S03°35'51"W 363.88 feet;
thence along a curve to the right, having a radius of 620.00 feet, through a central angle of 18°50'27" for an arc distance
of 203.88 feet; thence N57°02'22"W 336.21 feet to a point on the easterly line of the lands of the Santa Clara Valley
Water District as described in the deed recorded in Book G272 of Official Records at Page 347, Santa Clara County
Records, thence along said easterly line, N05°29'36"E 128.86 feet; thence leaving said line, S84°30'24"E 54.02 feet;
thence S05°29'36"W 118.62 feet; thence S57°02'22"E 265.09 feet; thence along a curve to the left from a tangent which
bears N18°45'25"E, having a radius of 600.00 feet, through a central angle of 15°09'34" for an arc distance of 158.75
feet; thence N03°35'51"E 383.88 feet; thence along a curve to the right, having a radius of 40.00 feet, through a central
angle of 90°00'00" for an arc distance of 62.83 feet; thence S86°24'09"E 11.58 feet to a point on said general westerly
line of Tantau Avenue; thence along said line, S05°06'21"W 40.02 feet to the TRUE POINT OF BEGINNING.

Containing 0.689 acre of land, more or less.

20100001.000

ORIGINAL

EXHIBIT B – QUITCLAIM DEED (Page 5 of 7)

P 222 PAGE 0307

DO NOT WRITE ABOVE THIS LINE

ACKNOWLEDGMENT OF SUBSCRIBING WITNESS

STATE OF CALIFORNIA)
COUNTY OF SANTA CLARA) SS

On this 30th day of January, in the year 1995, before me,
the undersigned, a Notary Public in and for the State of California, residing therein, duly commissioned and sworn,
personally appeared J. Scott Erwin known to me to be the person whose name is subscribed
to the within instrument as a witness thereto, who, being by me duly sworn, deposed and said: that . . . he resides in the
County of Santa Clara State of California; that . . . he was present and saw . . .

David J. Rynne

personally known to him to be the person . . . described in and whose name is
subscribed to the within instrument, execute the same; and that affiant subscribed . . . name thereto as a witness to
said execution.



WITNESS my hand and official seal.

Barbara J. Andersen
Notary Public in and for said County and State

CERTIFICATE OF CONSENT AND ACCEPTANCE

This is to certify that the interest in real property conveyed by the attached Deed or Grant to Santa Clara Valley Water District is hereby accepted by the undersigned duly authorized agent on behalf of the Board of Directors of said Santa Clara Valley Water District, pursuant to authority conferred by Resolution No. 68-26 of said Board of Directors adopted on the 26th day of March 1968, recorded March 27, 1968, Book 8069, Page 536, Official Records of Santa Clara County, California, and the Grantee consents to recordation thereof by its said duly authorized agent.

Dated: Feb 25 1995 19

Santa Clara Valley Water District

RECORDER'S MEMO

FAINT WRITING, TYPING, CARBON
COPIES OR DOT MATRIX PRINTERS
MAKE POOR PHOTOGRAPHIC RECORD

By:

James L. Keller
General Manager/Clerk of the Board of Directors

(Strike out inapplicable one)

FC 1016 (02-25-93)

EXHIBIT B - QUITCLAIM DEED (Page 6 of 7)

P 2-2 PA GF 0308

DO NOT WRITE ABOVE THIS LINE

Said easement area shall be kept clear of any type of building, fences, structure, or trees, other than those presently existing, unless prior written approval is obtained from District. However, at a future date, District agrees to accept a substitute but equivalent access, if necessary, to accommodate additional development of the property by Grantor.

(As used above, the term "grantor" shall include the plural as well as the singular number and the words "himself" and "his" shall include the feminine gender as the case may be.)

Dated this 30th day of January 19 95.

Signed and delivered in the presence of
(Subscribing Witness Only)

J. Scott Erwin, Manager
Corp Design & Construction

TANDEM COMPUTERS INCORPORATED,
A Delaware Corporation

David J. Rynne, Sr. Vice President
Chief Financial Officer

ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA }
COUNTY OF SANTA CLARA } SS

On this 30th day of January, in the year 1995, before me

personally appeared David J. Rynne

(Name(s) of Signer(s))

- ☒ personally known to me - OR -
☐ proved to me on the basis of satisfactory evidence
to be the person(s) whose name(s) subscribed to the within instrument and acknowledged to me that he/she/they executed
the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the
entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Barbara J. Magers
Notary Public in and for said County and State



CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

- ☐ Individual
☒ Corporate Officer(s): Sr. Vice Pres & CFO
☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:

Signer Is Representing (Name of Person(s) or Entity(ies))

MS00001 .htm

FC 1016 803 75 001

[illegible]

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Santa Clara Valley Water District

File No.: 25-0044

Agenda Date: 1/14/2025

Item No.: 4.2.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Adopt a Resolution Authorizing the Chief Executive Officer, or Their Designee, to Sign the Equity in Infrastructure Projects Pledge on Behalf of the Santa Clara Valley Water District.

RECOMMENDATION:

Adopt the Resolution AUTHORIZING THE CHIEF EXECUTIVE OFFICER OR THEIR DESIGNEE TO SIGN THE EQUITY IN INFRASTRUCTURE PROJECT PLEDGE ON BEHALF OF THE SANTA CLARA VALLEY WATER DISTRICT and join the other 74 private and public agencies already in the EIP coalition.

SUMMARY:

The mission of the Santa Clara Valley Water District (Valley Water) is to provide safe, clean water for a healthy life, environment, and economy. To fulfill our mission, Valley Water awards and/or manages millions of dollars in infrastructure projects annually that create jobs and contribute to the economy in other ways. The non-profit Equity in Infrastructure (EIP) aims to build generational wealth and reduce the racial wealth gap by committing public agencies to develop and share policies that create infrastructure contracting opportunities for Historically Underutilized Businesses (HUBs). EIP is seeking public agencies to pledge to advance EIP's mission.

Valley Water is committed to equity contracting and has taken concrete steps to affirm this commitment and improve access for HUBs, among them small business enterprises.

On September 22, 2020, the Board approved a Resolution "Addressing Systematic Racism and Promoting Equity." The resolution, among other things, called for creating an Ends Policy relative to environmental justice.

On November 23, 2020, the Board Planning and Policy Committee (now Board Policy and Monitoring Committee) heard proposed modifications to Board Governance Ends Policy General Principles E-1 and the Glossary relative to environmental justice, which included expanding the environmental justice definition beyond the federal Environmental Protection Agency (EPA) definition to reflect better local conditions and to include Valley Water's Executive Limitation related to environmental justice approved in 2018. The updated E-1 policy reads as follows:

Valley Water is committed to environmental justice and shall provide for the fair treatment and meaningful engagement of all people regardless of race, color, national origin, tribe, culture, income, immigration status, or English language proficiency, with respect to the planning, projects, policies, services, and operations of Valley Water. Environmental justice is achieved when all people receive:

- Equitable consideration in the planning and execution of flood protection, water supply, safe drinking water, water resources stewardship projects, and protection from environmental and health hazards; and
- Equal access to Valley Water's decision-making process.

On February 23, 2021, the Board considered and adopted the revised Board Governance Ends Policy General Principles E-1 and the Glossary relative to environmental justice as the Board Planning and Policy Committee recommended.

On September 23, 2023, the Board adopted an ordinance "Directing the Establishment of Procedures for the Small Business Enterprise (SBE) Outreach Program Policy for the Contracting of Construction" in accordance with the Public Contract Code (PCC) §2002, enacted in 2001, which authorizes local agencies to provide SBE preference to facilitate contract awards to small businesses. The ordinance directed the agency to establish criteria and policies consistent with PCC §2000 to encourage SBE participation.

Further, Valley Water encourages and promotes the use of SBEs in contracting per the Board of Directors' governance policies, executive limitations, and newly developed SBE program policies and criteria. Accordingly, signing on to the Equity in Infrastructure Program (EIP) pledge and joining the growing coalition of national, state, and local public and private agencies whose CEOs have already signed affirms Valley Water's commitment to equity.

EIP's pledge does not take the place of existing federal, state or local laws and or contracting program requirements.

Staff, therefore, recommends that the Board authorize the CEO to sign on to the Equity in Infrastructure Program (EIP) pledge on behalf of Valley Water.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

This action is not subject to environmental justice analysis because it is unlikely to result in human health or environmental impacts. However, signing this pledge further affirms Valley Water's commitment to equity.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Resolution

UNCLASSIFIED MANAGER:

Marta Lugo, 408-630-2237

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**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 2025-

**AUTHORIZING THE CHIEF EXECUTIVE OFFICER OR THEIR DESIGNEE TO SIGN THE
EQUITY IN INFRASTRUCTURE PROJECT PLEDGE ON BEHALF OF
THE SANTA CLARA VALLEY WATER DISTRICT**

WHEREAS, the Equity in Infrastructure Project (EIP) is a non-profit organization seeking to build generational wealth and reduce the racial wealth gap by promoting and building a coalition of public and private agencies committed to improving public infrastructure contracting practices to enhance equity access to contracting opportunities for historically underutilized business (HUBs); and

WHEREAS, as of today, the EIP coalition consists of 74 public and private agencies whose CEOs have already signed the EIP pledge, which include federal and state organizations, and among these California's largest water agency; and

WHEREAS, the EIP pledge signatories are invited to commit to the advancement of infrastructure equity for HUBs by ("the Pledge"):

- Increasing the number, size and proportion of contracting opportunities going to HUBs;
- Increasing the number, size and proportion of contracting opportunities going to HUBs as prime contractors;
- Streamlining the administration of contracting with HUBs to centralize certification, improve payment time, and standardize transparent data collection;
- Increasing the amount and type of financing available to HUBs aiming to meet infrastructure contracts by working with private and public partners; and
- Expanding the number of signatories to this Pledge.

WHEREAS, Valley Water holds equity, fairness, diversity, and environmental justice as core values to its mission and the Pledge is aligned with these values.

WHEREAS, past and current efforts by the Santa Clara Valley Water District, including the adoption of Ordinance 23-0657 directing the establishment of construction contracting procedures within the Small Business Enterprise Outreach Program Policy, are also closely aligned with the intent of the Pledge and signing it will further demonstrate Valley Water's commitment to equity.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Santa Clara Valley Water District hereby authorize the Chief Executive Officer to sign the Equity in Infrastructure Pledge on behalf of Valley Water, thereby strengthening Valley Water's commitment to support the actions outlined in the Pledge.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by
the following vote on January 14, 2025.

AYES: Directors

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

TONY ESTREMER
Chair, Board of Directors

ATTEST: MAXIMILLION OVERLAND, CMC

Interim Clerk, Board of Directors



Santa Clara Valley Water District

File No.: 24-1057

Agenda Date: 1/14/2025

Item No.: 4.3.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Accept the Santa Clara Valley Water District Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024, and Other Independent Auditor's Reports.

RECOMMENDATION:

Accept the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024, and other independent auditor's reports.

SUMMARY:

The Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024, was audited by Santa Clara Valley Water District's (Valley Water) external auditor, Vasquez and Company. During the audit, no material financial findings or internal control weaknesses were reported. The auditor has issued an unmodified ("clean") opinion dated December 20, 2024, stating that the District's financial statements are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP), as established by the Governmental Accounting Standards Board (GASB).

The auditor prepares additional assurance letters and reports, in accordance with attestation standards established by the American Institute of Certified Public Accountants. See attachments 2 through 4.

The ACFR complies with the following requirements:

1. Board Policy BL-5.2 which requires the monitoring and reporting of financial conditions and activities to be performed annually by an external method.
2. State Law (Government Code Section 26909) which requires an annual examination and audit of Valley Water's financial records.

Each year since 1997, Valley Water has been awarded the prestigious Certificate of Achievement for Excellence in Reporting by the Government Finance Officers Association of the United States and Canada (GFOA), including most recently for the 2023 fiscal year.

The Board Audit Committee discussed the ACFR at their meeting on November 20, 2024, and recommends acceptance by the full Board.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

There are no Environmental Justice impacts associated with this item.

FINANCIAL IMPACT:

Auditing services costs are included in the FY 2024-25 budget.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: FY 2023-24 ACFR

Attachment 2: Investment Policy Compliance

Attachment 3: Article XIII-B Appropriations Procedure

Attachment 4: Debt Issuance Compliance

Attachment 5: Travel Expense Compliance

UNCLASSIFIED MANAGER:

Darin Taylor, 408-630-3068

Santa Clara Valley Water District

also referred to as

Valley Water

Serving Santa Clara County, California

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2024

Prepared by the General Accounting Services Unit

Darin Taylor, Chief Financial Officer
Jimmy Salandanan, Accounting Manager

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December 20, 2024

TO THE BOARD OF DIRECTORS OF VALLEY WATER AND CITIZENS OF SANTA CLARA VALLEY:

It is our pleasure to submit the Annual Comprehensive Financial Report (ACFR) for the Santa Clara Valley Water District (Valley Water) for the fiscal year ended June 30, 2024. The ACFR is prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with Valley Water. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various activities of Valley Water. All disclosures necessary to enable the reader to gain an understanding of Valley Water's financial activities have been included.

To provide a reasonable basis for making these representations, management of Valley Water has established a comprehensive internal control framework that is designed both to protect Valley Water's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of Valley Water's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Valley Water's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Valley Water's financial statements have been audited by Vasquez and Company LLP, a firm of licensed certified public accountants. The purpose of the independent audit was to provide reasonable assurance that the financial statements of Valley Water for the fiscal year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The audit included obtaining an understanding of the entity and its environment, including internal controls, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions on Valley Water's financial statements for the fiscal year ended June 30, 2024. The opinions rendered concluded that the financial statements are fairly presented, in all material respects, in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Letter of Transmittal (continued)

The independent audit of the financial statements of Valley Water is part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements but also on Valley Water’s internal controls and compliance over the administration of federal awards. The single audit review is applicable when Federal funded expenditures equal \$750 thousand or more. This audit is typically completed after the audit of the financial statements and will be issued separately for Valley Water’s Board of Directors (Board) acceptance.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Valley Water’s MD&A can be found immediately following the report of the independent auditor.

Valley Water Profile

The mission of Valley Water is to provide Silicon Valley safe, clean water for a healthy life, environment, and economy. Valley Water operates as a State of California special district under the authority of the 1929 Santa Clara Valley Water District Act or District Act (Wat. Code, § Ch. 60, Refs & Annos). The District Act governs the structure, function, and operations of the Board, which governs Valley Water and directs the Chief Executive Officer.

Valley Water is the primary water resource agency for Santa Clara County (County), California. It is the largest multi-purpose water supply, watershed stewardship, and flood management special district in California. It acts not only as the County’s primary water wholesaler but also as its flood protection agency and is the steward for its streams and creeks, underground aquifers, and Valley Water-built reservoirs. For fiscal year 2024, Valley Water adopted a net operating and capital budget of \$856.6 million to provide these critical services¹.

Valley Water serves the nearly two million residents of the County, an area of approximately 1,300 square miles which includes the County’s 15 cities and towns: Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San Jose, Santa Clara, Saratoga, and Sunnyvale. Valley Water also serves certain unincorporated areas of the County.

Valley Water sells treated water to 8 water retail companies, cities, and towns that service communities within the County via their own distribution systems. There are also private well owners in the County, for which Valley Water levies a groundwater production charge for water pumped from the ground. San Jose Water Company is the largest water retailer served by Valley Water, and currently provides water service to over one million customers. Revenues from San Jose Water Company for the sale of treated water and production of groundwater comprise over 50% of the water charge related revenue for Valley Water’s Water Enterprise. For Fiscal Year 2024, total budgeted outlays for water supply management totaled \$681.6 million².

¹ Valley Water FY2023-24 Operating and Capital Budget, chapter 3, page 6

² Valley Water FY2023-24 Operating and Capital Budget, chapter 6, page 47

Letter of Transmittal (continued)

A steady supply of safe, clean water to the County residents requires Valley Water to operate and maintain a complex delivery and treatment system that includes 3 water treatment plants, an advanced water purification center, 10 local reservoirs and dams, a water quality laboratory, dozens of groundwater recharge basins, 3 pumping stations and approximately almost 150 miles of pipelines. Water supplies include local surface water and groundwater, imported water, and recycled water. Water conservation is also an important part of the water supply strategy because it reduces water demands and helps improve water supply reliability.

The Board has established groundwater benefit zones in accordance with the District Act. The objective of establishing various groundwater benefit zones is to recover costs for the benefits resulting from Valley Water activities within that zone. In Fiscal Year 2021, the Board modified the boundaries of existing groundwater benefit zones W-2 and W-5 and created two new zones; Zone W-7, which overlays the Coyote Valley, and Zone W-8, which includes areas below Uvas and Chesbro Reservoirs. The four modified zone boundaries ensure that rate payers are grouped in a way that reflects the most recent and relevant data regarding services and benefits received by well users.

To ensure an adequate and reliable supply of high-quality water, Valley Water has partnered with cities and water retailers in the county to develop recycled water supplies. About 5% of the County's total water use currently consists of recycled water, limited primarily to landscaping and industrial uses. The Board's plan is to expand the use of recycled water in the coming years.

In 2010, the Board approved agreements with the City of San Jose to partner and build the Silicon Valley Advanced Water Purification Center (SVAWPC), a facility designed to produce about eight million gallons per day (MGD) or about nine thousand acre-feet per year of highly purified water. Valley Water and the City of San Jose entered into a ground lease and property use agreement (the "Ground Lease") with respect to the City of San Jose owned site in North San Jose on which the SVAWPC is located. In addition, Valley Water and the City of San Jose entered into an integration agreement (the "Integration Agreement") with respect to the operation of the SVAWPC. Valley Water and the City of San Jose each have the annual option to terminate the Integration Agreement on or after June 30, 2021, in accordance with its terms. The Ground Lease provides that if the Integration Agreement is terminated, the Ground Lease will simultaneously terminate and upon such termination, Valley Water would be required to surrender the facilities of the SVAWPC to the City of San Jose. The book value of the SVAWPC facilities as of June 30, 2024 is \$62.7 million. The option to terminate the Integration Agreement provides an opportunity for the City of San Jose and Valley Water to re-evaluate the continued need for integrated management of their respective facilities (i.e., Valley Water's SVAWPC and City of San Jose's Regional Wastewater Facility), financial support, and opportunities for the use of recycled water. Both parties would be required to meet and discuss potential amendments to the Integration Agreement in lieu of terminating the Integration Agreement to address the parties' concerns.

The SVAWPC in North San Jose commenced full operation in March 2014. Currently, purified water produced by the SVAWPC is not used for potable (drinking) purposes and is instead blended with existing recycled water to enhance its quality for non-potable purposes such as irrigation, cooling towers and industrial applications.

In December 2019, Valley Water's Board approved a 76-year agreement with the cities of Palo Alto and Mountain View to secure a minimum of 9 MGD or about ten thousand acre-feet per year of wastewater effluent through an effluent transfer option. Under the agreement, Valley Water will pay

Letter of Transmittal (continued)

\$0.2 million per year for the option to receive the wastewater effluent until June 1, 2033 or the point in time when Valley Water begins to receive the wastewater effluent, whichever occurs first. If Valley Water exercises its option, 9 MGD of effluent would be delivered to a regional purification facility to be constructed and owned by Valley Water. The purified water, which would be a locally controlled drought resilient supply, could be used for either indirect potable reuse (e.g., recharge local groundwater basins) or direct potable reuse (raw water or treated water augmentation, subject to future regulatory requirements). If Valley Water exercises the option, Valley Water would pay \$1.0 million per year for the effluent plus an inflation escalator for the 76-year term of the agreement. Valley Water has not made a decision as to whether it will exercise the option to receive wastewater effluent under the agreement. In addition to the foregoing option, Valley Water will contribute \$16.0 million to be used to fund either: (1) a portion of the costs of a local salt removal facility at the Regional Water Quality Control Plant in the City of Palo Alto to provide a higher quality of recycled water for irrigation and cooling towers; or (2) in the event that the cities of Palo Alto and Mountain View decide not to construct the local plant within 13 years of the effective date of the agreement, to fund other recycled water or water supply projects. In February 2024, the Valley Water Board of Directors placed the project to build a regional purification facility on hold due to affordability issues. This decision will be reviewed in two years.

Valley Water also provides stream stewardship that encompasses managing flood and storm waters within the County. The 1929 Santa Clara Valley Water District Act requires Valley Water to uphold the safety of the Santa Clara County residents from floods and storm waters, monitor the condition affecting watersheds and riparian corridors, and provide for the protection of property and the natural environment along creeks and rivers, and at the edge of the San Francisco Bay. For fiscal year 2024, total budgeted outlays for watershed management and flood protection totaled \$253.0 million³.

Factors Affecting Financial Condition

Local Economy

Located south of the San Francisco Bay Area, Santa Clara County is the sixth largest county in California, with a population of approximately 1.9 million⁴ and measures approximately 1,300 square miles. The northwest portion of the County, known as Silicon Valley, is home to many leading computer and electronics companies such as Google, Apple, Cisco, Intel, VMware, Hewlett Packard, Applied Materials, Adobe, and several other Fortune 500 companies. It ranks as the 3rd wealthiest county in the nation and second in annual median income at \$153,792⁵. Real estate values increased 12.4% over last year with the median home valued at \$1.56⁶ million compared to \$0.41 million for the whole United States⁷.

³ Valley Water FY2023-24 Operating and Capital Budget, chapter 6, page 4

⁴ California Department of Finance, Demographic Research Unit, Report E-4, Population Estimates

⁵ US News, The 15 Richest Counties in the US, Steven Ross Johnson, Dec. 20, 2023

⁶ Zillow Home Value Index, Santa Clara County, June 2024

⁷ Federal Reserve Bank of St. Louis, Median Sales Price of Houses Sold for the US, Q2 2024

Letter of Transmittal (continued)

Silicon Valley's economy demonstrated resilience despite growing income and wealth divides, coupled with persistent housing challenges for residents. Although employment growth showed a slight slowdown, Silicon Valley's workforce rebounded to pre-pandemic levels, gaining thousands of jobs over the past year. Even amidst losses in the tech sector, Silicon Valley achieved record breaking financial gains. According to the 2024 Silicon Valley Index released on February 28, 2024 by the Institute of Regional Studies, the region achieved an unprecedented market cap of \$14.3 trillion. Venture capital funding reached an astounding \$30 billion and an impressive 220% increase in investments in generative AI companies underscored the region's commitment to technological innovation according to the new release from Joint Venture Silicon Valley, a San Jose-based think tank⁸.

Unemployment rate was 4.1% as of June 2024, which is the same as that of the nation (4.1%) but better than the rest of California (5.2%)⁹. Meanwhile, the region's population estimate (as of January 2024) of 1.9 million approximated that of the prior year¹⁰.

Inflation rate slowed down as the Federal Reserve cautiously raised interest rates in July 2023 as a counter measure to rising prices. The consumer price index (CPI) for the San Francisco Bay Area, California and the nation as of June 2024 showed an increase of 3.2%, 3.3% and 3.0%, respectively when compared to the same month last year. This is a slight change in contrast to the prior year (June 2023) CPI increase of 2.5%, 3.1%, and 3.0%, respectively¹¹. Despite the inflation slowdown, rising prices, increased construction and manufacturing cost, and the cost of borrowing remain a concern for both consumers and business owners.

California's concern about the impact of the drought experienced during the last 3 fiscal years was alleviated by the abundant rain and snow fall experienced during the winter months of this fiscal year. More precipitation fell along the California coast between late January and March 2024, which helped mitigate the dry start in October to December 2023¹². Nevertheless, Valley Water continues to implore residents, businesses and farms to make water conservation a way of life and encourage a voluntary 15% reduction in water use when compared to the 2019 consumption level. As climate change creates extreme weather events such as severe droughts and flooding, Valley Water continues to invest in water infrastructure to ensure a reliable water supply for generations to come. This includes upgrading and maintaining existing pipelines and water treatment plants, evaluating new water storage projects, increasing the use of recycled and purified water, and progressing on the Anderson Dam Seismic Retrofit project. In addition, Valley Water is using all financial resources available to offset the negative effects of the prior years of drought on water rate charges to constituents by vigorously pursuing federal and state grant funding.

⁸ Joint Venture Silicon Valley, 2024 Silicon Valley Index, Feb 28, 2024

⁹ Bureau of Labor Statistics, News Release, July 19, 2024

¹⁰ California Department of Finance, Demographic Research Unit, Report E-4, Population Estimates

¹¹ State of California, Department of Industrial Relations, 10/10/2024 update

¹² NOAA, Drought status update for California-Nevada, 10/17/2024

Long-term Financial Planning

Valley Water plans, manages, and carries out work to meet policies established by the Board. Under Valley Water's form of Policy Governance, these "Ends" policies describe the mission, outcomes, or results to be achieved by Valley Water staff. Balancing the Ends policies are Executive Limitations, which set limits on staff activities in fulfilling the Ends. Alignment of plans and resources with the Ends policies helps the Board fulfill the critical responsibility of defining, balancing, and prioritizing "what benefits, for what people, at what cost," and enhances Valley Water staff's accountability in using budgeted resources to accomplish those ends.

Valley Water supports activities that carry out its mission through the following three highest-level "End Policies"¹³.

- E2 - Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served.
- E3 - Natural flood protection is provided to reduce risk and improve health and safety for residents, businesses, and visitors, now and into the future.
- E4 - Water resources stewardship to protect and enhance ecosystem health in Santa Clara County.

The fiscal year 2024 budget included over \$60.0 million for the contractual obligations of water purchases with the federal Central Valley Project and the State Water Project. In addition to contract water, Valley Water's budget included Water Banking expenses of approximately \$5.9 million to bring approximately 27,800-acre feet of water to the county from Semitropic Water Storage District located in Kern County and an additional \$6.0 million in supplemental water purchases to help mitigate the impact on water supply of the multi-year storage capacity loss of Valley Water's largest dam at Anderson Reservoir¹⁴.

Valley Water's Semitropic groundwater bank reserves were at 86% or 300,694 acre-feet and valued at \$130.2 million as of June 30, 2024. Semitropic Water Storage District has reported elevated concentration of 1, 2, 3 trichloropropane in some of its underground wells. There is currently insufficient information to conclude whether these detections could impact banking operations. Impacts could potentially include higher pumping, recovery and treatment costs, and possible impaired recovery of banked water supplies. Because the Semitropic water bank is located in Kern County, downstream of Valley Water, banked water must be returned by exchange with State Water Project water from the Delta. In critically dry years or in the event of a Delta disruption, there may be insufficient State Water Project supplies to facilitate withdrawal of supplies from the bank.

¹³ www.valleywater.org/how-we-operate/board-governance-policies

¹⁴ Valley Water FY2023-24 Operating and Capital Budget, chapter 4, page 5

Letter of Transmittal (continued)

The State has placed operating restrictions on five of Valley Water's ten dams due to Seismic safety conditions. Valley Water's immediate response was to allocate a total of \$1.3 billion in its FY24-28 Capital Improvement Program to fix four of these dams (Almaden, Anderson, Calero and Guadalupe). The scope for the fifth dam (Pacheco) was expanded to include a significant capacity expansion of the reservoir at an estimated cost of \$2.8 billion¹⁵.

For the Pacheco Reservoir Expansion Project, Valley Water is partnering with Pacheco Pass Water District and San Benito County Water District. This Project will encompass the acquisition and expansion of this reservoir from 6,000 AF to 140,000 AF and will provide water quality benefits, operational flexibility, emergency storage, flood protection, and ecosystem benefits. On July 24, 2018, the California Water Commission awarded \$484.55 million to support the project, including an early funding award of \$24.2 million. In February 2021, the maximum conditional eligibility determination was increased to \$496.7 million to reflect an inflation adjustment of 2.5%¹⁶. In March 2022, the maximum conditional eligibility was increased to \$504.1 million to reflect an inflation adjustment of 1.5%.

The Five-Year Capital Improvement Plan (CIP) includes 73 projects totaling \$10.0 billion to implement the goals and objectives of Valley Water's program and master plans. Valley Water has been and continues to be successful in leveraging funding for its capital projects through partnerships with federal, state, and local agencies. Of the \$10.0 billion total funding needed, \$1.2 billion is expected from Valley Water's various partners, such as the U.S. Army Corps of Engineers (USACE), and the remaining, \$8.8 billion, from Valley Water. These projects are grouped into five types of improvements¹⁷:

- Water supply capital improvements – 37 projects contributing to “End Policy E-2”
- Flood protection capital improvements – 15 projects contributing to “End Policy E-3”
- Water resource stewardship capital improvement – 13 projects contributing to “End Policy E-4”
- Buildings and grounds capital improvements – 3 projects supporting Valley Water efforts to achieve the “End Policies”
- Information Technology capital improvements – 5 projects supporting Valley Water efforts to achieve the “End Policies”

On November 3, 2020, the Measure S (Safe, Clean Water and Natural Flood Protection or Safe Clean Water) parcel tax met the two-thirds super majority vote required for approval with a voter passing result of 75.6%. The measure renewed Valley Water's existing parcel tax, without significantly increasing rates. The voter-approved special parcel tax funds projects addressing the following community priorities:

- Ensure a safe reliable water for the future.
- Reduce toxins, hazards, and contaminants in our waterways.
- Protect our water supply and dams from earthquakes and other natural disasters.
- Restore wildlife habitat and providing open space.
- Provide flood protection to homes, businesses, schools, streets, and highways.

¹⁵ Valley Water FY2024-28 Capital Improvement Program, chapter 2, page 6

¹⁶ Valley Water FY2025-29 Capital Improvement Program, chapter 2, page 2

¹⁷ Valley Water FY2024-28 Capital Improvement Program, chapter 1, pages 7 and 8

Letter of Transmittal (continued)

- Support public health and public safety for our community.

The renewed Safe Clean Water Program builds on the success of the Clean, Safe Creeks and Natural Flood Protection (Clean, Safe Creeks) plan approved by the voters in 2000, as well as the Safe, Clean Water and Natural Flood Protection Program that replaced the Clean, Safe Creeks measure, which was approved by voters in November 2012. The program is funded by a combination of revenues from the continuation of an annual special tax, reserves carried forward from the 2012 program, and state and federal funding.

The revenue received from the special parcel tax for fiscal year 2024 was \$52.2 million.

Relevant Financial Policies

End of Year Balances

Valley Water policies for end-of-year balance re-appropriations are as follows:

- Any remaining appropriation balances at the end of the fiscal year for capital projects are annually re-appropriated for continued use in those same projects in the following fiscal year. These amounts shall be consistent with the planned expenditure schedule identified in the 5-year CIP.
- Any variances at the end of the current fiscal year in Operating and Capital Reserves from those estimated in the budget not otherwise re-appropriated above shall result in corresponding adjustments to the estimated reserve appropriations in accordance with Valley Water Reserve policy.

Valley Water, through the Public Facilities Financing Corporation (PFFC), also maintains a commercial paper program for funding capital projects. Commercial paper is used to provide low-cost interim financing during construction. Valley Water issues long-term debt obligations over a 30-year term to repay principal outstanding on the commercial paper. In October 2020, Valley Water established a \$170.0 million syndicated bank line of credit to ensure that Valley Water will have ample liquidity to continue funding ongoing capital projects and meet general financing needs despite the economic uncertainties related to the COVID-19 pandemic. To contribute towards the development of the local economy, \$20.0 million of this credit capacity is reserved for small local banks (having total assets of under \$10.0 billion) located within the nine Bay Area counties.

Budgetary Controls

Valley Water adopts an annual budget in June to be effective July 1 for the ensuing fiscal year. Annual appropriated budgets are adopted for the general fund, special revenue funds, and for all proprietary funds. The COP construction and COP debt service funds are not budgeted.

Legal budgetary (expenditure) control is established at the fund level, further controlled within the fund at the category level. The categories are defined as the operating budget (operations and

Letter of Transmittal (continued)

maintenance, debt service, and operating projects) and the capital budget (capital improvement projects) in the budget and actual budgetary basis schedules.

Valley Water also maintains an encumbrance accounting system as a means for accomplishing budgetary control. Budget adjustments that increase or decrease revenue projections, appropriations or reserves of any fund require Board approval. Budget and actual comparisons are provided in this report for each fund for which an appropriated annual budget has been adopted. For governmental funds, this comparison is presented starting on page 128 as part of required supplementary information and selected watershed activities starting on page 136 as part of supplemental information. For proprietary funds, this comparison is presented starting on page 140 as part of the combining and individual fund statements and schedules.

The guidelines used by Valley Water in developing its formal budget process are from those recommended by the National Advisory Council on State and Local Budgeting, and the Government Finance Officers Association (GFOA).

Reserve Requirements

Valley Water's financial policies establish the levels at which reserves shall be maintained. Valley Water reserve policies address the need for both operating and capital reserves, and funding of contingency and future liabilities. The level of reserves maintained and the policies behind them are reviewed annually with the Board of Directors during budget deliberations.

More information about Valley Water's reserve policy is discussed in Valley Water's FY 2023-24 Operating and Capital Budget.

Major Initiatives

Highlights of activities and accomplishments for the fiscal year ended June 30, 2024 include the following:

- On September 1, 2023, Valley Water released the Draft Environmental Impact Report (EIR) for the Anderson Dam Seismic Retrofit Project for public comment. The preparation of the Draft EIR fulfills Valley Water's lead agency responsibility under the California Environmental Quality Act (CEQA).
- During the fiscal year, Valley Water protected 8,747 linear feet of banks, cleared 804 cubic yards of trash through the Good Neighborhood Maintenance program, removed 2,475 cubic yard of debris around creeks and ponds, and cleaned 798 tons of trash and debris under the Good Neighborhood Encampment Cleanup program.
- On September 27, 2023, Valley Water received notification from the United States Bureau of Reclamation (USBR) that the feasibility studies for Purified Water and South County Water Reuse project were being considered for award. Funding would be used for feasibility studies that would help expand the use of recycled water in the County.

Letter of Transmittal (continued)

- Governor Newsom signed AB 939 (Pellerin) Smart Financing for Valley Water Infrastructure on September 8, 2023. The bill amends the District Act to add the financial flexibility needed to help Valley Water adapt to climate change by fixing the revenue bond authority and authorizing general obligation bonds. Specifically, AB 939 authorizes the Valley Water Board to place on the countywide ballot General Obligation Bonds paid for by ad valorem property taxes.
- Governor Newsom signed AB 1469 (Kalra) Valley Water Assisting Unsheltered People on October 10, 2023. The bill amends the District Act to allow flexibility to use Valley Water land and the existing ad valorem property tax to assist unsheltered people, including contracting for services or providing low-barrier navigation centers, supportive housing, transitional housing, affordable housing, or other facilities. These facilities would be operated by a city, the County, or a non-profit with the appropriate expertise to provide shelter and services that can improve outcomes for unsheltered people and enable compliance with federal case law requiring a legitimate offer of shelter before relocating unsheltered people living on public lands.
- On December 21, 2023, the Department of Water Resources (DWR) approved the Delta Conveyance Project (Project) and certified the Final Environmental Impact Report (EIR). With the EIR approval, DWR will pursue state and federal permits for the Project. Valley Water is one of the 17 public water agencies participating in the planning stage of the Project.
- Governor Newsom signed AB 1572 into law which prohibits the use of potable water for the irrigation of non-functional turf (NFT) on commercial, industrial and institutional properties. The ban will take effect in a phased approach between 2027 through 2031.

Completed capital projects in fiscal year 2024 include the following:

- Construction of the Bolsa Road Fish Passage Improvements Project
- Construction of the Lower Calera Creek Flood Protection Project
- Construction of Lower Penitencia Creek Improvements Project
- Construction of Coyote Creek Rodent Levee Repair Project under WARP
- Construction of the Rinconada Water Treatment Plant FRP Residuals Management Modification
- Construction of Coyote Warehouse

Letter of Transmittal (continued)

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Valley Water for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. This was the 27th consecutive year that Valley Water has received this prestigious award. To be awarded a Certificate of Achievement, Valley Water must publish an easily readable and efficiently organized comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

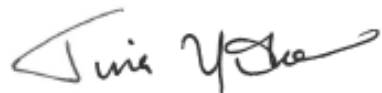
The preparation of this ACFR represents the culmination of months of concerted team effort by diverse Valley Water staff, including team members from Financial Planning and Management Services Division, Water Supply Division, Information Technology Division, General Services Division, Human Resources Division, and Office of the District Counsel. In addition, special thanks to Valley Water staff in all groups for responding so positively to the requests for detailed information that accompanies each annual audit. The role of Vasquez and Company LLP is also acknowledged for their significant technical contribution and assistance.

Special thanks go to Jimmy Salandanan, General Accounting Unit Manager; the following Accounting staff: Oliva Manaloto, Veronica Martinez, Ofelia Hsieh, Gloria Chou, Elaine Lee, Nicole Truong, Godwin Adofo and Kim Burke; and the rest of the Financial Planning staff: Carmen Narayanan, Charlene Sun, Enrique De Anda, Hoan Cutler, Steven Peters, Kristie Resendez, and Adrian Liu for their talent and dedication in preparing this financial report.

Finally, we wish to express our sincere appreciation to Valley Water's Board of Directors and management for providing policy direction and a firm foundation of support for the pursuit of Valley Water's mission.



Darin Taylor
Chief Financial Officer



Tina Yoke
Acting Chief Executive Officer



Government Finance Officers Association

**Certificate of
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for Excellence
in Financial
Reporting**

Presented to

**Santa Clara Valley Water District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

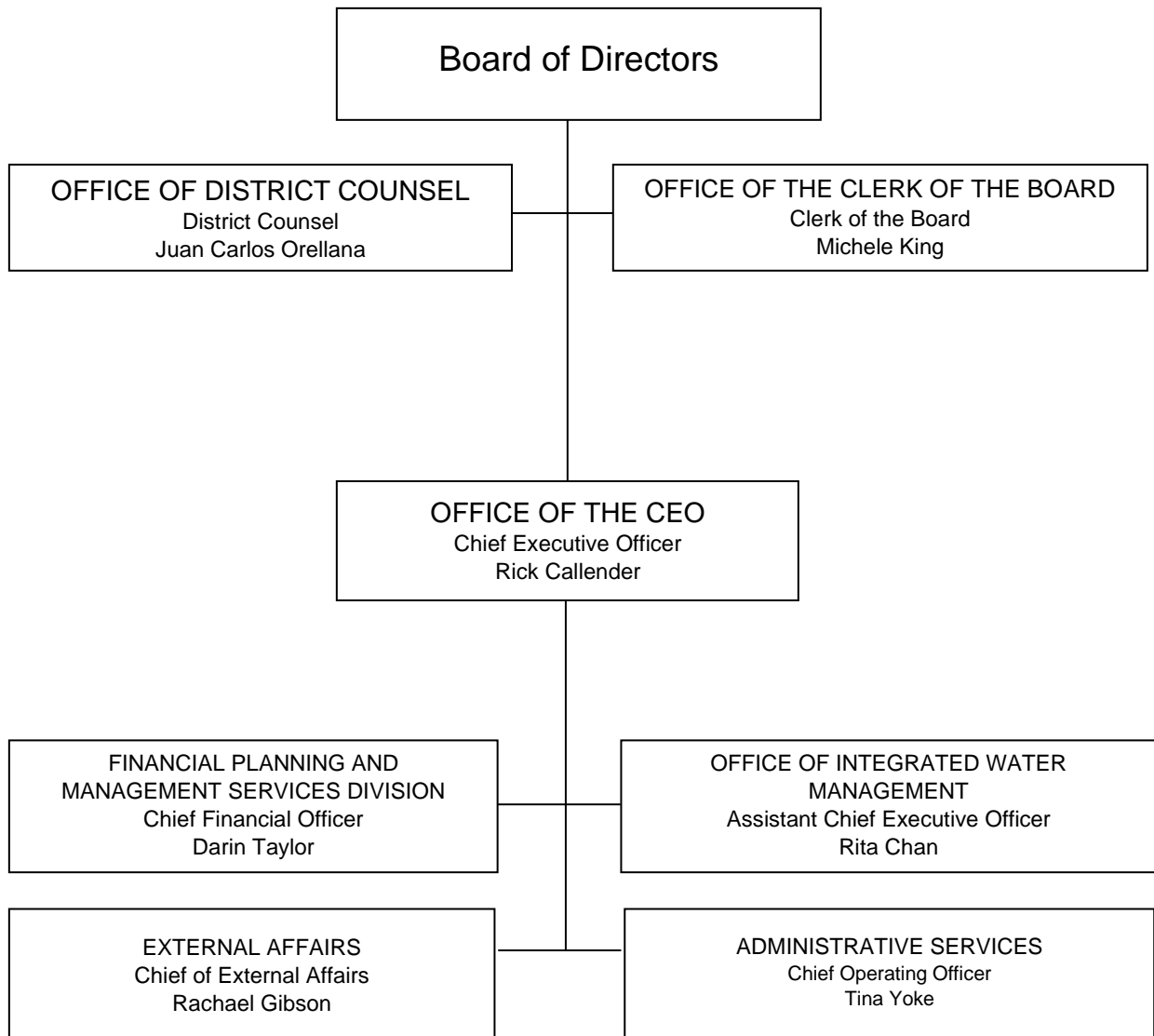
June 30, 2023

Christopher P. Morill

Executive Director/CEO

VALLEY WATER

Organizational Chart



**VALLEY WATER
2023 – 2024
BOARD OF DIRECTORS**



John L. Varela
District 1



Barbara Keegan
District 2



Richard P. Santos
District 3



Jim Beall
District 4



Nai Hsueh
District 5



Tony Estremera
District 6



Rebecca Eisenberg
District 7



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Independent Auditor's Report

Board of Directors
Santa Clara Valley Water District
San Jose, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Santa Clara Valley Water District (Valley Water), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Valley Water's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Valley Water as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Valley Water and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Management's Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Valley Water's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Valley Water's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Valley Water's ability to continue as a going concern for a reasonable period of time.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary Information as listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management, and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Valley Water's basic financial statements. The combining individual fund statements and schedules on pages 132 through 152 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical section as listed in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.



In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Vasquez & Company LLP

Glendale, California
December 20, 2024

Management's Discussion and Analysis

Management's discussion and analysis of financial performance provides an overview of Valley Water's financial activities for the fiscal year ended June 30, 2024. This information is presented in conjunction with the audited financial statements that follow this section.

Financial Highlights

- Valley Water's total net position was \$3.2 billion as of June 30, 2024. Of this amount, \$306.6 million (unrestricted, but committed and assigned net position) may be used to meet Valley Water's ongoing obligations to citizens, businesses, stakeholders, and creditors.
- Valley Water's total net position increased by \$94.7 million during the current fiscal year. The net position for governmental activities increased by \$79.6 million. Net position for business-type activities increased by \$15.0 million.
- Cash and investments for governmental increased by \$10.0 million while that for business-type activities decreased by \$27.6 million.
- The fund balance for the General Fund was \$30.1 million, an increase of \$8.2 million from the prior fiscal year fund balance of \$21.9 million. Committed and assigned fund balances were \$30.1 million or 100% of the total fund balance.
- The fund balance for the Watershed & Stream Stewardship and Safe, Clean Water & Natural Flood Protection Funds was \$371.6 million, an increase of \$4.5 million from the prior fiscal year balance of \$367.1 million.
- Net position for the Water Utility Funds increased by \$22.6 million.

OVERVIEW OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

The ACFR is presented in the following three sections:

1. The Introductory Section that includes the Transmittal and general information
2. The Financial Section that includes:
 - Management's Discussion and Analysis
 - The Basic Financial Statements that include the Government-wide and Fund Financial Statements, along with the accompanying Notes to the financial statements
 - Required and Other Supplementary information
3. Statistical Section

Management's Discussion and Analysis (continued)

Basic Financial Statements

The Basic Financial Statements contain the Government-wide Financial Statements, the Fund Financial Statements, and the Notes to the financial statements. The financial statements presented herein include all the activities of Valley Water and its component units using the integrated approach as prescribed by Generally Accepted Accounting Principles (GAAP). This report also includes supplementary information intended to furnish additional detail to support the Basic Financial Statements.

Government-wide Financial Statements

The government-wide financial statements present the financial picture of Valley Water from an economic resources' measurement focus using the accrual basis of accounting.

They include the Statement of Net Position and the Statement of Activities:

The Statement of Net Position. The Statement of Net Position presents information on all Valley Water's assets, deferred outflows, liabilities, and deferred inflows, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Valley Water is improving or deteriorating.

The Statement of Activities. The Statement of Activities presents information showing how Valley Water's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues earned, and expenses incurred are reported in this statement even if the resulting cash flows will occur in future fiscal periods (e.g., earned but uncollected taxes and earned but unused vacation leave).

The Statement of Net Position and the Statement of Activities are presented for Governmental and Business-type activities.

Governmental activities are principally supported by taxes and intergovernmental revenues and include general government, watershed management, and construction and debt service funding.

Business-type activities are those that are intended to recover all of a significant portion of their costs through user fees and charges, including the water utility operation fund.

The government-wide financial statements include not only Valley Water itself (known as the primary government), but also the Santa Clara Valley Water District Public Facilities Financing Corporation (PFFC) for which Valley Water is financially accountable. Financial information for this blended component unit is reported as if it were part of the primary government because its sole purpose is to provide financing to Valley Water under the debt issuance documents of Valley Water. Additional information on this legally separate entity can be found in Note 1(b) in the notes to basic financial statements.

The Government-wide Financial Statements can be found starting on page 38 of this report.

Management's Discussion and Analysis (continued)

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Valley Water, like other special districts, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of Valley Water are segregated into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds.

Valley Water's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of Valley Water's general government operations and the basic services it provides. Governmental funds information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance Valley Water's projects.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, which are reported using the accrual basis, governmental funds statements, which are reported using the modified accrual basis, focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. A reconciliation of both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and change in fund balances to the government-wide statements are provided to facilitate this comparison between *governmental funds* and *governmental activities*.

Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Watershed & Stream Stewardship, Safe and Clean Water & Natural Flood Protection Program, COP Construction Fund and COP Debt Service Fund which are considered to be major funds. These can be found on pages 42 to 48.

Proprietary funds.

Valley Water maintains two-different types of proprietary funds: enterprise funds and internal service funds.

Proprietary funds are reported using the accrual basis of accounting. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements but provide more detail and additional information. Valley Water uses enterprise funds to account for its water utility operations fund. All of the enterprise funds are considered to be major funds.

The proprietary funds financial statements can be found on pages 49 to 52.

Internal Service Funds are used to accumulate and allocate costs internally among Valley Water's various functions. Valley Water uses internal service funds to account for its fleet of vehicles and computer equipment, risk management, and information technology activities. All of the internal service funds are combined into a single, aggregated presentation in the proprietary funds financial

Management's Discussion and Analysis (continued)

statements. The internal service funds have been included within governmental and business-type activities in the government-wide financial statements.

Fiduciary funds are used to account for resources held for the benefit of parties outside Valley Water. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Valley Water's own programs. The fiduciary fund financial statements can be found on pages 53 to 54.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found starting on page 55 of this report.

Other Information

The "Required Supplementary Information" related to Valley Water's pension and OPEB plans and budget and actual for budgeted governmental funds is included after the Notes to the Financial Statements and can be found starting on page 122 of this report.

Management's Discussion and Analysis (continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The balance in net position is a useful indicator of a government's ability to finance its operations. In the case of Valley Water, assets and deferred outflows exceeded liabilities and deferred inflows by \$3.2 billion at the end of the current fiscal year.

Valley Water Condensed Statement of Net Position (in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Cash and investments	\$ 450,662	\$ 440,697	\$ 505,388	\$ 532,995	\$ 956,050	\$ 973,692
Other assets	24,278	15,725	198,473	168,554	222,751	184,279
Capital assets	1,846,921	1,819,995	1,891,587	1,667,984	3,738,508	3,487,979
Total assets	2,321,861	2,276,417	2,595,448	2,369,533	4,917,309	4,645,950
Deferred amount on refunding	-	-	176	207	176	207
Pension and OPEB related	95,680	40,169	78,766	98,858	174,446	139,027
Total deferred outflow of resources	95,680	40,169	78,942	99,065	174,622	139,234
Current liabilities	21,986	15,887	271,801	86,052	293,787	101,939
Long-term liabilities	409,631	391,804	1,196,134	1,189,165	1,605,765	1,580,969
Total liabilities	431,617	407,691	1,467,935	1,275,217	1,899,552	1,682,908
Deferred amount on refunding	225	213	-	-	225	213
Pension and OPEB related	3,523	6,000	2,901	4,763	6,424	10,763
Capital leases	38	176	69	152	107	328
Total deferred inflow of resources	3,786	6,389	2,970	4,915	6,756	11,304
Net position						
Net investment in capital assets	1,718,899	1,639,659	822,531	603,803	2,541,430	2,243,462
Restricted	263,239	262,847	74,334	149,595	337,573	412,442
Unrestricted	-	-	306,620	435,068	306,620	435,068
Total net position	\$ 1,982,138	\$ 1,902,506	\$ 1,203,485	\$ 1,188,466	\$ 3,185,623	\$ 3,090,972

The largest portion of Valley Water's net position, at \$2.5 billion (78.6%), reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment) less any related debt used to acquire those assets still outstanding. Investment in capital assets is *not* available for future spending. Although Valley Water's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

For governmental activities, net investment in capital assets increased by \$40.7 million from the prior fiscal year. Capital assets, net of depreciation, increased by \$26.9 million. Noncurrent liabilities, which include related debt outstanding, increased by \$17.8 million due mainly to the increases in net pension and other post-employment benefit liabilities.

Management's Discussion and Analysis (continued)

For business type activities, net investment in capital assets increased by \$218.7 million from the previous fiscal year. Capital assets, net of depreciation, increased by \$223.6 million, reflecting the increase in work in progress for the following main projects: Anderson Dam Tunnel (\$60.6 million), Coyote Creek Flood Management Measures (\$43.0 million), RWTP Reliability Improvement (\$37.0 million), 10-year Pipeline Inspection and Rehab (\$32.4 million), Pacheco Reservoir Expansion Project (\$20.2 million), Anderson Dam Seismic Retrofit (\$19.3 million), Coyote Percolation Dam Replacement (\$11.3 million), Coyote Creek Chillers (\$8.4 million), Indirect Potable Reuse – Plan C (\$6.0 million) and South County Recycled Water Pipeline 1B (\$5.2 million). Noncurrent liabilities, which include related debt outstanding, increased by \$7.0 million due mainly to increases in net pension and other post-employment benefit liabilities.

Unrestricted net position may be used to meet Valley Water's ongoing obligations to citizens, customers, and creditors. For the current fiscal year, Valley Water's total unrestricted net position of \$320.7 million decreased by \$114.3 million.

Valley Water Condensed Statement of Activities (in Thousands)

	Governmental Activities		Business-type Activities		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues:						
Program revenues:						
Water charges	\$ -	\$ -	\$ 320,638	\$ 268,101	\$ 320,638	\$ 268,101
Operating grants and contributions	-	-	5,184	5,376	5,184	5,376
Capital grants and contributions	13,356	34,781	3,544	13,624	16,900	48,405
General revenues:						
Property taxes	187,245	177,788	39,058	39,394	226,303	217,182
Investment earnings	21,906	1,827	20,230	7,582	42,136	9,409
Miscellaneous	5,622	5,600	7,692	2,049	13,314	7,649
Total revenues	<u>228,129</u>	<u>219,996</u>	<u>396,346</u>	<u>336,126</u>	<u>624,475</u>	<u>556,122</u>
Expenses:						
General government	15,465	11,757	-	-	15,465	11,757
Watersheds	132,333	134,027	-	-	132,333	134,027
Interest on long-term debt	3,532	4,834	-	-	3,532	4,834
Water enterprise	-	-	378,494	265,150	378,494	265,150
Total expenses	<u>151,330</u>	<u>150,618</u>	<u>378,494</u>	<u>265,150</u>	<u>529,824</u>	<u>415,768</u>
Increase in net position before transfers	76,799	69,378	17,852	70,976	94,651	140,354
Transfers	2,833	(22,212)	(2,833)	22,212	-	-
Change in net position	79,632	47,166	15,019	93,188	94,651	140,354
Net position, beginning	1,902,506	1,855,340	1,188,466	1,095,278	3,090,972	2,950,618
Net position, ending	<u>\$ 1,982,138</u>	<u>\$ 1,902,506</u>	<u>\$ 1,203,485</u>	<u>\$ 1,188,466</u>	<u>\$ 3,185,623</u>	<u>\$ 3,090,972</u>

Valley Water's net position for the current fiscal year was \$3.2 billion, an increase of \$94.7 million or 3.1% from the prior fiscal year.

Management's Discussion and Analysis (continued)

Governmental activities

Net position of governmental activities increased by \$79.6 million during the fiscal year. Total revenues and expenses were \$228.1 million and \$151.3 million respectively. Net transfers in were at \$2.8 million.

Total revenues of \$228.1 million were \$8.1 million higher than the \$220.0 million earned in the prior fiscal year.

- Capital grants and contributions of \$13.4 million were lower than prior year by \$21.4 million mainly due to lower capital costs reimbursements of \$16.4 million received from the State of California, Department of Water Resources.
- Property taxes, the largest general revenue source at \$187.2 million, increased by \$9.5 million, and is an indication of the strong property values in the Santa Clara County and the surrounding bay area.
- Investment earnings of \$21.9 million went up by \$20.1 million when compared to the \$1.8 million earnings experienced in the prior fiscal year due to higher yields from investments. Investment earnings include an unrealized gain of \$7.3 million due to the increase in the portfolio's fair value compared to the prior year. This unrealized gain is temporary and should not materialize due to Valley Water's investment policy of holding all securities to their maturity under normal operating conditions.
- Miscellaneous revenues of \$5.6 million approximated what was earned in the prior fiscal year.

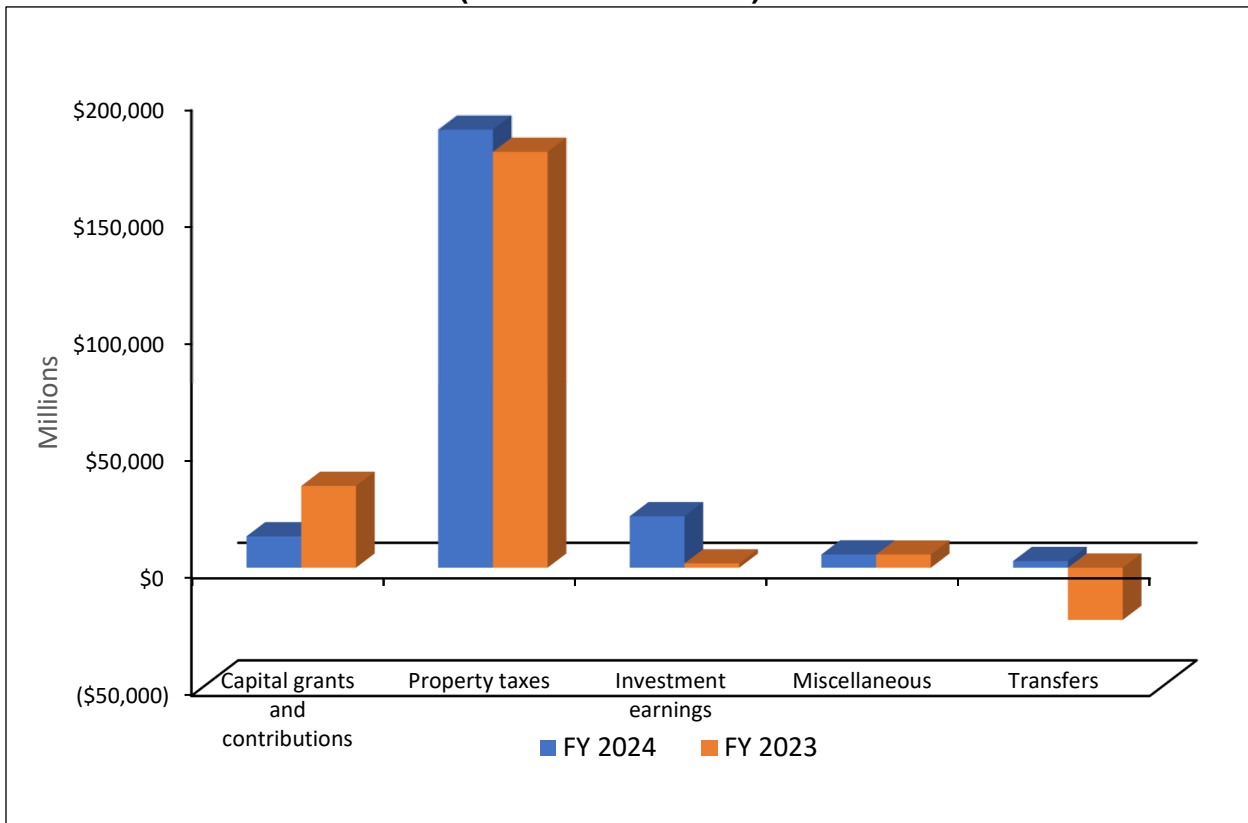
Total expenses were \$151.3 million or \$0.7 million higher than the prior fiscal year.

- General government expenses of \$15.5 million went up by \$3.7 million.
- Watershed operating cost of \$132.3 million went down by \$1.7 million.
- Interest on long-term debt of \$3.5 million went down by \$1.3 million due to the decrease in the principal amount of bonds as debt service payments were made.

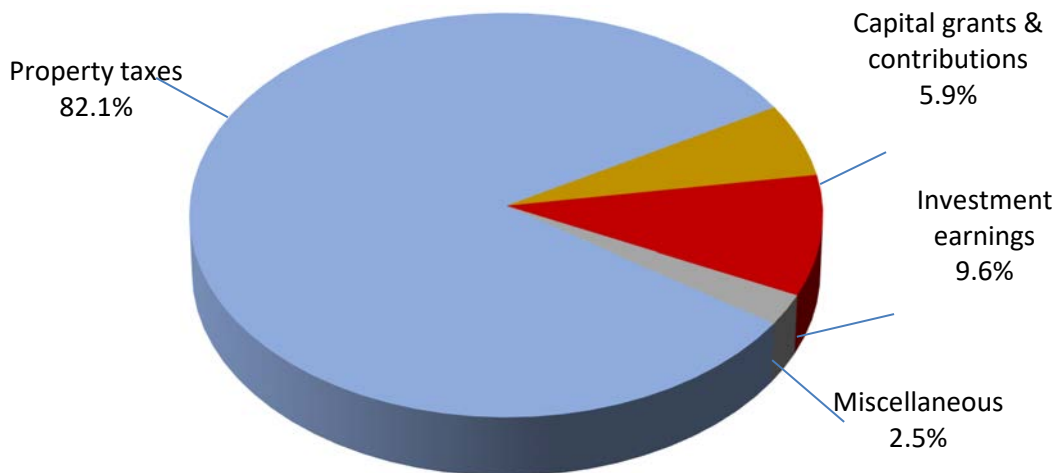
Net transfers in of \$2.8 million were higher by \$25.0 million from the prior fiscal year. The prior fiscal year included a \$25.0 million transfer out to the Water Utility Fund to help minimize water rate impacts caused by the drought. See Note 14 of the basic financial statements for more information on the transfers made during the current fiscal year.

Management's Discussion and Analysis (continued)

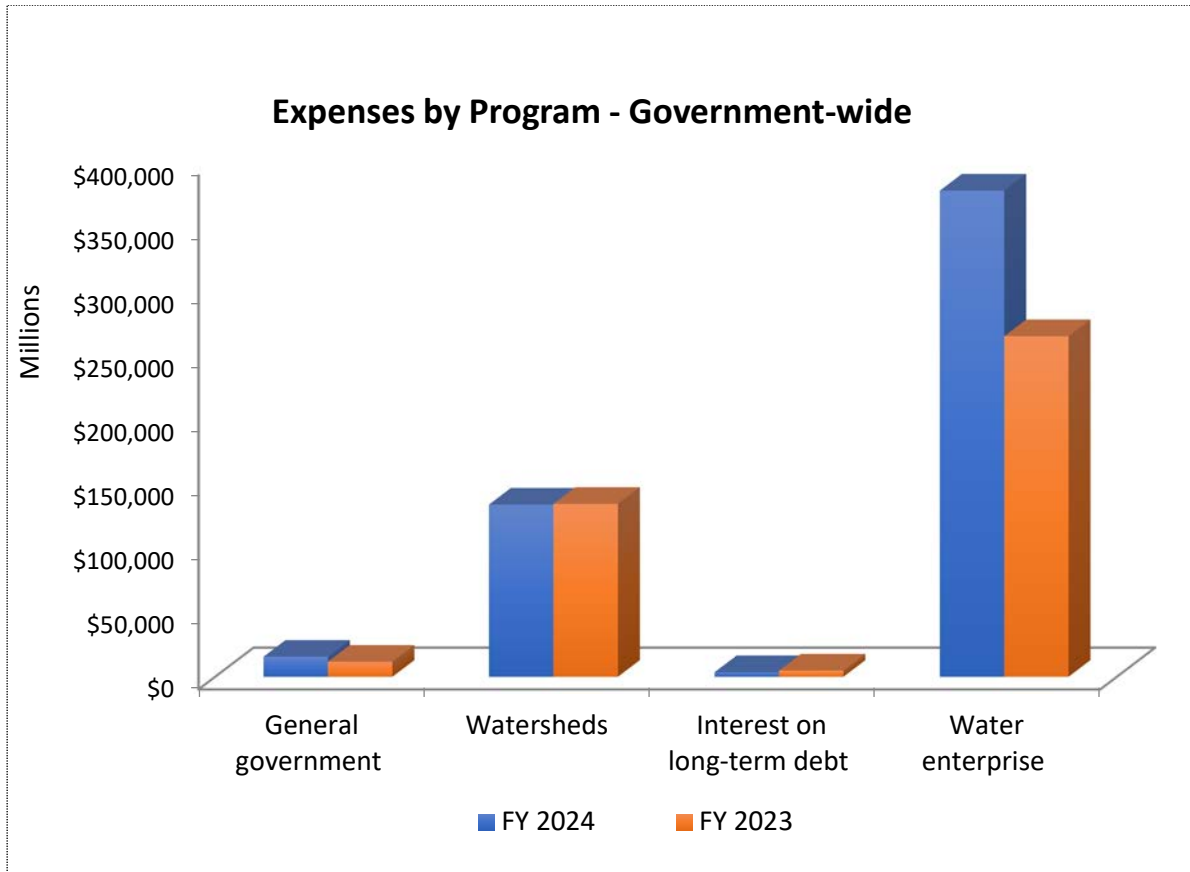
Revenue by Sources – Governmental Activities (FY 2024 & FY 2023)



Revenues by Sources – Governmental Activities (FY 2024)



Management's Discussion and Analysis (continued)



Business-type activities

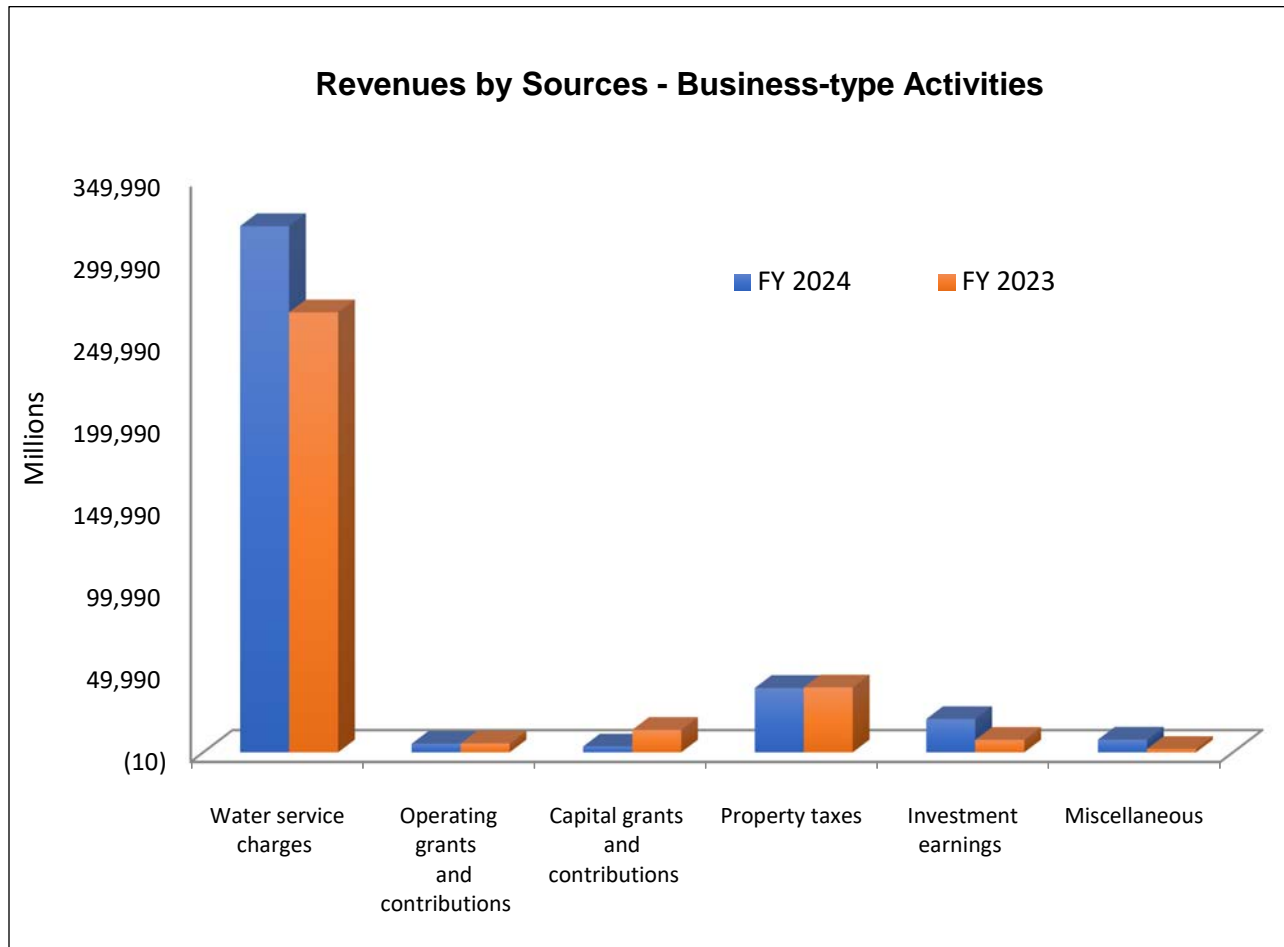
Net position in business-type activities of \$1.2 billion increased by \$15.0 million during the current fiscal year. Total revenues and expenses were \$396.3 million and \$378.5 million, respectively. Net revenues before transfers were \$17.9 million. Net transfers out during the current fiscal year were \$2.8 million.

Compared to the prior fiscal year, total revenues increased by \$60.2 million. Key elements of the changes in revenues and expenses from prior year are as follows:

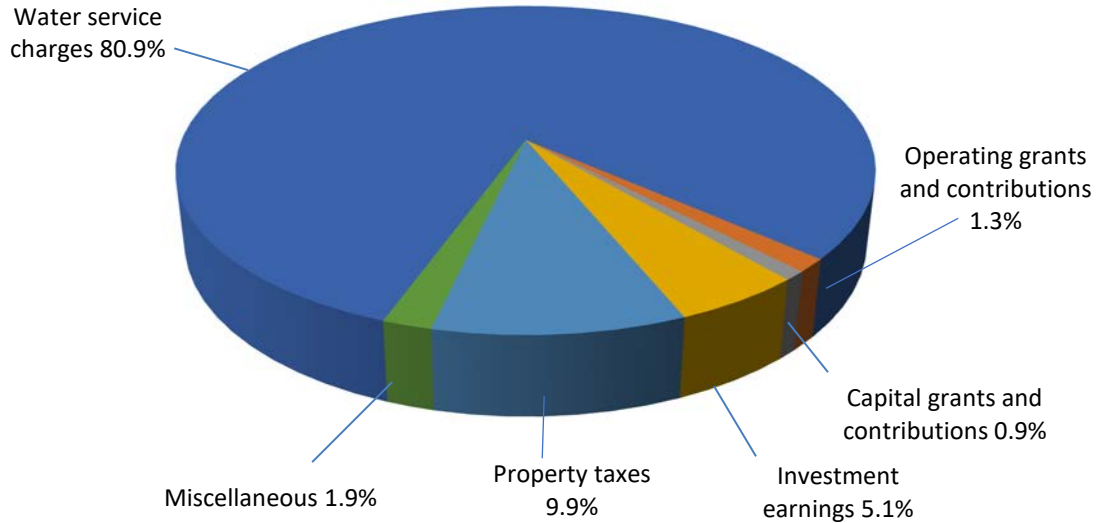
- Total water revenue of \$320.6 million was \$52.5 million (19.6%) higher from the prior fiscal year. The increase was mainly from groundwater and treated water revenues of \$41.8 million and \$10.4 million, respectively.
- Capital grants and contributions decreased by \$10.1 million compared to last fiscal year due mainly to lesser cost reimbursements received from the State of California, Department of Water Resources (\$6.1 million) for the Pacheco Reservoir Expansion Project under the Water Storage Investment Program, and the US Bureau of Reclamation (\$3.1 million) for the South Santa Clara County Recycled Water Project.

Management's Discussion and Analysis (continued)

- Investment earnings for the current fiscal year was \$20.2 million or \$12.7 million higher than the \$7.6 million investment gain posted in the prior fiscal year. Investment earnings include an unrealized gain of \$5.9 million due to the increase in the portfolio's fair value compared to the prior year. This unrealized gain is temporary and should not materialize due to Valley Water's investment policy of holding all securities to their maturity under normal operating conditions.



**Revenues by Source – Business-type Activities
(FY 2024)**



FINANCIAL ANALYSIS OF VALLEY WATER'S FUNDS

Valley Water uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following analysis refers to the Basic Financial Statements for the Governmental and Proprietary Funds beginning on page 42.

Governmental funds

The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. As of June 30, 2024, Valley Water's governmental funds reported combined ending fund balances of \$401.8 million, an increase of \$7.4 million for the fiscal year.

Total revenues of \$225.6 million increased by \$5.7 million when compared to the prior fiscal year. Total expenditures of \$214.9 million decreased by \$11.7 million.

- Revenues from property taxes of \$187.2 million increased by \$9.5 million, an indication of the strong property values in Santa Clara County and the surrounding bay area. Benefits assessments at \$6.9 million went down by \$6.3 million. Capital reimbursements of \$6.5 million decreased by \$15.1 million due to the lower receipts from the State of California, Department of Water Resources. Investment earnings of \$19.9 million increased by \$17.9 million due to higher yields from investments. Investment earnings include an unrealized gain of \$7.3 million due to the increase in the portfolio's fair value compared to the prior year. This unrealized gain is temporary and should not materialize due to Valley Water's investment policy of holding all securities to their maturity under normal operating conditions.

Management's Discussion and Analysis (continued)

- Spending from operations and operating projects of \$107.0 increased by \$12.4 million from the prior fiscal year.
- Expenditures from capital improvement projects amounted to \$91.1 million or \$3.0 million lower than the prior fiscal year.
- \$37.2 million or 9.2% of the total fund balance of \$401.8 million constitutes committed and assigned for specific purposes. The \$364.7 million is restricted to indicate that it is not available for new spending because of the external enforceable limitations on its use for 1) Safe, Clean Water & Natural Flood Protection projects (\$217.5 million), 2) Watershed and Stream Stewardship projects (\$147.1 million), and 3) debt service payments (\$0.1 million).

General Fund

The General Fund is the chief operating fund of Valley Water supporting all administrative and strategic support services costs for the organization. It accounts for all financial resources except those required to be accounted for in another fund and is supported primarily by property taxes and overhead reimbursements from other funds. At the end of the current fiscal year, total fund balance of \$30.1 million increased by \$8.2 million mainly from higher property taxes received from the County of Santa Clara. The excess of revenues over expenditures was \$6.6 million. Net transfers in were \$1.6 million.

Special revenue funds

The special revenue funds are used to account for specific revenue sources for which expenditures are restricted by law or regulation to finance the watershed functions or activities of Valley Water.

-Watershed and Stream Stewardship Fund

The increase in fund balance for the Watershed and Stream Stewardship Fund was \$19.6 million. Revenues in excess of expenditures was \$27.4 million. Net transfers out were \$7.8 million.

Current fiscal year total revenues for the Watershed and Stream Stewardship Fund decreased by \$2.7 million. While higher revenues were realized from property taxes and investment income of \$6.1 million and \$6.5 million, respectively, benefit assessments and capital reimbursements went down by \$6.3 million and \$10.5 million, respectively. Meanwhile, total expenditures went up by \$3.1 million, with the \$7.1 million increase in operating project cost more than offset by the \$4.0 million drop in expenditures from capital related projects.

-Safe, Clean Water and Natural Flood Protection Program Fund

Fund Balance for the Safe, Clean Water and Natural Flood Protection Program Fund decreased by \$15.2 million. Expenditures exceeded revenues by \$11.9 million, while net transfer out amounted to \$3.2 million.

Current fiscal year revenues for the Safe, Clean Water and Natural Flood Protection Program of \$68.2 million were \$8.5 million higher than the prior fiscal year. Property tax and investment income increased by \$2.7 million and \$10.3 million, respectively. Reimbursement of capital costs decreased by \$4.6 million. Other revenues went slightly up by \$0.1 million.

Management's Discussion and Analysis (continued)

Current year expenditures of \$80.1 million were \$9.9 million higher than last fiscal year. Operating project cost and debt service payments increased by \$7.7 million and \$2.3 million, respectively. Expenditures for capital-related projects went down slightly by \$0.1.

COP Construction Fund

The COP Construction Fund is used to account for resources used for the acquisition or construction of major capital projects. At fiscal year-end, fund balance was \$0.0 million.

COP Debt Service Fund

The COP Debt Service Fund is used to account for resources used for debt service payments. At fiscal year-end, fund balance was \$0.1 million.

Proprietary funds

Valley Water's proprietary funds provide a detailed breakdown of the same type of information found in the government-wide financial statements.

Water Enterprise fund

The Water Enterprise fund accounts for operations in a manner similar to a private business enterprise. Operations are accounted for to show net income or loss from operations. The fund is intended to be entirely or predominantly self-supported by water charges.

Net position of the Water Enterprise fund at the end of the fiscal year was \$1.2 billion, which is the same as the prior year. Net operating income was \$19.5 million, with operating revenues and operating expenses of \$321.1 million and \$301.6 million, respectively. Nonoperating revenues (expenses) posted a net loss of less than \$1.0 million, with \$36.4 million of the nonoperating revenues being more than offset by the \$38.3 million of financing cost incurred for interest and fiscal agent fees. Income before capital contribution and transfers were \$18.7 million. Capital contributions for the fiscal year was \$3.5 million. Net transfers out were \$2.8 million. Please refer to Note 14 for more information on transfers in and out.

Operating revenues for the current fiscal year were \$52.9 million higher than last fiscal year, mainly the result of increase in ground water production charges. Operating expenses went up by \$93.6 million as administration and general expenses increased by \$85.5 million. Nonoperating revenues increased by \$7.6 million, mainly from the \$12.6 million increase in investment income less the \$5.7 million cost increase in interest and fees from borrowing.

State Water Project fund

The State Water Project fund was established and approved by the Board on October 26, 2010. This fund accounts for the State Water Project Tax receipts pursuant to Section 1B of Article 13A of the California Constitution to pay for county-wide voter-approved State Water Project contract obligations. Fund resources are used for the Water System Revenue Bond and other related capital expenditures billed by the State of California Department of Water Resources and are accounted for

Management's Discussion and Analysis (continued)

in such a manner as to restrict the use of the resources exclusively for the State Water Project related costs.

Ending net position was \$33.8 million or \$3.1 million higher than the prior fiscal year. Net operating losses of \$27.8 million were \$3.7 million higher than the prior fiscal year. Net non-operating revenues of \$30.9 million were \$0.8 million higher than the prior fiscal year and mainly comprised of property taxes of \$28.0 million.

Internal Service Funds

Valley Water has three internal service funds - the Equipment Fund, Risk Management Fund, and Information Technology Fund. Revenues of the funds are generated from fees charged for services provided to other Valley Water operating programs.

The Equipment fund charges replacement and maintenance costs to all operations, operating, and capital projects based on equipment assignment and usage of equipment on projects. The fund's annual reimbursement charge for the replacement and maintenance cost of equipment is determined during the budget process and varies yearly depending upon need.

The Risk Management fund charges premiums based on exposure levels by project for liability, property, worker's compensation, and self-insurance costs. Revenues required to properly reimburse the Risk Management Fund are determined during the budget process and varies yearly depending upon need.

The Information Technology fund was established on July 1, 2014 to account for the acquisition, installation, replacement, and maintenance costs of capital charges related to information technology projects for Valley Water. Beginning with fiscal year 2019, the fund also accounts for annual operations associated with information technology activities. The annual reimbursement charge to the Information Technology Fund is determined during the budget process and varies yearly depending upon need.

The Internal Service Fund's ending net position was \$28.3 million, or \$6.8 million lower than the prior fiscal year. The decrease in net position was the result of the increase in administration and general expenses in the Risk Management Fund and increase in equipment maintenance cost in the Information Technology Fund.

Management's Discussion and Analysis (continued)

GENERAL FUND BUDGETARY HIGHLIGHTS

The summary table below shows a final budget of \$94.9 million for operating and capital expenditures for fiscal year 2024. The adopted budget was \$91.8 million. The budget adjustments made during the fiscal year were \$3.1 million.

(A) Adopted Budget	(B) Capital Projects Budget Remaining Carry-forward	(C) Fiscal Year Budget Adjustments	(A + B + C) Final Budget
\$91.8 million	\$0.0 million	\$3.1 million	\$94.9 million

Total expenditures on a budgetary basis (which recognizes encumbrances as expenditures) in the General Fund for fiscal year 2024 was \$80.4 million, which is \$1.0 million higher than the prior fiscal year.

Beginning fiscal year 2019, all project expenditures relating to the Information Technology Department were moved to the Information Technology Internal Service Fund. These expenditures were previously accounted for in the General Fund.

CAPITAL ASSETS

Valley Water's capital assets, net of accumulated depreciation, for governmental and business-type activities amounted to \$3.7 billion as of June 30, 2024. Capital asset components include intangible rights and software, land, buildings, structures and improvements (which include the flood control improvement), and equipment. During fiscal year 2024, the net increase in Valley Water's capital assets was \$250.5 million or 7.2%. Governmental and business-type activities increased by \$26.9 million and \$223.6 million, respectively.

Detailed information on Valley Water's capital assets activity for the current fiscal year can be found in Note 6 of the notes to the financial statements.

Management's Discussion and Analysis (continued)

LONG-TERM OBLIGATIONS

At the end of the current fiscal year, Valley Water had total long-term obligations of \$1.6 billion. Valley Water's long-term obligations outstanding at the end of the fiscal year consisted of the following:

VALLEY WATER Long-Term Obligations (Dollars in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Certificates of Participation	\$ 29,235	\$ 38,900	\$ 404,795	\$ 422,055	\$ 434,030	\$ 460,955
Revenue bonds	120,820	121,740	521,095	526,540	641,915	648,280
Premium on debt issuances	13,796	16,157	61,597	66,163	75,393	82,320
Total long-term debt	163,851	176,797	987,487	1,014,758	1,151,338	1,191,555
Compensated absence	13,301	13,309	8,599	8,605	21,900	21,914
Semitropic water banking liability	-	-	13,859	11,919	13,859	11,919
Claims payable	10,745	8,337	-	-	10,745	8,337
Net pension liability	170,181	163,437	140,099	129,765	310,280	293,202
Other post-employment benefits liability	54,976	26,631	45,259	21,144	100,235	47,775
Lease liability	2,441	3,293	2,690	2,974	5,131	6,267
Total	<u>\$ 415,495</u>	<u>\$ 391,804</u>	<u>\$1,197,993</u>	<u>\$1,189,165</u>	<u>\$1,613,488</u>	<u>\$1,580,969</u>

The credit ratings for Valley Water outstanding debt reflect a high-grade investment quality debt. They are based on Valley Water's positive fiscal policy and financial strengths. The bond ratings are either the highest or among the highest for a water related governmental entity in the State of California. Bonds issued at this credit rating result in lower interest rates and corresponding lower debt service payments. Valley Water's ratings are the same on a secured and unsecured basis pursuant to the rating methodologies of the respective rating agencies.

Please see table below for current ratings.

	Water Utility	Watershed
	<u>Parity Debt</u>	<u>Debt</u>
Moody's	Aa1	Aa1
Standard & Poor's	N/A	AAA
Fitch	AA+	AA+

Valley Water's total long-term obligations increased by \$32.5 million during fiscal year 2024. \$23.7 million of the increase was from the governmental activities and \$8.8 million was from the business-type activities.

Management's Discussion and Analysis (continued)

Significant factors for the increase in long-term obligations are as follows:

- Increase in net pension liability of \$17.1 million as reflected in Valley Water's actuarial study under GASB 68.
- Increase in other post-employment benefits liability of \$52.5 million as reflected in Valley Water's actuarial study under GASB 75.

Additional information on Valley Water's long-term debt can be found in Note 7 of the notes to the financial statements.

NEXT YEAR'S BUDGET

Valley Water's net operating and capital budget for fiscal year 2025 is at \$963.6 million¹⁸. This budget was developed to meet the objective and challenges facing Valley Water that includes the following:

- Maintaining optimal conditions in all Valley Water infrastructure such as levees, concrete channels, culverts, percolation ponds, dams and reservoirs, water distribution systems, water treatment plants, various operations buildings, and other facilities
- Delivering an ambitious capital program on time and within budget
- Advancing Valley Water's interests in countywide stormwater resource planning
- Actively participating in decisions regarding California Delta Conveyance
- Leading efforts to advance recycled and purified water efforts within Santa Clara County
- Pursuing new water supply and increased water storage opportunities
- Providing safe, clean water and natural flood protection equitably to all Santa Clara County while protecting ecosystem functions and enhancing habitats
- Attaining net positive impact on the environment when completing projects
- Addressing future impacts of climate change to Valley Water's mission and operations
- Addressing encampments in coordination with regional partners and progressing on an Unhoused Task Force framework

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of Valley Water's finances, and to demonstrate Valley Water's accountability for the money it receives. If you have any questions about this report or need any additional information, contact the General Accounting Unit as noted below.

Mail - 5750 Almaden Expressway, San Jose, CA 95118

Phone - (408) 265-2600

Email - jsalandanan@valleywater.org

¹⁸ Valley Water FY2024-25 Operating and Capital Budget, chapter 3, page 7

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BASIC FINANCIAL STATEMENTS

VALLEY WATER

Statement of Net Position

June 30, 2024

(Dollars in Thousands)

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments (Note 3)	\$ 406,495	\$ 352,452	\$ 758,947
Restricted cash and investments (Note 3)	44,167	152,936	197,103
Receivables (net):			
Accounts	1,973	53,558	55,531
Interest	3,020	570	3,590
Taxes	383	115	498
Leases	-	55	55
Inventory - water	-	154,920	154,920
Deposits and other assets	2,337	5,820	8,157
Total current assets	458,375	720,426	1,178,801
Internal balances	16,565	(16,565)	-
Capital assets (Note 6):			
Contract water and storage rights, net	-	28,796	28,796
Depreciable, net	914,580	723,546	1,638,126
Lease assets, net	2,342	2,441	4,783
Nondepreciable	929,999	1,136,804	2,066,803
Total assets	2,321,861	2,595,448	4,917,309
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	-	176	176
Deferred outflows of resources - pension activities (Note 11)	61,408	50,553	111,961
Deferred outflows of resources - OPEB (Note 12)	34,272	28,213	62,485
Total deferred outflow of resources	95,680	78,942	174,622
LIABILITIES			
Accounts payable	6,529	23,752	30,281
Accrued liabilities	6,444	32,903	39,347
Commercial paper debt (Note 7)	-	208,600	208,600
Claims payable (Note 7)	2,989	-	2,989
Compensated absences (Note 7)	2,875	1,859	4,734
Deposits payable	811	4,687	5,498
Bonds payable (Note 7)	7,704	106,336	114,040
Lease Liability (Note 7)	700	286	986
Accrued interest payable	2,338	-	2,338
Total current liabilities	30,390	378,423	408,813
Noncurrent liabilities (Note 7):			
Claims payable	7,756	-	7,756
Compensated absences	10,426	6,740	17,166
Bonds payable	156,147	881,151	1,037,298
Pension	170,181	140,099	310,280
Other post employment benefits	54,976	45,259	100,235
Lease liability	1,741	2,404	4,145
Other debts	-	13,859	13,859
Total liabilities	431,617	1,467,935	1,899,552

See accompanying notes to basic financial statements.

VALLEY WATER

Statement of Net Position (Continued)

June 30, 2024

(Dollars in Thousands)

	Governmental Activities	Business-type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Deferred amount on refunding	225	-	225
Deferred inflows of resources - OPEB (Note 12)	3,523	2,901	6,424
Deferred inflows of resources - leases	38	69	107
Total deferred inflow of resources	<u>3,786</u>	<u>2,970</u>	<u>6,756</u>
NET POSITION (Note 10)			
Net investment in capital assets	1,718,899	822,531	2,541,430
Restricted			
Debt service	71	9,782	9,853
Safe, Clean Water - other activities	263,168	-	263,168
Water Utility San Felipe Emergency	-	3,651	3,651
GP5 Reserve	-	25,813	25,813
Water Utility Rate Stabilization	-	6,067	6,067
State Water projects	-	22,451	22,451
Advanced water purification center	-	1,293	1,293
Supplemental water supply	-	5,277	5,277
Unrestricted	-	306,620	306,620
Total net position	<u>\$ 1,982,138</u>	<u>\$ 1,203,485</u>	<u>\$ 3,185,623</u>

See accompanying notes to basic financial statements.

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VALLEY WATER

Statement of Activities
For the Year Ended June 30, 2024
(Dollars in Thousands)

Description	Governmental Activities				Business-Type Activities	Total
	General Government	Watersheds	Interest on Long-term Debt	Total		
Expenses:						
Operations and operating projects	\$ 15,465	\$ 132,333	\$ 3,532	\$ 151,330	\$ -	\$ 151,330
Water cost of production	-	-	-	-	378,494	378,494
Program revenues:						
Water Revenues	-	-	-	-	320,638	320,638
Operating grants and contributions	-	-	-	-	5,184	5,184
Capital grants and contributions	-	13,355	-	13,355	3,544	16,899
Net program revenue (expense)	<u>\$ (15,465)</u>	<u>\$ (118,978)</u>	<u>\$ (3,532)</u>	<u>(137,975)</u>	<u>(49,128)</u>	<u>(187,103)</u>
General revenues:						
Property taxes (Note 8)				187,245	39,058	226,303
Unrestricted investment earnings, net				21,906	20,230	42,136
Lease revenue				-	83	83
Miscellaneous				5,623	7,609	13,232
Transfers				<u>2,833</u>	<u>(2,833)</u>	<u>-</u>
Total general revenues and transfers				<u>217,607</u>	<u>64,147</u>	<u>281,754</u>
Change in net position				<u>79,632</u>	<u>15,019</u>	<u>94,651</u>
Net position, beginning of year				<u>1,902,506</u>	<u>1,188,466</u>	<u>3,090,972</u>
Net position, end of year				<u>\$ 1,982,138</u>	<u>\$ 1,203,485</u>	<u>\$ 3,185,623</u>

See accompanying notes to basic financial statements.

VALLEY WATER

Balance Sheet

Governmental Funds

June 30, 2024

(Dollars in Thousands)

	<u>Special Revenue Fund</u>	
	General Fund	Watershed & Stream Stewardship
ASSETS		
Cash and investments (Note 3)	\$ 28,323	\$ 154,946
Restricted cash and investments (Note 3)	-	77
Receivables:		
Accounts	36	1,701
Interest	2,869	-
Taxes	34	349
Deposits and other assets	2,012	1
Total assets	<u>\$ 33,274</u>	<u>\$ 157,074</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 632	\$ 1,280
Accrued liabilities	2,495	1,138
Deposits payable	10	565
Total liabilities	<u>3,137</u>	<u>2,983</u>
FUND BALANCES (Note 9)		
Restricted Fund Balance	-	147,076
Committed Fund Balance	25,202	-
Assigned Fund Balance	4,935	7,015
Total fund balances	<u>30,137</u>	<u>154,091</u>
Total liabilities and fund balances	<u>\$ 33,274</u>	<u>\$ 157,074</u>

See accompanying notes to basic financial statements.

<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Debt Service Fund</u>	
Safe, Clean Water & Natural Flood Protection Program	COP Construction Fund	COP Debt Service Fund	Total Governmental Funds
\$ 179,172	\$ -	\$ 71	\$ 362,512
44,090	-	-	44,167
236	-	-	1,973
151	-	-	3,020
-	-	-	383
237	-	-	2,250
<u>\$ 223,886</u>	<u>\$ -</u>	<u>\$ 71</u>	<u>\$ 414,305</u>
\$ 4,122	\$ -	\$ -	\$ 6,034
2,024	-	-	5,657
236	-	-	811
<u>6,382</u>	<u>-</u>	<u>-</u>	<u>12,502</u>
217,504	-	71	364,651
-	-	-	25,202
-	-	-	11,950
<u>217,504</u>	<u>-</u>	<u>71</u>	<u>401,803</u>
<u>\$ 223,886</u>	<u>\$ -</u>	<u>\$ 71</u>	<u>\$ 414,305</u>

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VALLEY WATER

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2024 (Dollars in Thousands)

Amount reported for governmental activities in the statement of net position are different because:

Fund balances of governmental funds	\$ 401,803
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the balance sheet of governmental funds.	1,833,067
Lease and subscription assets	2,342
Internal service funds are used by management to charge the costs of equipment, information technology, and risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	
Internal service funds included in governmental activities	28,268
Transfer of internal service funds from business-type activities	16,565
Interest payable on long-term debt does not require the use of current financial resources and, therefore, interest payable is not accrued as a liability in the balance sheet of governmental funds.	(2,338)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the balance sheet of governmental funds:	
Certificates of participation	(150,055)
Deferred amount on refunding	(225)
Net original issue premium	(13,796)
Compensated absences	(12,534)
Net pension liability and related deferrals	(96,897)
Net OPEB liability and related deferrals	(21,583)
Lease and subscription liabilities and related deferrals	(2,479)
Net position of governmental activities	<u>\$ 1,982,138</u>

See accompanying notes to basic financial statements.

VALLEY WATER

Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024
(Dollars in Thousands)

		Special Revenue Fund
	General Fund	Watershed & Stream Stewardship
Revenues:		
Property taxes (Note 8)	\$ 12,240	\$ 122,830
Benefit assessments (Note 8)	-	6,889
Use of money and property:		
Investment income (Note 5)	796	6,824
Rental	-	1,690
Reimbursement of capital costs (Note 4)	-	3,064
Other	199	2,724
Total revenues	<u>13,235</u>	<u>144,021</u>
Expenditures:		
Current:		
Operations and operating projects	3,183	76,070
Capital improvement projects	3,420	40,505
Debt service:		
Principal repayment	-	-
Interest and fiscal agent fees	-	6
Total expenditures	<u>6,603</u>	<u>116,581</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,632</u>	<u>27,440</u>
Other financing sources (uses):		
Proceeds from Borrowing	-	-
Transfers in (Note 14)	2,084	7,586
Transfers out (Note 14)	(472)	(15,381)
Total other financing sources (uses)	<u>1,612</u>	<u>(7,795)</u>
Net change in fund balances	8,244	19,645
Fund balances, beginning of year	21,893	134,446
Fund balances, end of year	<u>\$ 30,137</u>	<u>\$ 154,091</u>

See accompanying notes to basic financial statements.

<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Debt Service Fund</u>	
Safe, Clean Water & Natural Flood Protection Program	COP Construction Fund	COP Debt Service Fund	Total Governmental Funds
\$ 52,175	\$ -	\$ -	\$ 187,245
-	-	-	6,889
12,071	-	173	19,864
344	-	-	2,034
3,402	-	-	6,466
194	-	-	3,117
<u>68,186</u>	<u>-</u>	<u>173</u>	<u>225,615</u>
27,720	-	-	106,973
47,159	-	-	91,084
920	-	9,665	10,585
4,321	-	1,894	6,221
<u>80,120</u>	<u>-</u>	<u>11,559</u>	<u>214,863</u>
<u>(11,934)</u>	<u>-</u>	<u>(11,386)</u>	<u>10,752</u>
-	-	-	-
-	-	11,559	21,229
<u>(3,240)</u>	<u>-</u>	<u>(5,534)</u>	<u>(24,627)</u>
<u>(3,240)</u>	<u>-</u>	<u>6,025</u>	<u>(3,398)</u>
<u>(15,174)</u>	<u>-</u>	<u>(5,361)</u>	<u>7,354</u>
<u>232,678</u>	<u>-</u>	<u>5,432</u>	<u>394,449</u>
<u>\$ 217,504</u>	<u>\$ -</u>	<u>\$ 71</u>	<u>\$ 401,803</u>

VALLEY WATER

Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balances of Governmental Funds to the Statement of Activities

For the year ended June 30, 2024

(Dollars in Thousands)

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 7,354
--	----------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount represents capital outlays, net of depreciation.

Capital Outlay	42,474
Depreciation	(13,718)

Accrued interest expense on long-term debt is reported in the government-wide statement of activities, but they do not require the use of current financial resources. This amount represents the net change in accrued interest expense not reported in governmental funds. 340

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities.

Certificates of participation repayment	10,585
Deferred amount on refunding	(12)
Net original issue premium	2,361

Internal service funds are used by management to charge the costs of equipment, information technology, and risk management to individual funds. The net revenue of internal service funds is reported with governmental activities. 743

Some revenues and expenses reported in the statement of activities do not provide or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in governmental funds:

Compensated absences	7
Change in net OPEB liability, deferred inflows and outflows	(6,498)
Change in net pension liability, deferred inflows and outflows	36,043
Capital lease and SBITA expenses	(47)
Change in net position of governmental activities	<u>\$ 79,632</u>

See accompanying notes to basic financial statements

VALLEY WATER

Statement of Net Position

Proprietary Funds

June 30, 2024

(Dollars in Thousands)

	Business-type Activity			Governmental Activities
	Water Enterprise Fund	State Water Project Fund	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current assets:				
Cash and investments (Note 3)	\$ 329,552	\$ 22,900	\$ 352,452	\$ 43,983
Receivables:				
Accounts	53,541	17	53,558	-
Interest	570	-	570	-
Taxes	31	84	115	-
Lease	55	-	55	-
Inventory-Water	154,920	-	154,920	-
Deposits and other assets	5,820	-	5,820	87
Total current assets	544,489	23,001	567,490	44,070
Non current assets:				
Restricted cash and investments (Note 3)	152,936	-	152,936	-
Capital assets (Note 6):				
Contract water rights, net	17,463	11,333	28,796	-
Depreciable, net	723,546	-	723,546	11,512
Lease assets, net	2,441	-	2,441	-
Nondepreciable	1,136,804	-	1,136,804	-
Total non current assets	2,033,190	11,333	2,044,523	11,512
Total assets	2,577,679	34,334	2,612,013	55,582
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refunding	176	-	176	-
Deferred outflows of resources - pension activities (Note 11)	50,553	-	50,553	6,704
Deferred outflows of resources - OPEB (Note 12)	28,213	-	28,213	3,742
Total deferred outflow of resources	78,942	-	78,942	10,446
LIABILITIES				
Current liabilities:				
Accounts payable	23,558	194	23,752	495
Accrued liabilities	32,547	356	32,903	787
Commercial paper debt (Note 7)	208,600	-	208,600	-
Deposits payable	4,687	-	4,687	-
Claims payable (Note 13)	-	-	-	2,989
Bond payable - current (Note 7)	106,336	-	106,336	-
Compensated absence (Note 7)	1,859	-	1,859	166
Lease liability (Note 7)	286	-	286	-
Total current liabilities	377,873	550	378,423	4,437
Non current liabilities:				
Bonds payable - net of discounts and premiums (Note 7)	881,151	-	881,151	-
Claims payable (Note 13)	-	-	-	7,756
Compensated absence (Note 7)	6,740	-	6,740	601
Net pension liability (Note 11)	140,099	-	140,099	18,580
Other post employment benefits liability (Note 12)	45,259	-	45,259	6,002
Lease liability (Note 7)	2,404	-	2,404	-
Other debts	13,859	-	13,859	-
Total non current liabilities	1,089,512	-	1,089,512	32,939
Total liabilities	1,467,385	550	1,467,935	37,376
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - OPEB (Note 12)	2,901	-	2,901	384
Deferred inflows of resources - leases (Note 2d)	69	-	69	-
Total deferred inflows of resources	2,970	-	2,970	384
NET POSITION (Note 10)				
Net investment in capital assets	811,198	11,333	822,531	11,512
Restricted				
Debt Service	9,782	-	9,782	-
San Felipe operations	3,651	-	3,651	-
GP5 Reserve	25,813	-	25,813	-
Rate stabilization	6,067	-	6,067	-
State Water Project	-	22,451	22,451	-
Advanced water purification center	1,293	-	1,293	-
Supplemental Water Supply	5,277	-	5,277	-
Unrestricted	323,185	-	323,185	16,756
Total net position	\$ 1,186,266	\$ 33,784	1,220,050	\$ 28,268
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.			(16,565)	
Net position of business-type activities			\$ 1,203,485	

See accompanying notes to basic financial statements.

VALLEY WATER

Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds For the Year Ended June 30, 2024 (Dollars in Thousands)

	Business-type Activity			Governmental Activities
	Water Enterprise Fund	State Water Fund	Total Enterprise Funds	Internal Service Funds
Operating revenues:				
Ground water production charges	\$ 148,744	\$ -	\$ 148,744	\$ -
Treated water charges	169,633	-	169,633	-
Surface and recycled water revenue	2,261	-	2,261	-
Charges for services	-	-	-	43,570
Other	444	3,250	3,694	-
Total operating revenues	<u>321,082</u>	<u>3,250</u>	<u>324,332</u>	<u>43,570</u>
Operating expenses:				
Sources of supply	104,626	30,070	134,696	-
Water treatment	53,858	-	53,858	-
Transmission and distribution:				
Raw water	20,988	-	20,988	-
Treated water	2,792	-	2,792	-
Administration and general	97,775	-	97,775	13,577
Equipment maintenance	-	-	-	42,830
Depreciation and amortization	21,572	944	22,516	2,751
Total operating expenses	<u>301,611</u>	<u>31,014</u>	<u>332,625</u>	<u>59,158</u>
Operating income (loss)	<u>19,471</u>	<u>(27,764)</u>	<u>(8,293)</u>	<u>(15,588)</u>
Nonoperating revenues (expenses):				
Property taxes (Note 8)	11,045	28,013	39,058	-
Investment income (Note 5)	20,230	-	20,230	2,040
Operating grants	5,184	-	5,184	-
Rental income	90	-	90	-
Lease revenue	83	-	83	-
Other	930	2,895	3,825	479
Interest and fiscal agent fees	(38,288)	-	(38,288)	-
Net nonoperating revenues (expenses)	<u>(726)</u>	<u>30,908</u>	<u>30,182</u>	<u>2,519</u>
Income/(loss) before capital contributions and transfers	18,745	3,144	21,889	(13,069)
Capital contributions (Note 4)	3,544	-	3,544	-
Transfers in (Note 14)	1,093	-	1,093	6,231
Transfers out (Note 14)	(3,926)	-	(3,926)	-
Change in net position	19,456	3,144	22,600	(6,838)
Net position, beginning of year	1,166,810	30,640	1,197,450	35,106
Net position, end of year	<u>\$ 1,186,266</u>	<u>\$ 33,784</u>	<u>1,220,050</u>	<u>\$ 28,268</u>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund.			(16,565)	
Net position of business-type activities			<u>\$ 1,203,485</u>	
Reconciliation of the Statement of Revenues, Expenses and Change in Net Position to the Statement of Activities:				
Amounts reported as business-type activities in the statement of activities are different because:				
Net change in net position - enterprise funds			\$ 22,600	
Adjustment to the net effect of the current year activity between the internal service funds and the enterprise funds			(7,581)	
Change in net position of business-type activities			<u>\$ 15,019</u>	

See accompanying notes to basic financial statements.

VALLEY WATER

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2024

(Dollars in Thousands)

	Business-type Activities			Governmental Activities
	Water Enterprise Fund	State Water Project Fund	Total Enterprise Funds	Total Internal Service Funds
Cash flows from operating activities:				
Payment for interfund services provided	\$ -	\$ -	\$ -	\$ 43,570
Payment to suppliers	(75,526)	(29,557)	(105,083)	(34,148)
Payment to employees	(132,066)	-	(132,066)	(12,723)
Other receipts	1,065	2,895	3,960	425
Net cash provided by (used for) operating activities	80,639	(23,429)	57,210	(2,876)
Cash flows from noncapital financing activities:				
Property taxes received	11,052	28,042	39,094	-
Operating grants	5,184	-	5,184	-
Transfers in from other funds	1,093	-	1,093	-
Net cash provided by noncapital financing activities	17,329	28,042	45,371	-
Cash flows from capital & related financing activities:				
COP/Revenue bonds issuance/(payment)	(27,240)	-	(27,240)	-
Commercial paper issuance/(payment)	173,600	-	173,600	-
Capital grants	3,544	-	3,544	-
Interest & fiscal agents fees paid	(38,288)	-	(38,288)	-
Payment for contract water rights	(11,511)	-	(11,511)	-
Acquisition and construction of capital assets	(246,117)	-	(246,117)	(1,760)
Transfers in from other funds	-	-	-	6,231
Transfers out to other funds	(3,926)	-	(3,926)	-
Net cash provided by (used for) capital & related financing activities	(149,938)	-	(149,938)	4,471
Cash flows from investing activities:				
Sale/(purchase) of investments	59,930	-	59,930	-
Rental income received	90	-	90	-
Interest received on cash & investments	19,660	-	19,660	2,040
Net cash provided by/(used for) investing activities	79,680	-	79,680	2,040
Net increase/(decrease) in cash & cash equivalents	27,710	4,613	32,323	3,635
Cash & cash equivalents, beginning	301,842	18,287	320,129	40,348
Cash & cash equivalents, ending	\$ 329,552	\$ 22,900	\$ 352,452	\$ 43,983
Cash and cash equivalents are reported on the Statement of Net Position as follows:				
Cash and investments	\$ 329,552	\$ 22,900	\$ 352,452	\$ 43,983
Cash & cash equivalents, ending	\$ 329,552	\$ 22,900	\$ 352,452	\$ 43,983

See accompanying notes to basic financial statements.

VALLEY WATER
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2024
(Dollars in Thousands)

	Business-type Activities			Governmental Activities
	Water Enterprise Fund	State Water Project Fund	Total Enterprise Funds	Internal Service Funds
Reconciliation of net operating income/(loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 19,471	\$ (27,764)	\$ (8,293)	\$ (15,588)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Other receipts/(payments)	1,065	2,895	3,960	425
Depreciation and amortization	33,082	944	34,026	2,751
Change in operating assets and liabilities:				
(Increase)/decrease in deposits and other assets	(3,085)	-	(3,085)	22
(Increase)/decrease in accounts receivable	(12,627)	(17)	(12,644)	-
(Increase)/decrease in water inventory	(21,289)	-	(21,289)	-
Increase/(decrease) in accounts payable	728	194	922	210
Increase (decrease) in accrued liabilities	6,313	319	6,632	249
Increase (decrease) in lease payable	(283)	-	(283)	-
Increase (decrease) in compensated absences	(6)	-	(6)	(1)
Increase (decrease) in Claims payable	-	-	-	2,408
Increase (decrease) in deposits payable	2,736	-	2,736	-
Increase (decrease) in payable to Semitropic	1,940	-	1,940	-
Increase/(decrease) in pension liability	10,334	-	10,334	598
Increase/(decrease) in other post employment benefits payable	24,114	-	24,114	3,072
Increase/(decrease) in deferred inflow/outflow of resources	18,146	-	18,146	2,978
Net cash provided by (used in) operating activities	<u>\$ 80,639</u>	<u>\$ (23,429)</u>	<u>\$ 57,210</u>	<u>\$ (2,876)</u>
Noncash investing, capital and financing activity:				
(Acquisition)/disposition of capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54</u>

See accompanying notes to basic financial statements.

VALLEY WATER
Statement of Fiduciary Net Position
Custodial Fund
June 30, 2024
(Dollars in Thousands)

ASSETS

Cash and investments (Note 3)	\$ 352
Total assets	<u>352</u>

LIABILITIES

Deposits payable	<u>352</u>
Total liabilities	<u>352</u>

NET POSITION

\$ -

See accompanying notes to basic financial statements.

VALLEY WATER

Statement of Changes in Fiduciary Net Position

Custodial Fund

For the Year Ended June 30, 2024

(Dollars in Thousands)

Deposit Fund

Additions:

Contributions	\$ 53
Total additions	<u>53</u>

Deductions:

Withdrawals	<u>53</u>
Total deductions	<u>53</u>

Net increase in fiduciary net position	-
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Net Position, beginning	<u>-</u>
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Net Position, ending	<u><u>\$ -</u></u>
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See accompanying notes to basic financial statements.

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 1 - THE FINANCIAL REPORTING ENTITY

(a) Description of the Reporting Entity

The Santa Clara Valley Water District (Valley Water) is a special district created by an act of the legislature of the State of California (State) in 1951 and as amended. Valley Water encompasses all of Santa Clara County.

Valley Water is governed by a seven-member Board of Directors (Board). Each member represents one of the equally divided districts drawn through a formal process. The term of office of a director is four years.

On October 12, 2009, Assembly Bill 466 was signed by the Governor of California revising the composition of the Board to an all-elected board that, on or after noon on December 3, 2010, consists of seven directors who are elected pursuant to specified requirements. On May 14, 2010, the Board adopted a resolution that officially set the boundaries of the seven electoral districts. As required by state law, Valley Water redrew its boundaries to reflect the 2010 Census results, and on October 11, 2011, the Board adopted Resolution No. 11-63 selecting the Redistricting Plan, known as the Current Adjusted Map.

Under the Santa Clara Valley Water District Act (District Act), Valley Water has broad powers relating to all aspects of flood control and storm waters within Santa Clara Valley, whether such waters have their sources within Valley Water. It is also authorized to import, store, treat, and distribute water for use within its jurisdictional boundaries and to provide sufficient water for present or future beneficial use of the lands and inhabitants of Santa Clara Valley. Valley Water acquires, stores, and distributes water for groundwater recharge and for irrigation, residential, fire protection, municipal, commercial, industrial, and all other uses. In addition to the broad authorities provided by the District Act, the Sustainable Groundwater Management Act (SGMA) provides several additional specified powers to Valley Water. These legal authorities under SGMA include the ability to regulate groundwater pumping and assess different types of groundwater charges as potential tools to support continued groundwater sustainability. Valley Water also directly supports the environment and the community through careful stewardship.

As required by generally accepted accounting principles (GAAP) in the United States of America, the accompanying basic financial statements present Valley Water and its component unit. The component unit discussed below is included in Valley Water's reporting entity because of the significance of its operational and financial relationship with Valley Water.

(b) Blended Component Unit

The Santa Clara Valley Water District Public Facilities Financing Corporation (PFFC) was established on December 16, 1987 to provide assistance in financing the acquisition, construction, and improvement of public buildings, works and equipment for Valley Water. Although legally separate from Valley Water, the PFFC is reported as if it were part of the primary government because its governing board is also Valley Water's Board of Directors. Its sole purpose is to provide financing to Valley Water under the debt issuance documents of Valley Water.

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

The operations of the PFFC are accounted for as a blended component unit in the debt service and capital project funds of Valley Water. No separate financial statements are issued for the PFFC.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

Government-wide Financial Statements

The statement of net position and statement of activities display information about the primary government (Valley Water) and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities. These statements distinguish between the *governmental* and *business-type activities* of Valley Water. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from the business-type activities, which rely to a significant extent on water sales charged to external parties.

Certain eliminations have been made in regard to interfund activities. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the statement of activities, internal service fund transactions have been eliminated. However, transactions between the governmental and business-type activities have not been eliminated.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of Valley Water and for each function of Valley Water's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

When both restricted and unrestricted net position is available, restricted resources are used for qualified expenses before any unrestricted resources are spent.

Fund Financial Statements

The fund financial statements provide information about Valley Water's funds, including fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary* and *fiduciary* – are presented.

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Valley Water reports the following Governmental Funds, all of which are major funds:

The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental functions of Valley Water that are not accounted for through other major funds.

The *Special Revenue Type Funds* are used to account for specific revenue sources for which expenditures are restricted by law or regulation or committed by board resolutions to finance particular watershed or safe, clean water and natural flood protection functions or activities of Valley Water. Valley Water has the following special revenue funds:

- The *Watershed and Stream Stewardship Fund* is funded by Valley Water's one percent property tax allocation and benefit assessments and used to protect, restore, or enhance the watersheds, streams, and natural resources therein. Starting from fiscal year 2009, this fund was redefined to consolidate all watershed stewardship activities from a portion of Valley Water's ad valorem property tax allocation.

This fund includes the following watershed activities that are based on their geographic boundaries (zone funds):

- ♦ The *Lower Peninsula Watershed* is defined by geographic boundaries encompassing the tributaries and watersheds of San Francisquito Creek, Matadero Creek, Barron Creek, Adobe Creek, Stevens Creek, and Permanente Creek. The geographic area includes the Cities of Palo Alto, Los Altos, Mountain View, the Town of Los Altos Hills, and portions of Cupertino.
 - ♦ The *West Valley Watershed* is defined by geographic boundaries encompassing the tributaries and watersheds of the Guadalupe Slough, Sunnyvale West Outfall, Sunnyvale East Outfall, Calabazas Creek, San Tomas Aquino Creek, and Saratoga Creek. The geographic area includes portions of the Cities of Sunnyvale, Cupertino, Monte Sereno, San Jose, Santa Clara, Campbell, Saratoga and the Town of Los Gatos.
 - ♦ The *Guadalupe Watershed* is defined by geographic boundaries encompassing the tributaries and watersheds of the Guadalupe River. The major tributaries are Los Gatos Creek, Canoas Creek, Ross Creek, Guadalupe Creek, and Alamos Creek. The geographic area includes portions of the Cities of Santa Clara, San Jose, Campbell, Monte Sereno, and the Town of Los Gatos.
 - ♦ The *Coyote Watershed* is defined by geographic boundaries encompassing the tributaries and watersheds of Coyote Creek. The major tributaries are Lower Penitencia Creek, Scott Creek, Berryessa Creek, Upper Penitencia Creek, Silver Creek, Thompson Creek, Fisher Creek, and Packwood Creek. The geographic area includes the City of Milpitas and portions of the Cities of San Jose and Morgan Hill.
- The *Safe, Clean Water & Natural Flood Protection Program Fund* is used to account for the countywide special parcel tax approved by voters on November 3, 2020. This program replaces the Safe, Clean Water and Natural Flood Protection Program that was approved by the voters in November 2012, which replaces the original Clean, Safe Creeks and Natural Flood Protection Plan that was approved by the voters in November 2000.

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

The *Capital Project Fund* is used to account for Certificate of Participation (COP) proceeds used for the construction of major capital projects. The COP Construction Fund is Valley Water's sole capital project fund.

The *Debt Service Fund* is used to account for monies being held for reserve requirements and arbitrage rebate for Valley Water's debt payments. The COP Debt Service Fund is Valley Water's sole debt service fund.

Valley Water reports the following Proprietary Funds:

- The *Water Enterprise Fund* (major fund) accounts for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.
- The *State Water Project Fund* (major fund) accounts for all revenues and costs associated with the State Water Project.
- The *Internal Service Funds* account for the financing of goods or services provided by one department or agency of Valley Water to other departments or agencies on a cost-reimbursement basis.
 - The *Equipment Fund* accounts for the maintenance and operation of Valley Water's vehicle fleet and heavy construction equipment used in the field.
 - The *Risk Management Fund* accounts for the monies set aside to pay for all claims, judgments, and premium cost.
 - The *Information Technology Fund* accounts for the replacement, operations, and maintenance of information technology projects for Valley Water.

All of the internal service funds are combined into a single, aggregated presentation in the Proprietary Funds financial statements. In the government-wide financial statements, the activities of the internal service funds are allocated between the Governmental and Business-type Activities.

Valley Water reports the following Fiduciary Fund - *Custodial Fund* to account for assets held by Valley Water as an agent for private organizations and/or other governments.

- The *Custodial Fund* is used to account for the collection and payment of funds held by Valley Water as an agent for private organizations and/or other governments. There is no trust agreement between Valley Water and these third parties.

The Fiduciary Fund is not included in the government-wide financial statements as it is not an asset of Valley Water.

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

(b) Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which Valley Water gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, benefit assessments and grants. On an accrual basis, revenues from property taxes and benefit assessments are recognized in the fiscal year for which the taxes and assessments are levied; revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied; and revenue from investments is recognized when earned.

Governmental Funds

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property taxes, benefit assessments, interest, grants and charges for services are accrued when received within sixty days after the end of the fiscal year so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and compensated absences are recorded when payment is due. Capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and capital leases are reported as other financing sources.

Proprietary Funds

Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting and distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Enterprise Fund is the sale of water to outside customers. The principal operating revenues of Valley Water's internal service funds are charges for services provided to internal departments. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Proprietary funds *operating* revenues, such as charges for services, result from the exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal value. *Non-operating* revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

Fiduciary Funds

Fiduciary funds are used to account for assets held by Valley Water in a fiduciary capacity as an agent for individuals, private organizations, other governments and/or other funds. Fiduciary funds

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

use the economic resources measurement focus and accrual basis of accounting for reporting assets and liabilities.

(b) Cash and Investments

While maintaining safety and liquidity, Valley Water maximizes its investment return by pooling its available cash for investment purposes. Interest earnings are apportioned among funds based upon the average monthly cash balance of each fund and are allocated to each fund on a monthly basis.

Valley Water reports investments in nonparticipating interest earnings contracts (including guaranteed investment contracts) at cost, and all other investments at fair value. The fair value of investments is based on current market prices.

For purposes of the Statement of Cash Flows, the proprietary funds consider all highly liquid investments with a maturity of three months or less when purchased (including restricted investments), and their equity in the cash and investment pool to be cash equivalents.

(c) Lease Receivable

Lease receivable is measured at the present value of lease payments expected to be received during the lease term.

Valley Water has entered into property leases with telecommunication companies and other parties for antennae and pipeline sites for a term of 5 years and 10 years, respectively. The discount rate used is equivalent to Valley Water's average annual investment earnings rate of 1.1%.

Deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. Deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

(d) Inventory

Proprietary fund inventory consists of materials and supplies held for consumption and stored water inventory. In fiscal year 2022, Valley Water implemented a new enterprise resource financial system that resulted in a change in accounting methodology. Purchases for inventory items stored in the warehouse that previously were being expensed are now being recorded as inventory and then expensed as incurred or issued.

For financial statement purposes, chemical inventories are presented under deposits and other assets. Water inventory is valued based on the rolling average of imported water purchase cost. The components of water inventory as of the end of the current fiscal year are shown on the succeeding page.

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

<u>Type</u>	<u>Acre Feet</u>		<u>Total</u> <u>(in thousands)</u>
	<u>Volume</u>	<u>Average</u> <u>Unit Cost</u>	
Semitropic storage	300,694	\$ 433	\$ 130,201
Local Reservoir Storage	57,088	433	24,719
Total inventory - water			<u>\$ 154,920</u>

(e)Lease or Right-to-Use Assets

Valley Water has recorded lease or right-to-use assets as a result of implementing Governmental Accounting Standard Board Statement No. 87 (Leases) and Governmental Accounting Standard Board Statement No. 96 (Subscription-based Information Technology Arrangements). The lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The lease assets are amortized on a straight-line basis over the term of the related leases or useful life of the underlying assets, whichever is shorter.

(f) Capital Assets

Capital assets (including infrastructure) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair value on the date contributed. Capital assets of governmental activities include pipelines, channel linings, floodwalls, levees, bridge flood proofing, box culverts and re-vegetation.

Valley Water defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets, including assets under capital leases used in operations, are depreciated or amortized using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements and proprietary funds. The estimated useful lives are as follows:

Water treatment facilities	50 Years
Buildings, structures, and trailers	25 - 50 Years
Flood control projects	30 - 100 Years
Dams, structures, and improvements	80 Years
Office furniture, fixtures, and equipment	5 - 20 Years
Automobiles and trucks	6 - 12 Years
Computer equipment	5 Years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities, or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

(g) Amortization of Contract Water Rights

Valley Water has contracted with the State of California for water deliveries from the State Water Project through calendar year 2035. A portion of the payments under this contract represent reimbursement of capital costs for transportation facilities (the capital cost component). The Water Enterprise Fund capitalizes the capital cost component and amortizes such component, using the straight-line method, over the remaining entitlement period.

(h) Amortization of Water Banking Rights

Valley Water has contracted with the Semitropic Water Storage District and its Improvement Districts for the water banking and exchange program. The program is in effect through calendar year 2035. Participation in the program provides Valley Water a 35% allocation for storage rights at the Semitropic Water Storage District facility, totaling 350,000 acre-feet. The Water Enterprise Fund has capitalized the cost of the program and amortizes its cost over the 40-year entitlement period using the straight-line method. See Note 15c for more information on Valley Water's participation in the Semitropic water banking and exchange program.

(i) Amortization of Water Delivery Rights

Valley Water has contracted with the United States Department of the Interior Bureau of Reclamation for water deliveries from the California Central Valley through calendar year 2027. A portion of this contract represents reimbursement of capital costs for general construction of the San Felipe Division facilities. The San Felipe Division transports water from San Luis Reservoir to the Santa Clara – San Benito service area through Pacheco Tunnel and other project features, which include 48.5 miles of closed conduits, two pumping plants and one small reservoir. The Water Enterprise Fund capitalizes the capital cost component and amortizes such component, using the straight-line method, over the remaining entitlement period.

(k) Receivables

Receivables include amounts due from water utility customers, as well as from other miscellaneous revenue sources. All receivables are shown net of an allowance for doubtful accounts. At the end of the fiscal year, a review of outstanding receivables results in an updated estimate of the bad debt allowance at year-end, whereby delinquent balances over 3 years are assigned a weight of 75%, up to 3 years a weight of 50%, up to 2 years a weight of 20%, and up to 1 year a weight of 5%. The totals of each of these amounts are then combined to determine the fiscal year's ending bad debt allowance. On June 30, 2024, the bad debt allowance was \$0.9 million.

(l) Compensated Absences - Accrued Vacation and Sick Leave Pay

It is the policy of Valley Water to permit employees to accumulate earned but unused vacation and sick leave benefits. Vested or accumulated vacation and sick leave are reported as noncurrent liabilities on the statement of net position.

Maximum vacation accruals may not exceed three times the employee's annual accrual rate, per

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employee. All regular full-time employees are eligible for twelve (12) days of sick leave per fiscal year. Unused sick leave may be carried forward to the following fiscal year without limitation. Upon retirement, up to 480 hours of accrued sick leave shall be paid to the eligible employee at the rate of 50% of the equivalent cash value. Upon resignation with ten or more years of service, or upon separation by layoff regardless of service, up to 480 hours of accrued sick leave shall be paid off at the rate of 25% of the cash value.

The compensated absences liability is recognized in Valley Water's proprietary funds and on the government-wide activities column in the statement of net position.

(m) Bond Premiums, Discounts and Issuance Costs

Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premiums or discounts. Refunding differences associated with debt refinancing are reported as deferred outflows or inflows of resources and amortized over the life of the bonds. Issuance costs are recorded as an expense of the current period.

Premiums and discounts related to outstanding debt are deferred and amortized over the life of the debt. Debt payables are reported net of the applicable bond premiums or discounts. Prepaid insurance associated with the issuance of debts are reported as prepaid expenses.

(n) Encumbrances

Valley Water employs encumbrance accounting as a significant aspect of budgetary control. Under encumbrance accounting, purchase orders, contracts, and other commitments for expenditure of funds are recorded as assignment of fund balance since they are not treated as current expenditures or outstanding liabilities at year end for GAAP financial reporting.

(o) Net position

Fund net position is classified based primarily to the extent to which Valley Water is bound to observe constraints imposed upon the use of the resources. When both restricted and unrestricted resources are available for expenses, Valley Water expends the restricted funds and then the unrestricted funds.

(p) Use of Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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(q) Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Valley Water's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(r) Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of Valley Water's plan (OPEB Plan) and additions to/deductions from the OPEB's Plan's fiduciary net position have been determined on the same basis as reported by CalPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(s) Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

(t) New Pronouncements

The Governmental Accounting Standards Board (GASB) releases new accounting and financial reporting standards which may have a significant impact on Valley Water's financial reporting process. Current and future new standards which may impact Valley Water include the following:

GASB Statement No. 104 – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement also requires additional disclosures for capital assets held for sale. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Valley Water has not yet determined the impact of this pronouncement on the financial statements.

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this statement is to improve key components of the financial

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reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Valley Water has not yet determined the impact of this pronouncement on the financial statements.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Valley Water has not yet determined the impact of this pronouncement on the financial statements.

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Valley Water has not yet determined the impact of this pronouncement on the financial statements.

GASB Statement No. 100 – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Errors Corrections – an amendment of GASB Statement No. 62*. The objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections, the required disclosure in the notes to the financial statements, and how information that is affected by a change in accounting principle or error correction should be presented in the required supplementary information (RSI) and supplementary information (SI). The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The implementation of this standard does not have an impact on Valley Water's financial statements.

GASB Statement No. 99 – In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.

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For the Year Ended June 30, 2024

- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.
- for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The implementation of this standard does not have an impact on Valley Water's financial statements.

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Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 3 - CASH AND INVESTMENTS

Valley Water's total cash and investments on June 30, 2024 are as follows (in thousands):

	Governmental Activities	Business-type Activities	Total Government Wide	Fiduciary Fund	Total
Cash and investments	\$ 406,495	\$ 352,452	\$ 758,947	\$ 352	\$ 759,299
Restricted cash and investments	44,167	152,936	197,103	-	197,103
Total cash and investments	<u>\$ 450,662</u>	<u>\$ 505,388</u>	<u>\$ 956,050</u>	<u>\$ 352</u>	<u>\$ 956,402</u>

Deposits and Investments

On June 30, 2024, Valley Water's cash and investments consisted of the following (in thousands):

U.S. Government Agencies	\$ 237,905
U.S. Treasury Obligations	145,269
Medium Term Notes	12,550
State of California Investment Pool - Local Agency Investment Fund (LAIF)	72,518
Mutual Funds	181,758
Supranational Obligations	11,454
Municipal Bonds	42,083
Negotiable Certificates of Deposit	233
Time Certificates of Deposit	204,802
Money Market Funds	45,608
Total Investments	<u>954,180</u>
Deposits	<u>2,222</u>
Total Deposits and Investments	<u>\$ 956,402</u>

As of June 30, 2024, the fair value of Valley Water's investment in the State of California investment pool (LAIF) was \$72.5 million. The Local Investment Advisory Board (LIA Board) has oversight responsibility for LAIF. The LIA Board consists of five members as designated by State Statute. Valley Water is a voluntary participant in the pool. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of Valley Water's position in LAIF. The pool is not registered with the Securities and Exchange Commission.

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Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Authorized Investments by Valley Water

Valley Water's Investment Policy and the California Government Code allow Valley Water to invest in the following types of investments, provided the credit ratings of the issuers are acceptable to Valley Water. The following items also identify certain provisions of Valley Water and California Government Code that address interest rate risk, credit risk, and concentration of credit risk. This list does not address Valley Water's investments of debt proceeds held by fiscal agents that are governed by the provisions of debt agreements of Valley Water, rather than the general provisions of the California Government Code or Valley Water's investment policy, when more restrictive.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u> (Exempt from disclosure)	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	5 years	(Exempt from disclosure)	None	None
U.S. Government Agency Issues ^(A)	5 years	(Exempt from disclosure)	None	None
Bankers Acceptances	180 days	AA-	40%	4.8%
Commercial Paper	90 days	AA-	15%	1.8%
Negotiable Certificates of Deposit	5 years	AA-	30%	3.6%
Time Certificates of Deposit ^(B)	5 years	Satisfactory CRA	5%	\$250,000 & FDIC Membership
Collateralized Repurchase Agreements	30 days	AA-	None	None
Medium Term Notes	5 years	AA-	15%	1.8%
Municipal Obligations	5 years	AA-	15%	1.8%
LAIF ^(C)	N/A	N/A	(B)	(B)
Mutual Funds	N/A	AAA	10%	- -
Supranational Obligations	5 years	AA	15%	1.8%

^(A) Securities issued by agencies of the federal government such as the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Federal Agricultural Mortgage Corporation of America and the Tennessee Valley Authority.

^(B) Valley Water Board of Directors approved investments in California based local banks with a threshold of a minimum of 4% invested in banks with up to \$10 billion in assets and 1% in banks with up to \$2 billion in assets for a limit of 5 years in the form of collateralized deposits, FDIC/NCUA insured CDs, CDARS, or any legally allowable deposits.

^(C) LAIF will accept no more than \$75 million of an agency's unrestricted funds while placing no constraints on funds relating to unspent bond proceeds.

Restricted Cash and Investments for Bond Interest and Redemption

Under the provisions of Valley Water's revenue bond resolutions and Installment Purchase Agreement for the 2012A, 2016C, 2016D, 2017A, 2019C, 2020C, 2020D, 2022B, 2023C, 2023C-1, 2023C-2 and 2023d Certificates of Participations (COPs) and Water Utility Revenue Bonds 2016A, 2016B, 2017A, 2019A, 2019B, 2020A, 2020B, 2022A, 2023A and 2023B, a portion of the proceeds from these debt issuances is required to be held in custody accounts by a fiscal agent as trustee.

VALLEY WATER
Notes to Basic Financial Statements
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As of June 30, 2024, the amount held by fiscal agents amounted to \$15.3 million and was equal to or more than the amount required at that date.

Restricted Cash and Investments for Capital Projects

On June 30, 2024, Valley Water has \$181.7 million of cash and investments deposited with fiscal agent that is restricted for capital-related projects.

Restricted Cash and Investments for Watershed Management Projects

Valley Water has entered into certain cost sharing agreements with the U.S. Army Corps of Engineers (the Corps). Under these agreements, Valley Water is required to deposit monies into escrow accounts to be used by the Corps for watershed management projects. As of June 30, 2024, Valley Water's restricted deposits held in escrow for construction of the Guadalupe Watershed project amounted to \$77 thousand.

Authorized Investments by Debt Agreements

Valley Water must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if Valley Water fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in instruments which, at the time of such investment, are legal investments under the laws of the State of California, Valley Water ordinances, policies, and bond indentures. The following identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
U.S. Treasury Obligations ^(A)	N/A	N/A
U.S. Agency Securities ^(B)	N/A	N/A
State Obligations ^(C)	N/A	A
Commercial Paper	270 days	A1
Unsecured CD's, deposit accounts, time deposits, and bankers acceptances	365 days	A-1
FDIC Insured Deposit ^(D)	N/A	N/A
Money Market Funds	N/A	AAA
Collateralized Repurchase Agreements ^(E)	N/A	A-1
Investment Agreements ^(F)	N/A	AA-
Investment Approved in Writing by the Certificate Insurer	N/A	N/A
LAIF	N/A	N/A
Supranational Obligations	N/A	AA

^(A) Direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, provided that the full faith and credit of the United States of America must be pledged to any such direct obligation or guarantee.

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

- (B) Direct obligations and fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States; consolidated debt obligations and letter of credit-backed issues of the Federal Home Loan Banks; participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation ("FHLMCs"); debentures of the Federal Housing Administration; mortgage-backed securities (except stripped mortgage securities which are valued greater than par on the portion of unpaid principal) and senior debt obligations of the Federal National Mortgage Association ("FNMA"s); participation certificates of the General Services Administration; guaranteed mortgage-backed securities and guaranteed participation certificates of the Government National Mortgage Association ("GNMA"s); guaranteed participation certificates and guaranteed pool certificates of the Small Business Administration; local authority Certificates of the U.S. Department of Housing & Urban Development; guaranteed Title XI financings of the U.S. Maritime Administration; guaranteed transit Certificates of the Washington Metropolitan Area Transit Authority; Resolution Funding Corporation securities.
- (C) Direct obligations of any state of the United States of America or any subdivision or agency thereof whose unsecured, uninsured, and unguaranteed general obligation debt is rated, at the time of purchase, "A" or better by Moody's and "A" or better by S&P.
- (D) Deposits of any bank or savings and loan association which has combined capital, surplus and undivided profits of not less than \$3.0 million, provided such deposits are continuously and fully insured by the Bank Insurance Fund or the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation.
- (E) Repurchase agreements collateralized by Direct Obligations, GNMA"s, FNMA"s or FHLMCs with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank insured by the FDIC, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rated "P-1" or "A3" or better by Moody's and "A-1" or "A-" or better by S&P, provided: (1) a master repurchase agreement or specific written repurchase agreement governs the transaction; and (2) the securities are held free and clear of any lien by the Trustee or an independent third party acting solely as agent ("Agent") for the Trustee, and such third party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$50.0 million or (iii) a bank approved in writing for such purpose by the Certificate Insurer, and the Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee; and (3) a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. if such securities is created for the benefit of the Trustee; and (4) the repurchase agreement has a term of 180 days or less, and the Trustee or the agent will value the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two business days of such valuation; and (5) the fair value of the securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 103%.
- (F) Investment agreements, guaranteed investment contracts, funding agreement, or any other form of corporate note representing the unconditional obligations of entities or agencies with the unsecured long-term debt obligations or claims-paying ability rated in one of the top two rating categories by Moody's and S&P.

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Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Interest Rate Risk

Interest Rate Risk is related to changes in market interest rates that adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Valley Water generally manages interest rate risk by holding investments to maturity.

Information about the sensitivity of the fair value of Valley Water's investments to market interest rate fluctuations, summarized in the following table, shows the distribution of Valley Water's investments by maturity or earliest call date (in thousands).

	Total	Maturity		
		12 Months or less	13 to 24 Months	25 to 60 Months
U.S. Government Agencies	\$ 139,787	\$ 66,038	\$ 59,492	\$ 14,256
U.S. Government Agencies - Callable	98,118	32,950	37,572	27,596
U.S. Treasury Obligations	145,269	88,502	40,907	15,860
Medium Term Notes - Callable	12,550	2,948	6,776	2,826
Local Agency Investment Fund	72,518	72,518	-	-
Mutual Funds	181,758	181,758	-	-
Supranational Obligations	11,454	4,861	6,593	-
Municipal Bonds	42,083	13,136	16,645	12,302
Negotiable Certificates of Deposit	233	233	-	-
Time Certificates of Deposit	204,802	204,802	-	-
Money Market Funds	45,608	45,608	-	-
Total Investments	<u>\$ 954,180</u>	<u>\$ 713,354</u>	<u>\$ 167,985</u>	<u>\$ 72,840</u>

Credit Risk

Credit Risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The ensuing table shows the minimum rating required by the California Government Code, Valley Water's investment policy, or debt agreements and the actual rating as of June 30, 2024 for each investment type as provided by Standard and Poor's (in thousands).

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

	Total	Minimum Legal Rating	Exempt from Disclosure	Rating as of Year-end				
				AAA	AA+	AA	AA-	Not Rated
U.S. Government Agencies	\$237,905	AA-	\$ -	\$ -	\$ 180,303	\$ -	\$ -	\$ 57,602
U.S. Treasury Obligations	145,269	AA-	145,269	-	-	-	-	-
Medium Term Notes	12,550	AA-	-	-	12,550	-	-	-
Local Agency Investment Fund	72,518	N/A	-	-	-	-	-	72,518
Mutual Funds	181,758	AAA	-	-	-	-	-	181,758
Supranational Obligations	11,454	AA	-	9,569	-	-	-	1,885
Municipal Bonds	42,083	AA-	-	13,661	12,470	11,033	3,335	1,584
Negotiable Certificates of Deposit	233	AA-	-	-	-	-	-	233
Time Certificates of Deposit	204,802	N/A	-	-	-	-	-	204,802
Money Market Funds	45,608	N/A	-	-	-	-	-	45,608
Total Investments	<u>\$954,180</u>		<u>\$145,269</u>	<u>\$23,230</u>	<u>\$ 205,323</u>	<u>\$11,033</u>	<u>\$3,335</u>	<u>\$565,990</u>

Concentration of Credit Risk

Valley Water's investment policy regarding the amount that can be invested in any one issuer is stipulated by the California Government Code and Valley Water's investment policy, whichever is more restrictive. However, Valley Water is required to disclose investments that represent a concentration of five percent or more of investments in any one issuer, other than U.S. Treasury securities, mutual funds and external investments pools. At June 30, 2024, such investments are as follows (in thousands):

Issuer	Investment Type	Reported Amount
Government-Wide		
Federal Home Loan Bank	U.S. Government Agency	\$ 79,004
Federal National Mortgage Association	U.S. Government Agency	\$ 58,097

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, Valley Water will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Under California Government Code Section 53651, depending on specific types of eligible securities, a bank must deposit eligible securities posted as collateral with its Agent having a fair value of 105% to 150% of public agencies' cash on deposit. All of Valley Water's deposits are either insured by the Federal Depository Insurance Corporation (FDIC) or collateralized with pledged securities held in the trust department of the financial institutions but not in Valley Water's name.

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Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Fair Value Measurement and Application

Government Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*, (GASB 72) provides the framework for measuring fair value and the fair value hierarchy. Valley Water measures and records its investments using fair value measurement guidelines in accordance with GASB 72. These guidelines recognize a three-tiered fair value hierarchy as shown below:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs (other than quoted marked prices) using matrix pricing based on the securities relationship to benchmark quoted prices; and
- Level 3: Unobservable inputs (not applicable to Valley Water).

The following table summarizes by level, within the fair value hierarchy, Valley Water's investments at fair value at June 30, 2024 (in thousands):

	June 30 2024	Level 1	Level 2	Uncategorized
U.S. Government Agencies	\$237,905	\$ -	\$237,905	\$ -
U.S. Treasury Obligations	145,269	145,269	-	-
Medium Term Notes	12,550	-	12,550	-
Mutual Funds	181,758	-	181,758	-
Supranational Obligations	11,454	-	11,454	-
Municipal Bonds	42,083	-	42,083	-
Negotiable Certificates of Deposit	233	-	233	-
Time Certificates of Deposit	204,802	-	204,802	-
Subtotal - Leveled Investments	<u>836,054</u>	<u>145,269</u>	<u>690,785</u>	<u>-</u>
Local Agency Investment Fund	72,518	-	-	72,518
Money Market Funds	45,608	-	-	45,608
Subtotal - Uncategorized	<u>118,126</u>	<u>-</u>	<u>-</u>	<u>118,126</u>
Total Investments	<u>\$954,180</u>	<u>\$145,269</u>	<u>\$690,785</u>	<u>\$ 118,126</u>

Deposits and withdrawals in LAIF are made on the basis of \$1 and are recorded on an amortized cost basis. Accordingly, LAIF is uncategorized.

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Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 4 – REIMBURSEMENT OF CAPITAL COSTS

Valley Water derives certain revenues from reimbursements of capital costs by local, state, federal agencies, and other outside sources. The following table shows a summary of such reimbursements during fiscal year 2024 (in thousands).

	Governmental Funds	Proprietary Funds
Local Agencies:		
San Benito Water Agency	\$ -	\$ 57
City of Milpitas	253	
State Agencies:		
Department of Water Resources	4,222	3,287
Federal Agencies:		
U.S. Bureau of Reclamation	1,264	200
EPA	727	
Total reimbursement of capital costs	<u>\$ 6,466</u>	<u>\$ 3,544</u>

NOTE 5 - INVESTMENT INCOME

The following table represents the components of investment income for the year ended June 30, 2024 (in thousands).

Fund	Unrealized Gain (Loss)	Interest Income	Investment Earnings, Net
General Fund	\$ 321	\$ 475	\$ 796
Watershed and Streams Stewardship Fund	2,626	4,198	6,824
Safe, Clean Water and Natural Flood Protection Fund	4,393	7,678	12,071
COP Construction Fund	-	-	-
COP Debt Service Fund	1	172	173
Internal Service Funds	799	1,241	2,040
Total Governmental Activities	<u>8,140</u>	<u>13,764</u>	<u>21,904</u>
Water Enterprise Fund	5,140	15,090	20,230
State Water Project Fund	-	-	-
Total Business-type Activities	<u>5,140</u>	<u>15,090</u>	<u>20,230</u>
Total	<u>\$ 13,280</u>	<u>\$ 28,854</u>	<u>\$ 42,134</u>

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Notes to Basic Financial Statements
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NOTE 6 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2024 is as follows (in thousands):

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
<u>Governmental Activities</u>					
Nondepreciable capital assets:					
Land	\$ 191,852	\$ -	\$ -	\$ -	\$ 191,852
Intangible - easements	28,669	2,340	-	-	31,009
Construction in progress					
Governmental Funds	763,816	39,929	(96,607)	-	707,138
Total nondepreciable capital assets	984,337	42,269	(96,607)	-	929,999
Depreciable capital assets:					
Buildings	42,007	-	-	-	42,007
Structures and improvements	969,329	-	96,607	-	1,065,936
Equipment					
Governmental Funds	21,836	205	-	-	22,041
Internal Service Funds	38,083	1,814	-	(440)	39,457
Lease assets	4,530	-	-	-	4,530
Intangibles					
Governmental Funds	2,338	-	-	-	2,338
Internal Service Funds	1,925	-	-	-	1,925
Total depreciable capital assets	1,080,048	2,019	96,607	(440)	1,178,234
Less: accumulated depreciation and amortization					
Buildings	(18,699)	(862)	-	-	(19,561)
Structures & improvements	(173,407)	(12,697)	-	-	(186,104)
Equipment					
Governmental Funds	(21,092)	(159)	-	-	(21,251)
Internal Service Funds	(26,161)	(2,390)	-	439	(28,112)
Lease assets	(1,294)	(894)	-	-	(2,188)
Intangible - Software					
Governmental Funds	(2,338)	-	-	-	(2,338)
Internal Service Funds	(1,399)	(359)	-	-	(1,758)
Total accumulated depreciation	(244,390)	(17,361)	-	439	(261,312)
Total Governmental Activities - capital assets, net	\$ 1,819,995	\$ 26,927	\$ -	\$ (1)	\$ 1,846,921
<u>Business-type Activities</u>					
Nondepreciable capital assets:					
Land	\$ 19,989	\$ 12	\$ -	\$ -	\$ 20,001
Intangible - easements	24,238	8,539	-	-	32,777
Construction in progress	893,431	237,185	(46,590)	-	1,084,026
Total nondepreciable	937,658	245,736	(46,590)	-	1,136,804
Depreciable capital assets:					
Contracted water rights	258,896	11,512	-	-	270,408
Buildings	97,751	-	9,883	-	107,634
Structures and improvements	979,939	-	36,707	-	1,016,646
Equipment	30,378	381	-	-	30,759
Intangible-software	113	-	-	-	113
Lease assets	3,254	-	-	-	3,254
Total depreciable capital assets	1,370,331	11,893	46,590	-	1,428,814
Less: accumulated depreciation and amortization					
Contracted water rights	(227,678)	(13,934)	-	-	(241,612)
Buildings	(19,199)	(2,399)	-	-	(21,598)
Structures & improvements	(364,665)	(16,754)	-	-	(381,419)
Equipment	(27,819)	(657)	-	-	(28,476)
Intangible-software	(102)	(11)	-	-	(113)
Lease assets	(542)	(271)	-	-	(813)
Total accumulated depreciation	(640,005)	(34,026)	-	-	(674,031)
Total Business-type Activities - capital assets, net	\$ 1,667,984	\$ 223,603	\$ -	\$ -	\$ 1,891,587

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

During fiscal year 2024, additions to construction-in-progress were \$39.9 million for governmental activities. There were 29 in-progress and completed projects during the fiscal year with the major projects listed below (in millions):

- \$15.9 - Upper Llagas Creek
- \$10.7 - San Francisco Bay Shoreline
- \$8.9 - Berryessa Creek, Calaveras Boulevard to Interstate 680
- \$7.5 - SCW Fish Passage Improvement
- \$2.2 - Bolsa Road Fish Passage Improvement
- \$3.6 - San Francisquito Creek
- \$2.0 - Pond A4 Resilient Habitat Restoration
- \$1.3 - Berryessa Creek, Lower Penitencia Phase 2

During the fiscal year 2024, new construction-in-progress amounted to \$237.2 million for the business-type activities. There were 34 in-progress and completed projects during the fiscal year, with major projects listed below (in millions):

- \$60.6 - Anderson Dam Tunnel Project
- \$43.0 - Coyote Creek Flood Management Measures
- \$37.0 - Rinconada Water Treatment Plant
- \$32.4 - 10-year Pipeline
- \$20.2 - Pacheco Reservoir Expansion Project
- \$19.3 - Anderson Dam Seismic Retrofit
- \$11.3 - Coyote Percolation Dam Replacement
- \$8.4 - Coyote Creek Chillers
- \$6.0 - Indirect Potable Reuse
- \$5.2 – South County Recycled Water Pipeline

Right-to-Use Assets and Subscription-based Information Technology Arrangements (SBITA)

With the implementation of Governmental Accounting Standard Board Statement No. 87 (Leases) and Governmental Accounting Standard Board Statement No. 96 (SBITA), Valley Water has recorded leases or right-to-use assets for leased land, building office spaces, equipment, and software for an enterprise financial, human resource and payroll system. The lease assets are amortized on a straight-line basis over the term of the lease agreements, or useful life of the underlying assets, whichever is shorter.

Refer to Note 7 for the details of the corresponding lease liabilities.

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

The lease assets included as part of the total capital assets for the year ended June 30, 2024 are as follows (in thousands):

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities</u>				
Lease assets:				
Buildings	\$ 1,568	\$ -	\$ -	\$ 1,568
Subscription asset	2,962	-	-	2,962
Total	<u>4,530</u>	<u>-</u>	<u>-</u>	<u>4,530</u>
Less: accumulated amortization				
Buildings	(800)	(400)	-	(1,200)
Subscription asset	(494)	(494)	-	(988)
Total accumulated amortization	<u>(1,294)</u>	<u>(894)</u>	<u>-</u>	<u>(2,188)</u>
Total Governmental Activities	<u>\$ 3,236</u>	<u>\$ (894)</u>	<u>\$ -</u>	<u>\$ 2,342</u>
<u>Business-type Activities</u>				
Lease assets:				
Land	\$ 3,254	\$ -	\$ -	\$ 3,254
Total	<u>3,254</u>	<u>-</u>	<u>-</u>	<u>3,254</u>
Less: accumulated amortization				
Land	(542)	(271)	-	(813)
Total accumulated amortization	<u>(542)</u>	<u>(271)</u>	<u>-</u>	<u>(813)</u>
Total Business-type Activities	<u>\$ 2,712</u>	<u>\$ (271)</u>	<u>\$ -</u>	<u>\$ 2,441</u>

Capital asset depreciation and amortization reported by the primary government for the current fiscal year are as follows (in thousands):

General government	\$ (1,226)
Watershed and Stream Stewardship	(9,864)
Safe, clean water and natural flood protection	(2,628)
Capital assets held by Valley Water's internal service funds charged to the various functions based on asset usage	(2,749)
Lease and subscription assets	(894)
Total depreciation expense – governmental activities	<u>\$ (17,361)</u>
 Total depreciation and amortization expense – business-type activity	
Water cost of production	\$ (33,755)
Lease and subscription assets	(271)
Total depreciation expense – business-type activities	<u>\$ (34,026)</u>

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 7 - SHORT-TERM AND LONG-TERM LIABILITIES

(a) Short-term debt

On December 17, 2002, the Board authorized a commercial paper program, through the PFFC. The commercial paper program allows Valley Water to finance capital acquisitions while taking advantage of short-term rates, and Valley Water issues tax and revenue anticipation notes on an annual basis to secure the commercial paper program. This program is used in conjunction with issuing long-term liabilities to obtain the least expensive financing for Valley Water.

On January 13, 2015, the Board authorized an increase in commercial paper program to \$150.0 million. The proceeds of the commercial paper may be used for any Valley Water purposes, including but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of Valley Water.

On April 28, 2020, the Board authorized a \$170.0 million Revolving Line of Credit program ("Revolver"), through the PFFC, to provide additional short-term financing for Valley Water. The proceeds of the Revolver may be used for any Valley Water purpose, including but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of Valley Water.

The combined authorized amount for commercial paper and Revolver is \$320.0 million. As of June 30, 2024, Valley Water has \$208.6 million of commercial papers and revolving line of credits outstanding for certain Water Utility capital projects.

Valley Water's short-term liabilities as of June 30, 2024 consisted of the following (in thousands):

<u>Type of indebtedness</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>June 30, 2024</u>
Governmental activities:			
Commercial paper:			\$ -
Total governmental activities			<u>\$ -</u>
Business-type activities:			
Commercial paper:			
Tax exempt	09/05/24	3.65%	\$ 118,640
Taxable	09/03/24	5.51%	31,360
Total commercial paper			<u>150,000</u>
Revolving line of credit	09/24/24	5.70%	58,600
Total business-type activities			<u>\$ 208,600</u>

* The Commitment Expiration Date for the syndicated and non-syndicated revolving line of credit is April 29, 2025.

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

The following is a summary of changes in short-term liabilities as of and for the year ended June 30, 2024 (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
Commercial paper	\$ -	\$ -	\$ -	\$ -
Revolving line of credit	-	-	-	-
Total Governmental Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Business-type activities:				
Commercial paper	\$ 35,000	\$ 147,975	\$ (32,975)	\$ 150,000
Revolving line of credit	-	58,600	-	58,600
Total Business-type Activities	<u>\$ 35,000</u>	<u>\$ 206,575</u>	<u>\$ (32,975)</u>	<u>\$ 208,600</u>

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

(b) Long-term liabilities

Valley Water's long-term liabilities as of June 30, 2024 consisted of the following (in thousands):

<u>Type of indebtedness</u>	<u>Maturity</u>	<u>Interest Rate*</u>	<u>Authorized and Issued</u>	<u>June 30, 2024</u>	<u>Due Within One Year</u>
Governmental activities:					
Certificates of participation					
2012A COP	2024	1.41%	\$ 52,955	\$ -	\$ -
2017A COP	2030	2.56%	59,390	29,235	4,295
2022A Revenue bond	2049	4.13%	75,295	74,375	1,455
2022B Revenue bond	2026	3.01%	46,445	46,445	-
Bond premium				13,796	1,954
Total long-term debt				163,851	7,704
Compensated absences				13,301	2,875
Claims payable (Note 13)				10,745	2,989
Net pension liability (Note 11)				170,181	-
Other post employment benefits liability (Note 12)				54,976	-
Lease and subscription liability				2,441	700
Total governmental activities				\$ 415,495	\$ 14,268
Business-type activities:					
2016A Water revenue bond	2046	3.25%	\$106,315	\$ 106,315	\$ -
2016B Water revenue bond	2046	4.32%	75,215	75,215	-
2016C Water revenue COP	2029	2.13%	43,075	20,940	3,880
2016D Water revenue COP	2029	3.14%	54,970	26,255	4,870
2017A Water revenue bond	2037	3.13%	54,710	41,530	2,275
2019A Water revenue bond	2049	3.75%	15,225	13,955	290
2019B Water revenue bond	2049	3.81%	80,030	71,475	1,840
2019C Water revenue bond	2036	2.76%	38,280	28,600	2,255
2020A Water revenue bond	2050	3.33%	24,120	24,120	-
2020B Water revenue bond	2050	2.98%	68,530	68,530	-
2020C Water revenue COP	2041	2.07%	41,765	36,610	1,790
2020D Water revenue COP	2041	2.20%	81,560	71,650	3,435
2023A Water revenue bond	2052	4.19%	52,090	52,090	-
2023B Water revenue bond	2052	5.11%	69,045	67,865	1,225
2023C-1 Water revenue COP	2026	2.35%	117,365	117,365	53,180
2023C-2 Water revenue COP	2041	3.22%	42,285	40,760	1,610
2023D Water revenue COP	2026	4.33%	62,615	62,615	25,120
Bond discount				(821)	(29)
Bond premium				62,418	4,595
Total long-term debt				987,487	106,336
Compensated absences				8,599	1,859
Net pension liability (Note 11)				140,099	-
Other post employment benefits liability (Note 12)				45,259	-
Semitropic water banking liability	2035		46,900	13,859	-
Lease and subscription liability				2,690	286
Total business-type activities				\$ 1,197,993	\$ 108,481

* Interest rate represents the total cost of a bond financing, taking account any accrued interest, original issue premium or discount and costs of issuance.

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

The following is a summary of changes in long-term liabilities as of and for the year ended June 30, 2024 (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Long term
Governmental activities:						
2012A COP	\$ 5,090	\$ -	\$ (5,090)	\$ -	\$ -	\$ -
2017A COP	33,810	-	(4,575)	29,235	4,295	24,940
2022A Revenue bond	75,295	-	(920)	74,375	1,455	72,920
2022B Revenue bond	46,445	-	-	46,445	-	46,445
Premium on debt issuances	16,157	-	(2,361)	13,796	1,954	11,842
Total long-term debt	176,797	-	(12,946)	163,851	7,704	156,147
Compensated absences	13,309	7,588	(7,596)	13,301	2,875	10,426
Claims payable (Note 13)	8,337	2,695	(287)	10,745	2,989	7,756
Net pension liability (Note 11)	163,437	6,748	(4)	170,181	-	170,181
Other post employment benefits liability (Note 12)	26,631	28,345	-	54,976	-	54,976
Lease and subscription liability	3,293	-	(852)	2,441	700	1,741
Total Governmental Activities	\$ 391,804	\$ 45,376	\$ (21,685)	\$ 415,495	\$ 14,268	\$ 401,227
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Long term
Business-type activities:						
2016A revenue bonds	\$ 106,315	\$ -	\$ -	\$ 106,315	\$ -	\$ 106,315
2016B revenue bonds	75,215	-	-	75,215	-	75,215
2016C COPS	24,625	-	(3,685)	20,940	3,880	17,060
2016D COPS	30,995	-	(4,740)	26,255	4,870	21,385
2017A revenue bonds	43,720	-	(2,190)	41,530	2,275	39,255
2019A revenue bonds	14,235	-	(280)	13,955	290	13,665
2019B revenue bonds	73,270	-	(1,795)	71,475	1,840	69,635
2019C COPS	30,790	-	(2,190)	28,600	2,255	26,345
2020A revenue bonds	24,120	-	-	24,120	-	24,120
2020B revenue bonds	68,530	-	-	68,530	-	68,530
2020C COPS	38,360	-	(1,750)	36,610	1,790	34,820
2020D COPS	75,020	-	(3,370)	71,650	3,435	68,215
2023A revenue bonds	52,090	-	-	52,090	-	52,090
2023B revenue bonds	69,045	-	(1,180)	67,865	1,225	66,640
2023C-1 COPS	117,365	-	-	117,365	53,180	64,185
2023C-2 COPS	42,285	-	(1,525)	40,760	1,610	39,150
2023D COPS	62,615	-	-	62,615	25,120	37,495
Bond discount	(851)	-	30	(821)	(29)	(792)
Premium on debt issuances	67,014	-	(4,596)	62,418	4,595	57,823
Total long-term debt	1,014,758	-	(27,271)	987,487	106,336	881,151
Compensated Absences	8,605	6,247	(6,253)	8,599	1,859	6,740
Net pension liability (Note 11)	129,765	10,334	-	140,099	-	140,099
Other post employment benefits liability (Note 12)	21,144	24,115	-	45,259	-	45,259
Semitropic water banking liability	11,919	1,940	-	13,859	-	13,859
Lease and subscription liability	2,974	-	(284)	2,690	286	2,404
Total Business-type Activities	\$ 1,189,165	\$ 42,636	\$ (33,808)	\$ 1,197,993	\$ 108,481	\$ 1,089,512

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

The aggregate maturities of long-term debt are as follows (in thousands):

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	5,750	7,466	101,770	36,880
2026	6,045	7,177	125,935	34,459
2027	52,790	5,712	25,110	29,426
2028	6,660	4,231	26,025	28,503
2029	6,995	3,896	27,000	27,522
2030-2034	15,745	15,624	114,125	106,444
2035-2039	13,100	12,444	143,765	94,518
2040-2044	16,710	8,735	147,505	64,464
2045-2049	21,335	4,002	152,485	29,894
Thereafter	4,925	123	62,170	4,441
Total bonds payable requirements	<u>\$ 150,055</u>	<u>\$ 69,412</u>	<u>\$ 925,890</u>	<u>\$ 456,549</u>

Leases

Valley Water has entered into agreements to lease certain land, building office spaces and equipment. The lease agreements qualify as other than short-term leases under Governmental Accounting Standard Board Statement No. 87 (GASB 87) and, therefore, have been recorded at the present value of the future minimum lease payments as of July 1, 2021, implementation date of GASB 87. There are no variable payment components of the leases. The lease liabilities are measured at the discount rate of 1.6%, Valley Water's average interest rate. As a result of the leases, Valley Water recorded right-to-use assets with net book value of \$2.8 million at June 30, 2024. The right-to-use assets are included in Capital Assets (Note 6).

The future minimum lease payments as of June 30, 2024 are as follows (in thousands):

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 232	\$ 3	\$ 286	\$ 29
2026	103	1	290	25
2027	52	-	1,494	81
2028	-	-	620	10
2029	-	-	-	-
	<u>\$ 387</u>	<u>\$ 4</u>	<u>\$ 2,690</u>	<u>\$ 145</u>

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Subscription-based Information Technology Arrangements (SBITA)

Valley Water uses enterprise financial, human resource and payroll systems that qualify as a SBITA-related asset under Governmental Accounting Standard Board Statement No.96. The corresponding lease liability has been recorded at the present value of the future minimum subscription payments as of July 1, 2022. There are no variable payment components pertaining to the lease. The lease liability was measured at the discount rate of 1.46%, Valley Water's average interest rate. Valley Water recorded the SBITA-related asset amounting to \$2.0 million at June 30, 2024. The SBITA asset is further discussed in Note 6 - Capital Assets.

The future minimum subscription payments as of June 30, 2024 are as follows (in thousands):

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 468	\$ 30	\$ -	\$ -
2026	495	23	-	-
2027	528	16	-	-
2028	563	8	-	-
2029	-	-	-	-
	<u>\$ 2,054</u>	<u>\$ 77</u>	<u>\$ -</u>	<u>\$ -</u>

Water Infrastructure Financing and Innovation Agreements (WIFIA)

In fiscal year 2023, Valley Water entered into 2 WIFIA loan agreements with the United States of America's Environmental Protection Agency for the Anderson (\$73.9 million) and Safe Clean Water (\$41.3 million, planning, design and construction costs) related projects. In October 2023, Valley Water entered into a third WIFIA loan agreement for the Pacheco Reservoir Expansion project (\$91.6 million, planning and design costs only). These agreements provide Valley Water an expedient and significant funding source for supporting the renovation and construction costs for these major projects.

As of June 30, 2024, no amounts have been drawn from or is outstanding under these agreements.

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Governmental Activities

The following provides a brief description of Valley Water's debt, and other long-term debt, for governmental activities outstanding as of June 30, 2024:

2012A Certificates of Participation

In November 2012, Valley Water issued \$52.9 million of Certificates of Participation, Series 2012A, executed and delivered through the PFFC. The proceeds of 2012A COPs were used to: (1) refinance \$52.4 million of the 2003A Certificates of Participation; (2) finance the cost of certain flood control improvements; (3) fund a reserve fund; and (4) pay the costs of issuing the 2012A Certificates. The 2012A COPs are payable from the 1994 Installment Payments, which are payable by Valley Water, and are secured by a pledge of and lien on, the Valley Water Flood Control System Revenues pursuant to Master Resolution No. 94-60 Flood Control System Revenues adopted by the Board on June 23, 1994. On May 12, 2023, Valley Water defeased the 2012A COPs through the deposit of \$5,293,600 with the Trustee which was applied to the payment of interest due on August 1, 2023 and principal and interest due on February 1, 2024.

2017A Certificates of Participation

In March 2017, Valley Water issued \$59.4 million of Certificates of Participation, Series 2017A, executed and delivered through the PFFC. The proceeds of the 2017A COPs were used to: (1) refinance the \$5.3 million outstanding balance of the 2004A Certificates of Participation; (2) refinance the \$54.2 million outstanding balance of the 2007A Certificates of Participation; (3) finance the cost of certain flood control improvements; and (4) pay the costs of issuing the 2017A Certificates. The 2017A COPs are payable from the 1994 and 1995 Installment Payments, which are payable by Valley Water, and are secured by a pledge of and lien on, the Valley Water Flood Control System Revenues pursuant to Master Resolution No. 94-60 Flood Control System Revenues adopted by the Board on June 23, 1994.

2022A Safe Clean Water Revenue Bonds

In December 2022, Valley Water issued \$75.3 million of Revenue Bonds, Series 2022A. The proceeds of the 2022A Bonds, along with original issue premium, were used to: (1) refinance the \$53.0 million outstanding balance of commercial paper notes; (2) refinance the \$29.7 million outstanding balance of the Revolving Certificates; and (3) pay the costs of issuing the 2022A Bonds. The 2022A Bonds are issued pursuant to Resolution No. 21-34 (SCW Master Resolution) adopted by the Board of Directors on May 11, 2021, and are payable from and secured by a pledge of a lien under the Safe Clean Water Master Resolution on SCW Revenues.

2022B Safe Clean Water Certificates of Participation

In December 2022, Valley Water issued \$46.4 million of COPs, Series 2022B. The proceeds of the 2022B COPs, along with original issue premium, were used to: (1) finance \$38.5 million of capital projects; (2) refinance the \$2.8 million outstanding balance of the commercial paper notes and Revolving Certificates; (3) finance \$8.6 million of capitalized interest; and (4) pay the costs of issuing the 2022B COPs. The 2022B Bonds are issued pursuant to Resolution No. 21-34 (SCW Master Resolution) adopted by the Board of Directors on May 11, 2021, and are payable from and secured by a pledge of a lien under the SCW Master Resolution on SCW Revenues.

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Business-type Activities

The following provides a brief description of Valley Water's long-term debt for business-type activities outstanding as of June 30, 2024:

2016A/B Water Systems Revenue Bonds

In March 2016, Valley Water issued \$181.5 million of Water Systems Revenue Bonds comprised of Series 2016A for \$106.3 million and Taxable Series 2016B for \$75.2 million, pursuant to the Water Utility Parity System Master Resolution (16-10) approved by the Board in February 2016. Proceeds of the 2016A Revenue Bonds, along with the original issue premium, were used to refinance all outstanding Water Utility System Revenue Bonds Series 2006A and repay \$73.0 million of outstanding tax-exempt commercial paper notes and costs of issuance. Proceeds of the 2016B Revenue Bonds were used to repay \$75.0 million of the balance of the outstanding taxable commercial paper notes and costs of issuance. The obligation of Valley Water to pay principal and interest of the 2016A/B Water Systems Revenue Bonds is secured by a pledge of and lien on Valley Water's Water Utility System revenues and are payable from the Net Water Utility System revenues.

2016C/D Water Utility Revenue Certificates of Participation

In March 2016, Valley Water issued \$98.0 million of Water Utility Revenue Certification of Participation, comprised of Series 2016C for \$43.4 million and Taxable Series 2016D for \$55.0 million, which were executed and delivered through the PFFC. Proceeds of the 2016C and 2016D COPs, along with the original issue premium were used to finance capital construction projects in the Water Utility Enterprise and costs of issuance. The 2016C and 2016D COPs are payable from 2016 Installment Payments which are payable by Valley Water from and secured by a pledge and lien on water utility revenues and are payable from the Net Water Utility System revenues pursuant to the Water Utility System Parity Master Resolution (16-10).

2017A Water System Revenue Bonds

In May 2017, Valley Water issued \$54.7 million of Water Systems Revenue Bonds to refund the \$64.8 million outstanding balance of the Water Utility System Revenue Certificates of Participation Series 2007A and pay costs of issuance of the 2017A Bonds. The obligation of Valley Water to pay principal and interest on the 2017A Bonds is secured by a pledge of and lien on Valley Water's Water Utility System Revenues and are payable from the Net Water Utility System Revenues pursuant to the Water Utility Parity System Master Resolution (16-10).

2019A/B Water Systems Revenue Bonds

In April 2019, Valley Water issued \$95.2 million of Water System Revenue Bonds consisting of Series 2019A for \$15.2 million and Series 2019 B for \$80.0 million to repay the outstanding Commercial Paper Certificates to free up capacity in Valley Water's commercial paper program to finance on-going capital costs and costs of issuance. The obligation of Valley Water to pay principal and interest on the 2019A/B Bonds is secured by a pledge of and lien on Water Utility System Revenues and are payable from the Net Water Utility System Revenues pursuant to the Water Utility Parity System Master Resolution (16-10).

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

2019C Water Utility System Certificates of Participation

In November 2019, Valley Water issued \$38.3 million of Water Utility System Certificates of Participation Series 2019C to refinance all the outstanding Water Utility Revenue Certifications of Participation Taxable Series 2007B and fund costs of issuance. The obligation of Valley Water to pay principal and interest on the 2019C Bonds is secured by a pledge of and lien on Water Utility System Revenues and are payable from the Net Water Utility System Revenues pursuant to the Water Utility Parity System Master Resolution (16-10).

2020A/B Water Systems Revenue Bonds

In September 2020, Valley Water issued \$92.6 million of Water System Revenue Bonds comprised of Series 2020A for \$24.1 million and Taxable Series 2020B for \$68.5 million. Proceeds of the 2020A Revenue Bonds, along with the original issue premium, were used to repay \$31.0 million of outstanding tax-exempt commercial paper notes and costs of issuance. Proceeds of the 2020B Revenue Bonds were used to repay \$68.3 million of outstanding taxable commercial paper notes and costs of issuance. The obligation of Valley Water to pay principal and interest of the 2020A/B Water Systems Revenue Bonds is secured by a pledge of and lien on Valley Water's Water Utility System Revenues and are payable from the Net Water Utility System Revenues pursuant to the Water Utility Parity System Master Resolution (16-10).

2020C/D Water Utility Revenue Certificates of Participation

In September 2020, Valley Water issued \$123.4 million of Water Utility Revenue Certificates of Participation, comprised of Series 2020C for \$41.8 million and Taxable Series 2020D for \$81.6 million, executed and delivered through the PFFC. Proceeds of the 2020C and 2020D COPs, along with the original issue premium, are being used to finance capital construction projects in the Water Utility Enterprise and costs of issuance. The 2020C and 2020D COPs are payable from 2020 Installment Payments which are payable by Valley Water from and secured by a pledge and lien on water utility revenues and are payable from the Net Water Utility System Revenues pursuant to the Water Utility Parity System Master Resolution (16-10).

2023A/B Water Systems Revenue Bonds

In January 2023, Valley Water issued \$121.1 million of Water System Revenue Bonds comprised of Series 2023A for \$52.1 million and Taxable Series 2023B for \$69.0 million. Proceeds of the 2023A Revenue Bonds, along with the original issue premium, were used to repay \$58.6 million of outstanding tax-exempt commercial paper notes and costs of issuance. Proceeds of the 2023B Revenue Bonds were used to repay \$67.7 million of outstanding taxable commercial paper notes and costs of issuance. The obligation of Valley Water to pay principal and interest of the 2023A/B Water Systems Revenue Bonds is secured by a pledge of and lien on Valley Water's Water Utility System Revenues and are payable from the Net Water Utility System Revenues pursuant to the Water Utility Parity System Master Resolution (16-10).

2023C/D Water Utility Revenue Certificates of Participation

In January 2023, Valley Water issued \$222.3 million of Water Utility Revenue Certificates of Participation, comprised of Series 2023C-1 for \$117.4 million, 2023C-2 for \$42.3 million, and Taxable series 2023D for \$62.6 million, executed and delivered through the PFFC. Proceeds of the COPs, along with the original issue premium, are being used to finance capital construction projects

VALLEY WATER
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in the Water Utility Enterprise and costs of issuance. The COPs are payable from 2022 Installment Payments which are payable by Valley Water from and secured by a pledge and lien on water utility revenues and are payable from the Net Water Utility System Revenues pursuant to the Water Utility Parity System Master Resolution (16-10).

Semitropic Water Banking Liability

In December 1995, Valley Water entered into a water banking and exchange program with Semitropic Water Storage District and its Improvement Districts that entitles Valley Water to storage, withdrawal, and exchange rights for Valley Water's State Water Project supplies. Valley Water's share of the total program capital costs is \$46.9 million based on a 35 percent vesting in the program. Valley Water pays the program capital costs when storing and recovering water. As of June 30, 2024, Valley Water has an outstanding liability of \$13.9 million related to water storage and banking rights. See Note 15c for further information on Valley Water's Semitropic water banking program.

(c) Other Debt Related Information

Valley Water has adopted master resolutions with respect to its water utility, safe clean water and watershed which contain certain events of default and remedies as described therein. Valley Water has also issued various bonds, notes or other obligations secured by such master resolutions or other revenues of Valley Water and which contain certain events of default and remedies as described therein. Valley Water has also entered into various reimbursement agreements or other financial contracts which contain certain events of default and remedies as described therein. Certain of these master resolutions, bonds, notes and other obligations and reimbursement agreement and other financial contracts contain provisions concerning the application of applicable Valley Water revenues if certain of the following conditions occur: default on debt service payments; the failure of Valley Water to observe or perform the conditions, covenants, or other agreement with respect thereto; bankruptcy filing by Valley Water; or if any court or competent jurisdiction shall assume custody or control of Valley Water, among other defaults. Certain of such master resolutions, bonds, notes and other obligations and reimbursement agreement and other financial contract contain acceleration provisions that allows a trustee, owners of bonds, notes or other obligations or the parties to such reimbursement agreements or other financial contracts to accelerate payments thereunder to the extent and as provided therein.

Resolutions and other financing agreements associated with Valley Water's and PFFC's bonds and certificates of participation contain a number of covenants, limitations, and restrictions. Valley Water believes it is in compliance with all significant covenants, limitations, and restrictions.

Financial obligations incurred under the commercial paper program, issued through the PFFC, currently include the obligations to reimburse the bank issuing direct pay letter of credit supporting the commercial paper program, the revolving lines of credit, and to pay letter of credit and other fees to the bank. Valley Water's failure to comply with certain such obligations could result in an event of default. If an event of default occurs, the bank may exercise one or more rights and remedies. In addition to rights and remedies provided for under the law, the bank can declare all financial obligations with respect to such letter of credit or revolving line of credit to be immediately due and payable, cause the issuance of commercial paper to be temporarily ceased, or terminate the letter of credit or revolving line of credit which would cause the issuance of commercial paper or revolving

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line of credit to be permanently ceased. Commercial paper certificates are not subject to acceleration.

Valley Water has also pledged water utility system revenues, net of specified maintenance and operating expenses, to repay \$925.9 million in long-term debt outstanding as of June 30, 2024, that was issued to finance the cost of capital construction projects for the Water Utility Enterprise Fund. The secured debt includes revenue bonds and COPs. The revenue bonds are payable from net water utility system revenues and the revenue COPs are payable from installments that are secured by net water utility system revenues. The long-term debt is payable through fiscal year 2052. Total principal outstanding and interest costs remaining to be paid on the combined debt is \$1.4 billion.

NOTE 8 - PROPERTY TAXES AND BENEFIT ASSESSMENTS

The County of Santa Clara (County) is responsible for the assessment, collection, and apportionment of property taxes for Valley Water. The amount of property tax levies is restricted by Article 13A of the California State Constitution (commonly referred to as Proposition 13). Valley Water is responsible for determining the amount of benefit assessment, special parcel tax, and State Water Project obligations. Secured property taxes and benefit assessments are each payable in equal installments, November 1 and February 1, and become delinquent on December 10 and April 10, respectively. The lien date is January 1 of each year. Property taxes on the unsecured roll are due on the March 1 lien date and become delinquent if still unpaid on August 31.

Valley Water derives certain revenues from the assessment of property tax parcel levies and the levy of benefit assessments and a special parcel tax. The property tax levy is composed of two categories: (1) an allocation of the County's 1 percent tax; and (2) voter approved levy to repay capital and operating costs related to imported water from the State Water Project. Benefit assessments are collected by the County as part of duly authorized debt repayment phase of the voter-approved assessments. In November 2000, voters approved a 15-year special parcel tax to fund the countywide Clean, Safe Creeks & Natural Flood Protection Program. The levy became effective July 1, 2001 and is based on the proportionate storm water runoff for each property.

In November 2012, the voters approved the Safe, Clean Water and Natural Flood Protection (Safe, Clean Water) special parcel tax, which built on the success of the Clean, Safe Creeks and Natural Flood Protection (Clean, Safe Creeks) plan approved by the voters on November 3, 2000. The renewed Safe, Clean Water program, as approved by voters, took effect beginning fiscal year 2022. \$52.2 million of special parcel tax was collected for this program during fiscal year 2024.

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Property tax and benefit assessment revenues recorded for the year ended June 30, 2024 are as follows (in thousands).

	General Fund	Special Revenue Funds	Total Governmental Activities	Business- type Activities
Property taxes:				
1% tax allocation	\$ 12,240	\$ 122,830	\$ 135,070	\$ 11,045
Special parcel tax	-	52,175	52,175	-
Voter approved indebtedness:				
State water project	-	-	-	28,013
Total taxes	12,240	175,005	187,245	39,058
Benefits assessment	-	6,890	6,890	-
Total taxes and benefits assessment	<u>\$ 12,240</u>	<u>\$ 181,895</u>	<u>\$ 194,135</u>	<u>\$ 39,058</u>

Valley Water has elected to participate in the “Teeter Plan” offered by the County whereby Valley Water receives 100 percent of secured property and supplemental property taxes levied in exchange for foregoing any interest and penalties collected on the related delinquent taxes.

NOTE 9 - FUND BALANCES

In the fund financial statements, governmental funds report fund balance as non-spendable, restricted, committed, assigned or unassigned based primarily to the extent to which Valley Water is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

- Non-spendable fund balance includes net resources that cannot be spent because they are either a) not spendable because of their form, or b) must be maintained intact pursuant to legal or contractual requirements.
- Restricted fund balance includes amounts that are subject to limitations imposed by either: a) creditors, grantors, contributors or laws and regulations of other governments, or b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance includes spendable resources that can only be used for specific purposes pursuant to constraints imposed by formal action of Valley Water’s highest level of decision-making authority, the Board, through adopted resolutions. Those constraints remain binding unless the Board removes or changes in the same manner to previously commit those resources. These Board actions must occur prior to June 30th of the applicable fiscal year.
- Assigned fund balance includes amounts that are constrained by Valley Water’s intent to be used for specific purposes but are neither restricted nor committed. The intent can be established or changed at the discretion of the Board, or an official designated for that purpose, the Chief Executive Officer, in accordance with the provisions of the Governance

VALLEY WATER
Notes to Basic Financial Statements
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Policies of the Board, Policy No. EL-5, *Purchasing and Contracts*. The encumbrances amount shown in this category represents contracts and commitments for goods and services needed to carry out the operation of the funds.

- Unassigned fund balance represents residual net resources that have not been restricted, committed, or assigned.

Spending Prioritization in Using Available Resources

When an expense is incurred for purposes for which both restricted resources and unrestricted resources fund balance are available, Valley Water considers restricted resources to be spent first. When committed, assigned, and unassigned resources can be used for the same purpose, Valley Water's flow assumption is to spend in the sequence of committed resources first, assigned second, and unassigned last.

The various fund balance classifications above are established by actions of the Board and can be increased, reduced or eliminated by similar actions with the exception of contracts and commitments on the assigned fund balance, which can be reduced or eliminated without the action of the Board. Valley Water's committed and assigned fund balances are reviewed annually to ensure compliance with Valley Water's reserve policy. Changes to the restricted, committed and assigned reserves are presented to the Board for review and approval.

A detailed schedule of fund balances as of June 30, 2024 for the governmental funds is shown in the ensuing table (in thousands).

	Special Revenue Funds			Debt Service Funds		
	General Fund	Watershed & Stream Stewardship	Safe, Clean Water and Natural Flood Protection Program	COP Construction	COP Debt Service	Total Governmental Funds
Restricted Fund Balance						
Debt service	\$ -	\$ -	\$ 5,557	\$ -	\$ 71	\$ 5,628
Reserves for:						
Watershed & Stream Stewardship	-	147,076	-	-	-	147,076
Safe Clean Water	-	-	211,947	-	-	211,947
Total restricted fund balance	-	147,076	217,504	-	71	364,651
Committed Fund Balance						
Operating and capital	21,083	-	-	-	-	21,083
Current authorized capital projects	4,119	-	-	-	-	4,119
Total committed fund balance	25,202	-	-	-	-	25,202
Assigned Fund Balance						
Encumbrances	4,935	7,015	-	-	-	11,950
Total assigned fund balance	4,935	7,015	-	-	-	11,950
Total fund balances	\$ 30,137	\$ 154,091	\$ 217,504	\$ -	\$ 71	\$ 401,803

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

The encumbrances for the General, and Watershed and Stream Stewardship Funds represent resources solely dedicated to cover the outstanding purchase orders, contracts and agreements of said funds.

NOTE 10 - NET POSITION

The proprietary funds financial statements utilize a net position presentation. Net position is categorized as follows: (1) net investment in capital assets, (2) restricted and (3) unrestricted.

Net Investment in Capital Assets - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net position – This category presents external restrictions imposed by creditors, grantors, contributors, laws, or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net position – This category represents net position of Valley Water, not restricted for any project or other purpose.

The table that follows shows the detailed schedule of the proprietary funds' net position as of June 30, 2024 (in thousands).

	Water Enterprise Fund	State Water Project Fund	Internal Service Funds	Total Proprietary Funds
Restricted net position:				
Debt Service	\$ 9,782	\$ -	\$ -	\$ 9,782
San Felipe emergency reserve	3,651	-	-	3,651
GP5 reserve	25,813	-	-	25,813
Rate stabilization	6,067	-	-	6,067
Advance water purification center	1,293	-	-	1,293
Supplemental water supply	5,277	-	-	5,277
State water project	-	22,451	-	22,451
Total restricted net position	51,883	22,451	-	74,334
Unrestricted net position:				
Operating and capital	32,026	+	7,072	39,098
Water inventory	154,920	-	-	154,920
Current authorized projects	-	-	356	356
Property self-insurance/catastrophic	-	-	6,649	6,649
Purchase Commitments	244,906	-	9,924	254,830
Net pension liability	(76,513)	-	(5,141)	(81,654)
Net other post-employment benefits	(32,154)	-	(2,104)	(34,258)
Total unrestricted net position	323,185	-	16,756	339,941
Net investment in capital assets	811,198	11,333	11,512	834,043
Total net position	\$1,186,266	\$ 33,784	\$ 28,268	\$1,248,318

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 11 - EMPLOYEES' RETIREMENT PLAN

Plan Description

All qualified permanent and probationary employees are eligible to participate in the agent multiple-employer defined benefit pension plan (the Pension Plan) administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Valley Water's resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the California Public Employees' Retirement Law. Benefit provisions and all other requirements are established by State statutes and may be amended by Valley Water's governing board.

The Plan's provisions and benefits in effect for fiscal year 2024 are summarized as follows:

	Prior to 3/19/2012	3/19/2012 to 12/31/2012	On or after 1/1/2013
Hire date	3/19/2012	12/31/2012	1/1/2013
Benefit formula	2.5% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Minimum Retirement age	50	50	52
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.1% to 2.4%	1.0% to 2.5%
Required employee contribution rates	8.0%	7.0%	6.75%
Required employer contribution rates	10.17% plus \$3.0 million prepayment for prior unfunded service cost		

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Employees Covered – As of the most recent CalPERS actuarial report using a valuation date of June 30, 2022, the following employees were covered by the benefit terms of the Plan:

Inactive employees or beneficiaries currently receiving benefits	1,197
Active employees	856

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

For the fiscal year ended June 30, 2024 contribution to the plan was \$42.0 million. Valley Water is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Net Pension Liability

Valley Water's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Actuarial Assumptions – The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Reporting date	June 30, 2024
Actuarial cost method	Entry-age actuarial cost method
Discount rate	6.90%
Inflation	2.30%
Projected salary increase	Varies by entry age and service
Mortality rate table	The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.
Post-retirement benefit increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Asset class¹	Assumed asset allocation	Real return^{1,2}
Global Equity - Cap-weighted	30.00 %	4.54 %
Global Equity - Non-Cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021 Asset Liability Management study.

Subsequent Events/Change in Assumptions

There were no subsequent events that would materially affect the results presented in this disclosure.

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Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(c) = (a) - (b)
Beginning balance	<u>\$ 1,029,993</u>	<u>\$ 736,791</u>	<u>\$ 293,202</u>
Changes recognized for the measurement period:			
Service cost	22,018	-	22,018
Interest on total pension liability	71,253	-	71,253
Changes of Benefits	573	-	573
Changes of Assumptions	-	-	-
Difference between expected and actual experience	17,909	-	17,909
Contributions - employer	-	39,835	(39,835)
Contributions - employees	-	9,319	(9,319)
Net investment income	-	46,063	(46,063)
Benefits payment, including refunds of employee contributions	(53,662)	(53,662)	-
Administrative expense	-	(542)	542
Net changes	<u>58,091</u>	<u>41,013</u>	<u>17,078</u>
Ending balance	<u>\$ 1,088,084</u>	<u>\$ 777,804</u>	<u>\$ 310,280</u>

Net pension liability increased versus the prior fiscal year primarily due to a 5.8% return on investments reported by CalPERS for the measurement period ending June 30, 2023, which was lower than the investment return assumption of 6.8%.

At June 30, 2024, the net pension liability is recorded in the government-wide statement of net position as follows (in thousands):

Government activities	\$ 170,181
Business-type activities	<u>140,099</u>
Total net pension liability	<u>\$ 310,280</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of Valley Water, calculated using the current discount rate, as well as what Valley Water's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate (in thousands):

	Discount Rate		
	-1%	Current	+1%
Plan Net Pension Liability	<u>\$ 452,190</u>	<u>\$ 310,280</u>	<u>\$ 192,716</u>

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Pension Plan Fiduciary Net Position

Detailed information about Valley Water's pension plan fiduciary net position is available in separately issued CalPERS financial reports.

Pension Expenses and Deferred Outflow/Inflow of Resources

For the year ended June 30, 2024, Valley Water has an actuarial pension expense of \$57.4 million. The actuarial report showed deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contribution subsequent to measurement date	\$ 41,970	\$ -
Changes of assumptions	15,799	-
Differences between expected and actual experience	19,388	-
Net difference between projected and actual earnings on pension plan investments	<u>34,804</u>	<u>-</u>
Total	<u><u>\$ 111,961</u></u>	<u><u>\$ -</u></u>

\$42.0 million is reported as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction from the net pension liability in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as shown in the succeeding table.

Fiscal years ending June 30:	<u>Deferred Outflows / (Inflows) of Resources</u>
2025	\$ 19,714
2026	15,300
2027	31,727
2028	3,250
2029	-
Thereafter	<u>-</u>
Total	<u><u>\$ 69,991</u></u>

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

Valley Water provides post-employment health care benefits, in accordance with negotiated memoranda of understanding with employee groups and adoption by the Board, for retired employees and/or their surviving spouses, and to certain employees who retire due to disability who meet the eligibility requirements and elect the option. Valley Water must be the employee's last CalPERS employer, and the retiree must be receiving monthly CalPERS retirement benefits.

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Benefits Provided

Employee Type	Hire/Retirement Date	Eligibility Rule (Years of Continuous Service)	Valley Water's Required Contribution
<u>Classified</u> Employee Association (AFSCME –Local 101) Engineers Society (IFPTE-Local 21) Professional Managers Association (IFPTE – Local 21)	Retired prior to July 1, 1988	_____	Fixed amount of \$165 per month.
	Retired from July 1, 1988 through June 30, 1990	10 years	100% medical premium for retiree.
	Retired from July 1, 1990 or later and hired prior to December 30, 2006	10 years 15 years	100% medical premium for retiree. 100% medical premium for retiree plus one eligible dependent.
	Retired from July 1, 1990 or later and hired between December 30, 2006 and March 1, 2007	10 years	Retiree is covered for medical. Medical premium cost sharing is required with the same contribution percentage as active employees and based on medical premium applicable to active employees or retirees, whichever is less.
		15 years	Retiree plus one eligible dependent are covered for medical. Medical premium cost sharing is required with the same contribution percentage as active employees and based on medical premium applicable to active employees or retirees, whichever is less.
	Hired on or after March 1, 2007	15 years	Retiree is covered for medical. Medical premium cost sharing is required with the same contribution percentage as active employees and based on medical premium applicable to active employees or retirees, whichever is less.
		20 years	Retiree plus one eligible dependent are covered for medical. Medical premium cost sharing is required with the same contribution percentage as active employees and based on medical premium applicable to active employees or retirees, whichever is less.

(Continued)

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Employee Type	Hire/Retirement Date	Eligibility Rule (Years of Continuous Service)	Valley Water's Required Contribution
<u>Unclassified</u> At Will	(continued) Hired on or after December 30, 2006 and prior to March 1, 2007	25 years	Medical, dental, and vision coverages are provided for retiree plus two or more eligible dependents. Medical premium cost sharing is required with the same contribution percentage as active employees and based on the medical premium amount applicable to active employees or retirees, whichever is less.
	Hired on or after March 1, 2007	15 years	Retiree is covered for medical. Medical premium cost sharing is required with the same contribution percentage as active employees and based on medical premium applicable to active employees or retirees, whichever is less.
		20 years	Retiree plus one eligible dependent are covered for medical. Medical premium cost sharing is required with the same contribution percentage as active employees and based on medical premium applicable to active employees or retirees, whichever is less.

As of August 1, 2007, all current retirees not yet 65 years of age and Medicare eligible and all future retirees who are Medicare eligible must enroll themselves in Medicare when they reach the eligibility date for Medicare. Their Medicare eligible dependents who are enrolled in Valley Water's health plan must also enroll in Medicare upon their eligibility date. Valley Water reimburses the ongoing Medicare Part B cost incurred by the retiree and/or dependent payable quarterly.

After an evaluation of the cost savings realized in implementing the Medicare enrollment plan since August 2007, Valley Water expanded the Medicare enrollment requirement to all retirees and their eligible dependents that are enrolled in Valley Water's medical plan. As of July 1, 2009, all Medicare eligible retirees and their eligible dependents were required to enroll in Medicare. Valley Water reimburses the Medicare Part B penalty charged by the Social Security Administration to the retirees/dependents due to late enrollment.

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Valley Water provides the unclassified group of retirees \$50,000 life insurance upon retirement with a five-year phase out in declining increments of \$10,000 per year after retirement.

Employees Covered – As of the most recent OPEB actuarial report using a valuation date of June 30, 2023, the following employees were covered by the benefit terms of the plan:

Inactive employees or beneficiaries currently receiving benefits	657
Active employees	849

Contributions

On June 24, 2008, the Board adopted a resolution approving the agreement and election of Valley Water to prefund OPEB through CalPERS under its California Employer's Retiree Benefit Trust (CERBT) Program, an agent multiple-employer plan consisting of an aggregation of single-employer plans. On September 9, 2008, Valley Water joined CERBT. The Board approved the reallocation of \$17.7 million from its existing reserve for the initial prefunding of the unfunded liability for the first year of reporting. Subsequent years funding, pursuant to the annual budget approved by the Board, was made at the beginning of each fiscal year through fiscal year 2017. The CERBT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from the California Employees' Retirement System, P. O. Box 942703, Sacramento, CA 94229-2703.

OPEB and its contribution requirements are established by memorandum of understanding with the applicable employee bargaining units and may be amended by agreements between Valley Water and the bargaining groups. For the fiscal year ended June 30, 2024, Valley Water's total contribution to the plan amounted to \$13.4 million.

Net OPEB Liability

Valley Water's net OPEB liability for the Plan is measured as the total OPEB liability, less the OPEB plan's fiduciary net position. A summary of principal assumptions and methods used to determine the net OPEB liability is shown in the following table.

VALLEY WATER
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Actuarial Assumptions – The total net OPEB liability for Valley Water for fiscal year ended June 30, 2023 was derived from the CalPERS actuarial valuation using the following actuarial assumptions:

Valuation date	June 30, 2023
Measurement date	June 30, 2023
Reporting date	June 30, 2024
Discount rate ⁽¹⁾	6.00%
Investment rate of return ⁽¹⁾	6.00%
Inflation	2.80%
Payroll growth rate	2.80%
Actuarial cost method	Entry-age normal cost method
Mortality rate	Derived from the CalPERS study of Miscellaneous Public Agency experience
Pre-retirement turnover ⁽²⁾	Derived from the CalPERS study of Miscellaneous Public Agency experience
Healthcare trend rate ⁽³⁾	Medical and Part B trend rate begin at 5.0% then taper to 4.0% by 2025/26; dental and vision are at 3.0%

⁽¹⁾The discount rate is the expected long-term rate of return on Valley Water assets using investment strategy #1 within the CERBT.

⁽²⁾Net of OPEB plan investment expenses, including inflation

⁽³⁾The mortality rate table was developed based on CalPERS' nonindustrial miscellaneous public agency experience study for 14 years ending June 2011.

Discount Rate

The projected cash flows used to determine the discount rate of 6.00% assumed that Valley Water contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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Changes in OPEB Liability

The following table shows the changes in net OPEB liability recognized over the measurement period (in thousands):

	Increase (Decrease)		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(c) = (a) - (b)
Beginning balance	\$ 178,050	\$ 130,275	\$ 47,775
Changes recognized for the measurement period:			
Service cost	2,404	-	2,404
Interest cost	13,086	-	13,086
Change in actuarial assumptions	38,357	-	38,357
Other liability experience loss/(gain)	5,349	-	5,349
Effect of plan amendments	15,451	-	15,451
Contributions	-	13,884	(13,884)
Benefits payment	(13,884)	(13,884)	-
Administrative expenses	-	(65)	65
Expected investment return	-	9,885	(9,885)
Investment experience (loss)/gain	-	(1,517)	1,517
Net changes	60,763	8,303	52,460
Ending balance	\$ 238,813	\$ 138,578	\$ 100,235

In March 2024, Valley Water was informed that the CERBT lowered their strategy #1 expected long-term rate of return from 7.59% to 6.00%, which required the same reduction to Valley Water's GASB 75 discount rate. As a result, the Net OPEB Liability increased significantly versus the prior year from \$47.7 million as of June 30, 2023 to \$100.2 million as of June 30, 2024.

At June 30, 2024, the net OPEB liability is recorded in the government-wide statement of net position as follows (in thousands):

Government activities	\$ 54,976
Business-type activities	<u>45,259</u>
Total net pension liability	<u>\$ 100,235</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of Valley Water, calculated using the current discount rate, as well as what Valley Water's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate, as of measurement date, June 30, 2023 (in thousands):

	Discount Rate		
	-1%	Current	+1%
Plan Net OPEB Liability	\$ 129,849	\$ 100,235	\$ 75,559

VALLEY WATER
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Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of Valley Water, if it were calculated using health care cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current rate, as of measurement date of June 30, 2023 (in thousands):

	Discount Rate		
	-1%	Current	+1%
Plan Net OPEB Liability	\$ 73,687	\$ 100,235	\$ 132,617

OPEB Plan Fiduciary Net Position

Detailed information about Valley Water's OPEB plan fiduciary net position is available in separately issued CalPERS CERBT financial reports.

OPEB Expense and Deferred Outflow/Inflow of Resources

For the year ended June 30, 2024, Valley Water has an actuarial OPEB expense of \$27.2 million. The actuarial report showed deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflow of Resources
OPEB contribution subsequent to measurement date	\$ 13,445	\$ -
Changes in assumption	32,688	3,417
Other liability experience loss / (gain)	4,681	3,007
Investment experience loss / (gain)	11,671	-
Total	\$ 62,485	\$ 6,424

\$13.4 million is reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction from the net OPEB liability in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows (in thousands):

Fiscal years ending June 30:	Deferred Outflows / (Inflows) of Resources
2025	\$ 7,827
2026	7,488
2027	12,398
2028	6,639
2029	6,923
Thereafter	1,341
Total	\$ 42,616

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Notes to Basic Financial Statements
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NOTE 13 - RISK MANAGEMENT

Valley Water is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Valley Water reports all of its risk management activities in its Risk Management Internal Service Fund.

Valley Water's self-insured retention (SIR) and maximum coverage are as follows (in thousands):

<u>Coverage Descriptions</u>	Commercial Insurance	
	<u>SIR</u>	<u>Coverage</u>
General liability	\$3,000	\$50,000
Workers' compensation	1,000	Statutory
Property damage (subject to policy sub-limits)	50	500,000
Fidelity (Crime) - Directors	5	1,000
Fidelity (Crime) – Non-Directors	10	2,000
Non-owned aircraft liability	-	5,000
Boiler and machinery	50	100,000
Cyber liability	50	10,000

Claims expenses and liabilities are reported for self-insured deductibles when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported, allocated and unallocated claims adjustment expenses and incremental claim expense. Claim liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. This liability is Valley Water's best estimate based on available information. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

Changes in claims payable for the fiscal years ended June 30, 2024 and 2023 are as follows (in thousands):

	General Liability	Workers' Compensation	Total
Claims payable, June 30, 2022	\$ 4,924	\$ 2,790	\$ 7,714
Incurred claims and changes in estimates	942	57	999
Claims payments	(127)	(249)	(376)
Claims payable, June 30, 2023	5,739	2,598	8,337
Incurred claims and changes in estimates	4,925	(13)	4,912
Claims payments	(2,230)	(274)	(2,504)
Claims payable, June 30, 2024	\$ 8,434	\$ 2,311	\$ 10,745

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NOTE 14 – INTERFUND TRANSFERS

Interfund Transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) move receipts to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and 3) move debt proceeds held in the construction fund to the funds incurring the construction expense.

Transfers made during fiscal year 2024 are shown below (in thousands):

<u>Fund Receiving Transfer</u>	<u>Fund Making Transfer</u>	<u>Amount</u>	<u>Description</u>
General Fund	Watershed and Stream Stewardship	\$ 31	Security upgrade & enhancement
General Fund	Safe, Clean Water & Nat. Flood Prot'n	94	Security upgrade & enhancement
General Fund	Water Enterprise Fund	188	Security upgrade & enhancement
General Fund	Watershed and Stream Stewardship	1,771	Drought induced tree removal
Watershed and Stream Stewardship	Safe, Clean Water & Nat. Flood Prot'n	2,053	Management of Revegetation
West Valley Watershed	COP Debt Service	53	2012A final distribution
Guadalupe Watershed	COP Debt Service	132	2012A final distribution
Coyote Watershed	COP Debt Service	55	2012A final distribution
West Valley Watershed	COP Debt Service	1,166	2012A reserve fund release
Guadalupe Watershed	COP Debt Service	2,917	2012A reserve fund release
Coyote Watershed	COP Debt Service	1,210	2012A reserve fund release
COP Debt Service	West Valley Watershed	1,144	Debt Service Transfer
COP Debt Service	Guadalupe Watershed	2,861	Debt Service Transfer
COP Debt Service	Coyote Watershed	1,187	Debt Service Transfer
COP Debt Service	Lower Peninsula Watershed	1,945	Debt Service Transfer
COP Debt Service	West Valley Watershed	584	Debt Service Transfer
COP Debt Service	Guadalupe Watershed	680	Debt Service Transfer
COP Debt Service	Coyote Watershed	1,751	Debt Service Transfer
COP Debt Service	West Valley Watershed	22	Debt Service Transfer
COP Debt Service	Guadalupe Watershed	56	Debt Service Transfer
COP Debt Service	Coyote Watershed	23	Debt Service Transfer
COP Debt Service	Lower Peninsula Watershed	329	Debt Service Transfer
COP Debt Service	West Valley Watershed	99	Debt Service Transfer
COP Debt Service	Guadalupe Watershed	110	Debt Service Transfer
COP Debt Service	Coyote Watershed	296	Debt Service Transfer
COP Debt Service	General Fund	22	Debt Service Transfer
COP Debt Service	General Fund	450	Debt Service Transfer
Water Enterprise Fund	Safe, Clean Water & Nat. Flood Prot'n	1,093	Water Conservation program
Information Technology Fund	Watershed and Stream Stewardship	2,492	IT capital project
Information Technology Fund	Water Enterprise Fund	3,739	IT capital project
		<u>\$ 28,553</u>	

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NOTE 15 – COMMITMENTS

(a) Contract and Purchase Commitments

As of June 30, 2024, governmental funds had encumbrances of approximately \$36.9 million, while proprietary funds had open purchase commitments of approximately \$262.9 million related to new or existing contracts and agreements. These encumbrances are only commitments for the expenditure of funds and do not represent actual expenditures or liabilities. See Note 9 for discussion of assigned fund balance for governmental funds.

(b) San Felipe Project Water Deliveries

In 2007, Valley Water entered into a contract with the United States of America Bureau of Reclamation for water deliveries from the Central Valley Project (CVP). The contract requires Valley Water to operate Reach 1, Reach 2, and Reach 3 of the federal San Felipe Division facilities.

On May 11, 2020, there was an amendment to this contract. The amended contract provided for compliance with the Water Infrastructure Improvements for the Nation Act (WIIN Act) and converted it from a water service to a repayment contract. This conversion required that Valley Water repay by lump sum its remaining share of capital costs for the CVP except for those capital costs associated with the San Felipe Division facilities. In accordance with the original contract, Valley Water's share of capital costs for the San Felipe Divisions facilities are repaid through semi-annual payments according to a payment schedule. To become fully enforceable, the repayment contract requires that Valley Water secure a final judgment from a court of competent jurisdiction that the contract is valid. This court proceeding has been initiated and is awaiting judgment. The conversion of Valley Water's contract, as well as the contracts for all CVP contractors that elected to convert their contract pursuant to the WIIN Act, is subject to legal challenge by several environmental groups, which alleged violations of the National Environmental Policy Act and the federal Endangered Species Act.

Under the contract, the total commitment for repayment, including applicable interest, was \$432.7 million. The remaining commitment as of June 30, 2024 was \$156.2 million.

(c) Participation Rights in Storage Facilities

In December 1995, Valley Water entered into a water banking and exchange program with Semitropic Water Storage District and its Improvement Districts that entitles Valley Water to storage, withdrawal, and exchange rights for Valley Water's State Water Project supplies. Valley Water's share of the total program capital costs is \$46.9 million based on a 35 percent participation level in the program. Valley Water pays the program capital costs when storing and recovering Tier 1 water. The participation rights of \$46.9 million are recorded as a component of Capital assets and are amortized using the straight-line method over the life of the agreement. Amortization of \$33.4 million has been recorded through fiscal year 2024. This agreement terminates in December 2035.

Under the terms of the program, upon withdrawal by Valley Water of all 148,749 acre-feet of remaining Tier 1 water stored, Valley Water would have paid its share of the total program costs.

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The 2024 rate to retrieve Tier 1 water is \$93.17 per acre-feet. During the first 10 years of the program, Valley Water had a reservation to participate in 35% of the original banking program. At the end of calendar year 2005, Valley Water made the necessary payments to secure the full 35% participation level in the program. As a result, Valley Water has a current storage allocation of 350,000 acre-feet. As of June 30, 2024, Valley Water has 300,694 acre-feet of water in storage.

Semitropic Water Storage District has reported elevated concentrations of 1, 2, 3 trichloropropane in some of its groundwater wells. There is currently insufficient information to conclude whether these detections could impact banking operations. Impacts could potentially include higher pumping, recovery, and treatment costs and possibly impaired recovery of banked water supplies. Because the Semitropic water bank is located in Kern County, downstream of Valley Water, banked water must be returned by exchange with State Water Project water from the Delta. In critically dry years or in the event of a Delta disruption, there may be insufficient State Water Project supplies to facilitate withdrawal of supplies from the bank.

(d) Partnership Agreement Between Valley Water, the City of Palo Alto, and the City of Mountain View to Advance Resilient Water Reuse Programs in Santa Clara County (County)

On December 10, 2019, the Board approved an agreement between Valley Water and its local partners, the Cities of Palo Alto and Mountain View, to further develop water supplies and infrastructure to meet the County's water supply needs. The three main parts of the agreement include: (1) funding a local salt removal facility at the Regional Water Quality Control Plant in Palo Alto, to provide a higher quality of recycled water for irrigation and cooling towers, (2) an effluent transfer option to Valley Water for a regional purification facility (referred to as the "Regional Plant"), owned and operated by Valley Water, to provide advanced purified water for potable reuse, and (3) a water supply option for the cities of Palo Alto and Mountain View to request an additional supply if needed.

Under this partnership agreement, the financial impact to Valley Water includes funding the local salt removal facility in the amount of \$16.0 million, which may be sourced as a component of the Expedited Purified Water Program. Valley Water will also pay \$0.2 million per year, starting in year one to culminate in year thirteen, or at startup of the regional purification facility, whichever occurs first. Finally, Valley Water will pay \$1.0 million per year for the effluent once startup of the regional purification facility has been initiated. Such annual payments will escalate annually based on the factors outlined in the partnership agreement and would be paid for with water charge related revenues. Timing of such payments are still to be determined. In February 2024, the Valley Water Board of Directors placed the project to build a regional purification facility on hold due to affordability issues. This decision will be reviewed in two years.

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NOTE 16 – CONTINGENCIES

(a) Litigation

It is normal for a public entity like Valley Water, with its size and activities, to be a defendant, co-defendant, or cross-defendant in court cases in which money damages are sought. A number of claims and suits are pending against Valley Water for alleged damages arising out of matters usually incident to its operations. Although the aggregate amount asserted for such lawsuits and claims is significant, in the opinion of Valley Water management, Valley Water has reasonable defenses against such claims, thus the ultimate loss, if any, relating to these claims and suits not covered by insurance or reflected on the financial statements, will not materially affect the financial position of Valley Water.

Discussed below are all pending litigations that Valley Water is aware of which are significant and may have a potential impact on the financial statements.

Aguirre, et al. v. SCVWD

In May 2023, Valley Water was served with an action by five former Valley Water employees (Amanda Aguirre, Matthew Bruni, Eric Calderon, Raymond Corral, and Jesse Perez). The plaintiffs are alleging violations of the California Fair Employment and Housing Act, retaliation, and wrongful discharge in violation of public policy in relation to their dismissals or resignations from Valley Water. The plaintiffs were either released by Valley Water for failing to comply with Valley Water's COVID-19 policies then in effect or resigned after being told they would be subject to the policies. This case is in its early phases. A case management conference was scheduled October 29, 2024. As with any litigation, there is uncertainty as to the result. However, Valley Water believes it has reasonable defenses to plaintiffs' allegations, which it intends to assert. Valley Water cannot predict what effects this lawsuit may have or if such effects would be material.

County of Santa Clara – Dunne Avenue Damages

The County submitted a claim to Valley Water seeking damages for alleged landslide and settlement damages to its East Dunne Avenue roadway adjacent to Anderson Reservoir. The County maintains that the damages were caused by Valley Water's draining of the reservoir for a capital project. While no amount was specified in the claim, the County has since asserted that its estimated damages exceed \$4.2 million. Valley Water is currently evaluating the claim with respect to liability.

Great Oaks Water Co. v. SCVWD

In 2005, Great Oaks filed suit against Valley Water alleging, among other things, that Valley Water's groundwater production charges violated Proposition 218 (which added Article XIID to the California Constitution), because proceeds are used to fund projects and services that benefit the general public, not just ratepayers (Great Oaks Water Company v. Santa Clara Valley Water District, Santa Clara County Superior Court Case No. 2005-CV-053142; Cal. Court of Appeals Case Nos. HO35260 and HO35885; Cal. Supreme Court No. S231846 (the "Great Oaks Case").

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On February 3, 2010, the trial court issued a judgment ruling that Valley Water owed Great Oaks a refund of groundwater charges of approximately \$4.6 million plus interest at 7% per annum. This judgment was appealed, and in 2015, the Court of Appeal reversed in full the judgment of the trial court finding that Valley Water's groundwater production charges did not violate Proposition 218 or the law. Great Oaks petitioned the California Supreme Court to review the Court of Appeal's ruling, and the Supreme Court granted its petition. The case was placed on hold pending the California Supreme Court's decision in a similar case, *City of Buenaventura v. United Water Conservation District ("UWCD")*. In late 2017, the California Supreme Court issued its opinion in the UWCD case, finding that Proposition 218 does not apply to groundwater charges, but that Article XIII C of the California Constitution does apply. The Supreme Court vacated the Court of Appeal's decision and remanded the Great Oaks case for reconsideration in light of its UWCD opinion. On November 8, 2018, the Court of Appeal reaffirmed its 2015 decision. This case was remanded to the trial court for further proceedings in February 2019.

While the 2005 Great Oaks case was pending, Great Oaks filed additional annual claims and additional annual lawsuits challenging Valley Water's groundwater production charges for each year after 2005, continuing through the present. Great Oaks' subsequent, similar lawsuits were stayed pending resolution of its 2005 case. In addition, in 2011 Shatto Corporation, Mike Rawitser Golf Shop, and Santa Teresa Golf Club filed a similar refund action, making similar claims (Santa Clara Superior Court Case No. 2011-CV-195879). In 2019, Valley Water filed a collection action against Shatto Corporation for failure to pay groundwater charges from 2009 to 2014 and associated penalties and interest. Shatto Corporation filed a cross-complaint, alleging that Valley Water's groundwater charges violate Article XIII C of the California Constitution (Santa Clara Superior Court Case No. 2019-CV-348413).

Once the Great Oaks Case was remanded to the trial court in February 2019, the court lifted the stay over Great Oaks' subsequently filed cases, as well as the case brought by Shatto Corporation, Mike Rawitser Golf Shop, and Santa Teresa Golf Club. At the request of the trial court, in order to streamline resolution of the remaining issues regarding this litigation and related litigation, the parties stipulated and agreed to the filing of a new, omnibus complaint. On June 12, 2020, the proposed omnibus "Master Complaint" of plaintiffs Great Oaks and Shatto Corporation was approved for filing and filed under Santa Clara Superior Court Case No. 2011-CV-205462. Great Oaks alleged that Valley Water's groundwater production charges violated Proposition 26, and that Valley Water did not levy or collect groundwater charges from agricultural pumpers but instead used property taxes to pay these charges. On or about October 7, 2020, Valley Water and Shatto Corporation entered into a settlement agreement by which both parties dismissed with prejudice all actions each had against the other. Shatto paid Valley Water \$1.1 million in connection with the settlement.

The second trial in the Great Oaks Case took place in June 2022 at which Great Oaks sought approximately \$85 million for the full amount it contends it paid to Valley Water for the years in question. The case was dismissed as to all plaintiffs except for Great Oaks. A final statement of decision fully in Valley Water's favor was issued on February 8, 2023, and judgment for Valley Water was entered. In March 2023, Great Oaks filed a notice of appeal of the judgment. The appeal has been fully briefed and oral argument is currently scheduled for January 7, 2025.

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Howard Jarvis Taxpayer Association v. Coachella Valley Water District

Howard Jarvis Taxpayers Association is pursuing litigation against Coachella Valley Water District (“Coachella”) challenging Coachella’s collection of the SWP tax and use of SWP tax proceeds. Among other things, the lawsuit alleges that Coachella violated the California Constitution in imposing a SWP tax without evidence showing that this was necessary, i.e., that Coachella’s water rate revenue was insufficient to pay SWP expenses. The trial court agreed with plaintiff, in holding that SWP expenses should generally be paid through water rates and not taxes, and Coachella’s SWP tax was unlawful because the record failed to show that it was necessary for Coachella to impose the SWP tax, i.e., that it was infeasible to pay SWP expenses through its rates. The trial of this action was bifurcated and the damages phase of trial has not yet started. A final judgment will likely not be issued until late 2024 at earliest.

Many SWP contractors, including Valley Water, rely on the imposition of the SWP tax to pay for all or most of their SWP expenses. If the trial court’s decision is appealed and upheld on appeal, this could impair the ability of Valley Water and other SWP contractors to pay for their SWP expenses through use of the SWP tax, resulting in a significant increase in their water rates.

Deanna Lacy, et. al. v. SCVWD et. al.

This case concerns a fatal accident where a pedestrian was struck by an ACE train while jogging across the railroad tracks on or near one or more trails adjacent to land either owned or leased by Valley Water. This action, brought by decedent’s estate, remains an active matter and discovery is ongoing. A jury trial was scheduled for October 7, 2024. Valley Water intends to vigorously defend against this action. Plaintiff’s counsel has previously indicated an intention to seek damages in excess of \$2,000,000. As with any litigation, there is uncertainty as to the result. However, Valley Water believes it has reasonable defenses to plaintiffs’ allegations, which it intends to assert. Valley Water cannot predict what effects this lawsuit may have or if such effects would be material.

PG&E v. SCVWD; SJUSD v. SCVWD (2017 Flooding in the City of San Jose)

Following a series of storms, a flood event occurred on the Coyote Creek in San Jose, California on or about February 21, 2017. The Coyote Creek is approximately 42 miles long and is the longest creek in the County. In the southern portion of the County, Valley Water owns and maintains the Leroy Anderson Dam and Reservoir along the Coyote Creek near Morgan Hill, California. The Anderson Dam is upstream from the City of San Jose. After the reservoir reached capacity, water began going over the Anderson Dam spillway, as was designed, on February 18, 2017. The spillover volume peaked on the morning of February 21, 2017, increasing flows on Coyote Creek. Beginning on or about February 21, 2017, certain residential and non-residential areas of San Jose along Coyote Creek experienced flooding due to rising water levels in the creek. Thousands of residents were temporarily evacuated, and numerous properties experienced flood damage. Such flood water receded within a short period of time after February 21, 2017.

A number of claimants filed lawsuits in Santa Clara County Superior Court against Valley Water and the City of San Jose alleging damage from the Coyote Creek flood event. In July 2022, Valley Water and plaintiffs in the consolidated reached a full settlement in the amount of \$8,250,000. This

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settlement resulted in the entry of an amended stipulated judgment on July 11, 2022. The settlement has been paid by Valley Water and its insurer; Valley Water's contributions towards this settlement was \$3,175,000.

There are two pending actions in the Santa Clara County Superior Court arising from the same flood event (San José Unified School District v. SCVWD, Case No. 18CV330233; PG&E v. SCVWD, Case No. 20CV371349). PG&E v. SCVWD was scheduled for mediation in July 2024; the San Jose Unified School District action was scheduled for a Trial Setting Conference on October 8, 2024. Valley Water believes that the aggregate amounts recoverable against Valley Water with respect to these cases, taking into account insurance coverage, are not material.

San Francisco Baykeeper v. SCVWD

In September 2022, petitioner, San Francisco Baykeeper, filed a petition for writ of mandate and declaratory relief against Valley Water in Santa Clara County Superior Court for alleged violations of the California Fish and Game Code, waste and unreasonable use of water resources and violations of the public trust doctrine. (San Francisco Baykeeper v. Valley Water, Santa Clara County Superior Court, Case No. 22CV403523). Petitioners alleged that Valley Water does not operate its dams and waterways to allow sufficient water flows to maintain fish stocks in good condition, to remove artificial barriers that prevent fish passage and has failed to manage its waterways to protect habitat values for fish and wildlife. The petitioner in this action asks the court to order Valley Water to modify its operations to rectify the foregoing, and for an injunction enjoining all activity of Valley Water which violate the California Fish and Game Code and common law until Valley Water implements an appropriate flow regime.

Valley Water has filed two motions to stay with the Court on April 16, 2024. In the first motion, Valley Water asked the Court to stay the case regarding operations in the Coyote Watershed (within which the Anderson Dam Seismic Retrofit Project is located) to allow a FERC proceeding to be completed. In the second motion, Valley Water asked the Court to stay the case regarding operations in the Guadalupe River and Stevens Creek Watersheds, because of the significant risk that any relief ordered by the Court would conflict or otherwise interfere with the regulatory proceeding before the SWRCB. These motions were scheduled to be heard on July 25, 2024, and trial was set for March 10, 2025.

As with any litigation, there is uncertainty as to the result. However, Valley Water believes it has reasonable defenses to petitioner's allegations, which it intends to assert. Valley Water cannot predict what effects this lawsuit may have or if such effects would be material.

Santa Clara Valley Water District v. 3M Company; et al.

In response to required testing for PFAS chemicals at various fire-fighting training sites, Valley Water learned that PFAS were detected at one of its recharge ponds immediately adjacent to a fire training site. (The site drains to the pond.) In addition, several Valley Water retailer wells have tested positive for PFAS chemicals above State and federal recommended or mandated levels. In response, Valley Water has expended monies conducting testing for PFAS chemicals at a wide variety of sites and wells throughout the County. The EPA has proposed drinking water test standards for various PFAS

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chemicals, and PFAS are proposed to be listed as hazardous substances under federal law, imposing potential cleanup liability on any entity that handles, processes, or transports PFAS chemicals. This could impact Valley Water's disposal of sludge or RO concentrate from its water treatment plants. Valley Water filed suit against PFAS manufacturers to recoup current and anticipated future costs relating to PFAS testing and remediation. The matter is currently pending in the trial court.

Santa Clara Valley Water District v. CH2M Hill, Inc., et al.

Valley Water filed this lawsuit against the planning and design services consultants as a result of negligent work performed on the Rinconada Water Treatment Plant Residuals Management Project. This case has been settled with defendants CDM Smith, Inc. and TJC & Associates for \$3.3 million conditioned on entry of an order by the Superior Court finding that the settlement was in good faith. Litigation was continuing against the remaining defendant, CH2MHill, and the matter was set for trial on October 28, 2024.

Stanford University Claims

On April 23, 2021, Valley Water received a claim from Stanford University ("Stanford") challenging Valley Water's application of groundwater charges in Charge Zone W-2 to Stanford. Stanford seeks a refund of the 2020-2021 groundwater charges that it paid to Valley Water, which as of May 1, 2021, was \$594,782. Stanford argues that Valley Water's groundwater charges, as applied to it, violate the Law, Proposition 218, Proposition 26, Stanford's water rights, and the Sustainable Groundwater Management Act. In its claim, Stanford asserts that the groundwater charges are unlawful because Stanford does not benefit from Valley Water's groundwater recharge activities. Stanford presented Valley Water with another claim on May 10, 2022, demanding a refund of 2021-2022 groundwater charges paid to Valley Water, which Stanford identified as \$449,630.77 for the months of July 2021 through February 2022. This latest claim contains the same legal theories asserted in its claim for 2020-2021 groundwater charges.

Valley Water believes Stanford's claims are without merit since Valley Water's consultant concluded in a 2020 groundwater benefit zone study that groundwater wells that Stanford pumps from do benefit from Valley Water's groundwater recharge activities. This comprehensive study was finalized and relied upon by the Board when it updated Valley Water's groundwater charge zones, including Charge Zone W-2, through adoption of Board Resolution No. 20-12 on April 28, 2020.

The Board denied Stanford's 2020-2021 groundwater charge claim on May 25, 2021, and 2021-2022 groundwater charge claim on May 24, 2022. In May 2024, Valley Water and Stanford University entered into a tolling agreement extending the tolling period through August 31, 2024. Also, in May 2024, Stanford's counsel submitted a claim for a refund of Fiscal Year 2023-24 groundwater charges, totaling \$542,178 for the months of July 2023 through January 2024, and stating that payments for February 2024 through June 2024 are yet to be determined.

If Stanford were to be successful in challenging its groundwater charges, Valley Water would not only be liable for groundwater charges levied against Stanford since Fiscal Year 2020-21 but may potentially be liable for refunding groundwater charges of other similarly situated groundwater

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

pumpers. As a result, a successful challenge by Stanford may have a material impact on Valley Water's groundwater charge revenue generated from groundwater benefit zone W-2.

Toledo v. San Joaquin Regional Rail Commission, et al.

This matter involves a pedestrian versus train accident on the Guadalupe River railroad bridge in the Alviso neighborhood of San Jose. Plaintiff, the father of decedent, Celeste Toledo, brought this action against Valley Water and other defendants claiming a dangerous condition of public property and negligent bridge construction. Trial in this action was scheduled for January 13, 2025. As with any litigation, there is uncertainty as to the result. However, Valley Water believes it has reasonable defenses to plaintiffs' allegations, which it intends to assert. Valley Water cannot predict what effects this lawsuit may have or if such effects would be material.

Weigand v. SCVWD

This is a disability harassment and discrimination action filed in November 2018 against Valley Water by former Environmental, Health & Safety Unit Program Manager Geoffrey Weigand. Weigand alleged that Valley Water violated the Fair Employment and Housing Act by discriminating against him, failing reasonably accommodate his disability, failing to fairly engage in the interactive process, harassing him because of his medical condition, and retaliating against him. Weigand ultimately retired from Valley Water while the reasonable accommodation process was ongoing. The Fair Employment and Housing Act causes of action asserted by Weigand provided for an award of attorneys' fees if he prevailed. The action settled in March 2024, in the amount of \$1 Million.

(b) Grants and Subventions

Valley Water has received federal and state grants for specific purposes that are subject to review and audit. Although such audits could result in expenditure disallowances under grant terms, any such disallowances are not expected to be material.

(c) Factors Affecting Water Supply

2019 Revised Federal Biological Opinions Litigation

In October of 2019 the NMFS and United States Fish and Wildlife Service ("FWS") issued revised biological opinions ("BiOps") for the long-term coordinated operations of the CVP and the SWP, replacing prior BiOps issued in 2008 and 2009. Several lawsuits were filed against the United States shortly thereafter, including one by the State of California. These lawsuits were consolidated in the United States District Court for the Eastern District of California and allege violations of the Administrative Procedure Act ("APA"), the ESA, and the NEPA. Shortly after the Biden Administration took office, counsel for the United States requested to stay such litigation to allow the Biden Administration to formally re-initiate ESA consultations on joint project operations – a commitment to develop new BiOps. For the last few years, the United States District Court has stayed this litigation pending the United States' issuance of new BiOps, and approved one-year "joint

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Notes to Basic Financial Statements
For the Year Ended June 30, 2024

interim operations plans” (“IOPs”) for the CVP and SWP, as jointly proposed by the United States and California. Under these IOPs, the United States has agreed to operate the CVP in accordance with the State’s stricter CESA Incidental Take Permit (“ITP”), discussed below, rather than the 2019 BiOps. (The ITP contains Bay-Delta export restrictions not contained in the 2019 BiOps.) This case is currently stayed through December 31, 2024.

Bay-Delta Water Quality Control Plan Phase 1 Amendments Litigation

In late 2018, the SWRCB released the Phase 1 Amendments to the Bay-Delta Plan. Among other things, the Phase 1 Amendments require an adaptive 40% unimpaired flow requirement on all major tributaries to the San Joaquin River, including the Tuolumne River, from which the SFPUC Hetch-Hetchy system obtains its water supplies. The unimpaired flow requirement could reduce imported SFPUC supplies in the northern part of the County, causing increased groundwater pumping. Several public agency plaintiffs allege that the flow requirements are arbitrary and capricious, not based on the best available science, or are too restrictive of, or alter, water rights. Environmental group plaintiffs allege that the requirements are not protective enough of fish. These lawsuits were consolidated in Sacramento Superior Court. The trial court recently issued a decision in favor of the SWRCB, upholding the Plan’s Phase 1 Amendments against all causes of action. Several parties have filed notices of appeal. This decision supports the State Board’s authority to issue proposed Phase 2 Bay-Delta Plan amendments that will require an adaptive 65% unimpaired flow requirement on all major tributaries to the Sacramento River. This requirement could significantly reduce exports of CVP and SWP water from the Delta.

California Incidental Take Permit Litigation (CDWR Water Operations Cases)

Under the CESA, DWR is required to obtain an incidental take permit to minimize, avoid and mitigate impacts to threatened or endangered species as a result of SWP operations, including the Delta Smelt and other fish species. Prior to 2019, DWR obtained coverage for SWP operations under CESA by securing a “consistency determination” from CDFW based on federal BiOps issued by the NMFS and FWS, but in February 2019, DWR and CDFW announced that they would pursue a separate State permit to ensure the SWP’s compliance with the CESA. In March 2020, DWR issued its final EIR for the long-term operation of the SWP and shortly thereafter CDFW issued the ITP for the long-term operation of the SWP. The ITP and final EIR significantly limits exports in wetter years as compared to what is allowed under the 2019 revised BiOps, with potential reductions of up to 400,000 acre-feet in April and May. Several lawsuits were filed challenging the ITP and these lawsuits have been coordinated in Sacramento Superior Court. SWP contractors allege, among other things, that the State violated CEQA or CESA by changing the project description after the draft EIR, certifying a new alternative project without adequate disclosure or public comment, failing to use the best available science, and imposing requiring unnecessary and unjustified avoidance and mitigation measures. Conversely, environmental groups allege that the final EIR and ITP violate the Delta Reform Act and CEQA and do not go far enough in protecting threatened fish species. Although the ITP applies only to SWP operations, as noted above, the United States has been voluntarily operating the CVP in accordance with the ITP’s terms since 2021. In conjunction with the United States reinitiating ESA consultations on the joint operations of the CVP and SWP, California’s

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Department of Fish & Wildlife has reinitiated consultations on developing a new SWP ITP. This litigation may be voluntarily stayed pending issuance of a new ITP and environmental review.

Center for Bio. Diversity v. USBR, SCVWD, et al.

(U.S.D.C., E.D.Cal., Case No. 1:20-cv-00706-DAD-EPG; related case 1:20-cv-01814 (Hoopa Valley tribe). This action challenges the conversion of many Central Valley Project (CVP) water service contracts into permanent repayment contracts under the Water Infrastructure Improvements for the Nation Act (WIIN Act), alleging that this conversion violates NEPA and the ESA. Plaintiffs allege violations of NEPA and ESA through the federal Administrative Procedures Act. APA. The parties have filed competing cross-motions for summary judgment which are awaiting hearing. The WIIN Act conversion makes CVP contract permanent, eliminating need for numerous short-term renewals and limiting opportunities for environmental challenges to renewals under NEPA, CEQA, ESA, etc.

City of Fresno et al. v. Bureau of Reclamation

The City of Fresno and 17 other CVP Friant Division water contractors filed a lawsuit against the United States of America, alleging that in 2014 the USBR violated its water service contracts with them by using water stored in Millerton Reservoir that should have been provided to them but was instead released to satisfy water deliveries to senior water rights holder the San Joaquin River Exchange Contractors Authority. Among other arguments, plaintiffs claimed that USBR could not use water stored in Millerton Reservoir as “substitute water” to provide to the “Exchange Contractors.” SLDMWA and Valley Water intervened in this action.

The trial court granted summary judgment in favor of defendant United States and intervenors. This decision was appealed and the appeal has been fully briefed and argued. The parties are now waiting for the Court of Appeal’s decision. If plaintiffs prevail, this could negatively impact future CVP water allocations to Valley Water and other non-Friant Division CVP contractors.

DWR DCF Bond Validation Action (Sierra Club v. DWR)

Sacramento County Sup. Ct. Case No. 34-2020-80003517 [lead case, CEQA] & 34-2020-00283112 [validation]). DWR, through its bond counsel, filed this action to validate its authority to issue revenue bonds to finance the environmental review, planning, engineering and design, and, if approved, construction of a Delta conveyance project under the CVP Act and Burns-Porter Act. Sierra Club and other NGOs filed a lawsuit alleging that DWR’s bond resolution violated CEQA. The validation case and CEQA case were consolidated. On January 4, 2022, the court granted DWR’s motion for summary judgment as to all CEQA causes of action and CEQA affirmative defenses. On December 9, 2022, the court granted DWR’s motion for summary adjudication as to all causes of action and affirmative defenses premised upon the Delta Reform Act and Public Trust Doctrine. However, on January 16, 2024 the trial court issued its Final Statement of Decision finding that DWR’s 2020 broadly-worded bond resolutions were not authorized by the CVP Act and Burns-Porter Act but suggested that a more narrow, or specific, bond resolution might be so authorized. DWR and several intervening parties have appealed this decision.

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

DWR SWP Contract Long-Term Extension Validation Action & CEQA Actions

(Sacr. Sup. Ct. Case No. 34-2018-00246183 and Nos. 34-2019-80003047 & 3053). DWR filed a validation action in Sacramento County Superior Court in 2018 to validate the legality of its approval of long-term extensions of all SWP water service contracts, including Valley Water's contract. A judgment in favor of DWR would provide that the matters contained therein are in conformity with applicable law and allow DWR to have the ability to issue and successfully market low-interest rate, long-term (30 year) SWP bonds.

In February 2019, Valley Water filed an answer supporting DWR's allegations, as did several other SWP contractors. However, several environmental groups and counties and districts filed answers or separate lawsuits opposing DWR's approval of the long-term extension, asserting that the approval violates CEQA, the Public Trust Doctrine or the DRA.

All cases were consolidated. The administrative record has been certified, and the parties have fully briefed and argued their positions. The trial court granted judgment in favor of DWR and supporting SWP contractors on all causes of action. Several environmental groups and agencies filed notices of appeal and their appeals were coordinated. The Court of Appeal affirmed the trial court judgment in its entirety, and the California Supreme Court denied petitioner's request to review the Court of Appeals decision, effectively ending this litigation.

Oroville Spillway Environmental Damage Cases

These consolidated cases in the Sacramento County Superior Court involve claims of damage resulting from the failure of the Oroville Dam spillway in 2017. The most important case to Valley Water and other State Water Project contractors in this litigation was brought by the Butte County District Attorney, alleging strict liability environmental damage to Feather River pursuant to Fish & Game Code §5650 totaling \$51 billion (\$25k/day penalty and \$10/pound of spillway and materials discharged into river). The trial court granted summary judgment to DWR on the Butte County District Attorney's Fish & Game § 5650 claim, finding that the State is not a "person" subject to suit under that section. The Butte County DA appealed, and the court of appeal ruled in favor of DWR in an October 2023 opinion.

Water Imported through San Francisco-San Joaquin Bay-Delta

Valley Water's imported and local supplies are subject to regulatory restrictions pursuant to, among other laws, the federal Endangered Species Act ("ESA"), California Endangered Species Act ("CESA"), the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary Bay-Delta, and State Water Resources Control Board Decision D-1641. The listing of winter-run Chinook salmon in 1989 and delta smelt in 1993 resulted in pumping restrictions imposed on the State and federal water projects to protect these species. These pumping restrictions resulted in reduced deliveries from the SWP and CVP. In 1993, the United States Environmental Protection Agency (the "EPA") also proposed to implement water quality standards for the Bay-Delta that would impose severe restrictions on the operation of the SWP and CVP. These circumstances led to the Bay-Delta Accord in 1994, in which the State and federal governments, along with urban, agricultural and environmental interests, agreed to an interim set of ESA protection measures coupled with water

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

supply certainty. The Bay-Delta Accord laid the groundwork for the establishment of the CALFED Bay-Delta Program, which has been succeeded by a number of efforts, including the California Water Action Plan, the Delta Reform Act and Delta Plan, and the proposed Delta Conveyance Project to develop a long-term solution for conflicts in the Bay-Delta. However, there has been significant recent litigation concerning ESA and CESA issues and water moving through the Delta for export to contractors.

Various legal actions have been filed, involving the conveyance of water through the Delta by DWR, via the SWP, and by USBR, via the CVP.

NOTE 17 - SUBSEQUENT EVENTS

Events have been evaluated subsequent to the balance sheet date through December 20, 2024, the date the financial statements were available to be issued. Based upon this evaluation, no events have occurred that require adjustment to or disclosures in the financial statements except as noted below:

- On August 6, 2024, after more than 14 years of development, the Office of Administrative Law (OAL) approved the Direct Potable Reuse (DPR) Regulations. The DPR regulations had previously been adopted by the State Water Resources Control Board on December 19, 2023. The effective date of the regulation is October 1, 2024. DPR is the planned introduction of highly treated recycled water either directly into a public water system or into a raw water supply immediately upstream of a water treatment plant. Valley Water has been involved in the development of DPR regulations since the beginning as part of the WaterReuse California Direct Potable Reuse Working Group, which has been guiding the development of these regulations for the past two years. The finalization of DPR regulations opens up new possibilities for implementing large-scale water recycling projects throughout the State. Valley Water is working to implement the San Jose Purified Water Project - Phase 1 (DPR Demonstration Facility) in collaboration with the Cities of San Jose and Santa Clara.
- On September 10, 2024, the Valley Water Board of Directors voted to reduce Valley Water's storage request in the Los Vaqueros Expansion Project from 50,000 acre-feet to 20,000 acre-feet to help address a storage oversubscription issue at the time and to reduce Valley Water's exposure to the potential project risks. Subsequently, on September 18, 2024, the Contra Costa Water District (CCWD) Board directed its general manager to develop an approach to end CCWD's participation in the project due to concluding that the project was no longer viable in light of changed conditions. On November 6, 2024, the CCWD Board adopted Resolution No. 24-014 to authorize the General Manager to withdraw CCWD's Phase 2 LVE Project Proposition 1 Water Storage Improvement Program grant application and to begin JPA dissolution and JPA Agreement termination efforts.
- In September 2024, Valley Water issued \$314 million of Water System Revenue Bonds comprised of Refunding Revenue Bonds Series 2024A-1 for \$104.8 million and Taxable Series 2024B-1 for \$90.5 million, Refunding Revenue Notes 2024A-2 for \$50.6 million and Taxable Series 2024B-2 for \$25.0 million, and Revenue Bonds Series 2024C for \$43.2 million (the "2024 Bonds"). Proceeds of the 2024A-1 Refunding Revenue Bonds, along with the original issue premium, were used to repay \$118.6 million of outstanding tax-exempt commercial paper notes

VALLEY WATER
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

and costs of issuance. Proceeds of the 2024B-1 Taxable Refunding Revenue Bonds were used to repay \$31.4 million of outstanding taxable commercial paper notes, \$58.6 million of taxable Revolver, and costs of issuance. Proceeds of the 2024A-2 Refunding Revenue Notes, along with the original issue premium, were used to repay \$50.6 million of a portion of the outstanding Revenue Certificates of Participation Series 2023C-1 and costs of issuance. Proceeds of the 2024B-2 Revenue Notes were used to repay \$25 million of a portion of the outstanding Revenue Certificates of Participation Taxable Series 2023D, and costs of issuance. Proceeds of the 2024C Revenue Bonds, along with the original issue premium, are being used to finance the cost of certain Water Utility System improvements and costs of issuance. The obligation of Valley Water to pay principal and interest of the Series 2024 Bonds is secured by a pledge of and lien on Valley Water's Water Utility System Revenues and are payable from the Net Water Utility System Revenues pursuant to the Water Utility Parity System Master Resolution (16-10).

- On October 22, 2024, the Valley Water Board adopted Resolution No. 24-49, authorizing the execution and delivery of certain agreements in connection with a direct issue Commercial Paper Program, including the authorization for a \$250 million LOC from Sumitomo Mitsui Banking (SMBC) to replace the \$150 million LOC from MUFG Bank, Ltd. which expires on December 10, 2024.

- Deanna Lacy, et. al. v. SCVWD et. al.

This action fully settled in July 2024, in the amount of \$600,000.

- PG&E v. SCVWD

This action fully settled on August 14, 2024, in the amount of \$450,000 payable by Valley Water's insurers.

- Santa Clara Valley Water District v. CH2M Hill, Inc., et al.

This action fully settled in September 2024, in the amount of \$4,550,000 payable to Valley Water.

- San Francisco Baykeeper v. SCVWD

On October 29, 2024, the court granted Valley Water's motions to stay the mandate action. As a result, all action in the litigation is on hold pending further order of the court.

**Required
Supplementary
Information**

VALLEY WATER

Schedule of Changes In Net Pension Liability and Related Ratios - Last 10 Years

June 30, 2024

(Dollars in Thousands)

	2015	2016	2017	2018
Total pension liability				
Service cost	\$ 14,351	\$ 13,736	\$ 13,764	\$ 15,752
Interest on total pension liability	46,262	48,842	51,160	53,110
Differences between expected and actual experience	-	(184)	(3,174)	(4,717)
Changes in assumptions	-	(12,080)	-	44,289
Changes in benefits	-	-	-	-
Benefit payments, including refunds of employee contributions	(25,005)	(27,800)	(30,428)	(32,499)
Net change in pension liability	35,608	22,514	31,322	75,935
Total pension liability, beginning	622,149	657,757	680,271	711,593
Total pension liability, ending (a)	<u>\$ 657,757</u>	<u>\$ 680,271</u>	<u>\$ 711,593</u>	<u>\$ 787,528</u>
 Plan fiduciary net position				
Contributions - employer	\$ 13,804	\$ 15,158	\$ 17,044	\$ 19,055
Contributions - employee	9,037	6,242	6,568	6,625
Net investment income	75,675	11,478	2,753	56,514
Benefits payment	(25,005)	(27,800)	(30,428)	(32,499)
Net plan to plan resource movement	-	-	-	-
Administrative expenses	-	(567)	(312)	(751)
Other miscellaneous income / (expenses)	-	-	-	-
Net change in fiduciary net position	73,511	4,511	(4,375)	48,944
Plan fiduciary net position, beginning	434,730	508,241	512,752	508,377
Plan fiduciary net position, ending (b)	<u>\$ 508,241</u>	<u>\$ 512,752</u>	<u>\$ 508,377</u>	<u>\$ 557,321</u>
 Net pension liability, ending (a - b)	<u>\$ 149,516</u>	<u>\$ 167,519</u>	<u>\$ 203,216</u>	<u>\$ 230,207</u>
 Plan fiduciary net position as a percentage of total pension liability	77.27%	75.37%	71.44%	70.77%
Covered payroll	\$ 77,886	\$ 78,010	\$ 79,664	\$ 84,111
Net pension liability as a percentage of covered payroll	191.97%	214.74%	255.09%	273.69%
Discount rate	7.50%	7.65%	7.65%	7.15%

2019	2020	2021	2022	2023	2024
\$ 16,023	\$ 16,483	\$ 16,988	\$ 18,122	\$ 20,886	\$ 22,018
54,940	58,350	61,604	64,728	67,371	71,253
(1,354)	13,358	10,680	8,045	5,063	17,909
(8,126)	-	-	-	28,437	-
-	-	-	-	-	573
(35,347)	(38,352)	(42,163)	(44,848)	(48,423)	(53,662)
26,136	49,839	47,109	46,047	73,334	58,091
787,528	813,664	863,503	910,612	956,659	1,029,993
<u>\$813,664</u>	<u>\$863,503</u>	<u>\$910,612</u>	<u>\$956,659</u>	<u>\$1,029,993</u>	<u>\$1,088,084</u>

\$ 20,101	\$ 26,623	\$ 29,743	\$ 33,640	\$ 37,448	\$ 39,835
7,030	7,631	7,624	8,368	8,898	9,319
47,227	39,280	31,577	149,286	(60,895)	46,063
(35,347)	(38,352)	(42,163)	(44,847)	(48,423)	(53,662)
-	-	-	-	-	-
(868)	(424)	(886)	(654)	(499)	(542)
(1,649)	1	-	-	-	-
36,494	34,759	25,895	145,793	(63,471)	41,013
557,321	593,815	628,574	654,469	800,262	736,791
<u>\$593,815</u>	<u>\$628,574</u>	<u>\$654,469</u>	<u>\$800,262</u>	<u>\$ 736,791</u>	<u>\$ 777,804</u>
<u>\$219,849</u>	<u>\$234,929</u>	<u>\$256,143</u>	<u>\$156,397</u>	<u>\$ 293,202</u>	<u>\$ 310,280</u>

72.98%	72.79%	71.87%	83.65%	71.53%	71.48%
\$ 88,533	\$ 92,134	\$ 97,299	\$106,472	\$ 115,455	\$ 124,538
248.32%	254.99%	263.25%	146.89%	253.95%	249.14%
7.15%	7.15%	7.15%	7.15%	6.90%	6.90%

VALLEY WATER
Schedule of Employer Pension Contributions - Last 10 Years
June 30, 2024
(Dollars in Thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially determined contribution	\$ 13,948	\$ 16,532	\$ 18,569	\$ 19,746
Contributions in relation to the actuarially determined contribution	<u>(13,948)</u>	<u>(16,532)</u>	<u>(18,569)</u>	<u>(19,746)</u>
Contribution Deficiency/(Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ⁽¹⁾	\$ 78,010	\$ 79,664	\$ 84,111	\$ 88,533
Contribution as a percentage of covered payroll	17.88%	20.75%	22.08%	22.30%

⁽¹⁾ The covered payroll noted on this page is different from the covered payroll presented on the previous page as the previous page is payroll related to the net pension liability in the applicable measurement period.

The covered payroll for the current year is from the actuarial valuation study using a prior year measurement date, adjusted to the current year using a 2.75% increase.

Fiscal Year					
<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 22,409	\$ 25,273	\$ 28,610	\$ 32,021	\$ 37,411	\$ 38,970
(25,409)	(28,273)	(31,610)	(35,021)	(40,411)	(41,970)
<u>\$ (3,000)</u>	<u>\$ (3,000)</u>	<u>\$ (3,000)</u>	<u>\$ (3,000)</u>	<u>\$ (3,000)</u>	<u>\$ (3,000)</u>
\$ 92,134	\$ 97,299	\$ 106,472	\$ 115,455	\$ 124,538	\$ 158,786
27.58%	29.06%	29.69%	30.33%	32.45%	26.43%

VALLEY WATER
Schedule of Changes In Net OPEB Liability and Related Ratios - Last 10 Years*
June 30, 2024
(Dollars in Thousands)

	Fiscal Year						
	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability							
Service cost	\$ 2,913	\$ 2,914	\$ 2,644	\$ 2,501	\$ 2,287	\$ 2,570	\$ 2,404
Interest on total OPEB liability	12,018	12,473	12,899	12,818	13,195	13,201	13,086
Effect of change in actuarial assumptions/methods	-	-	(5,556)	-	1,115	(4,688)	38,357
Effect of plan amendments	-	-	-	-	-	-	15,451
Benefits payment	(8,471)	(8,877)	(10,068)	(10,338)	(10,581)	(11,562)	(13,884)
Other liability experience loss / (gain)	-	54	(8,018)	211	(5,605)	196	5,349
Net change in OPEB liability	6,460	6,564	(8,099)	5,192	411	(283)	60,763
Total OPEB liability, beginning	167,805	174,265	180,829	172,730	177,922	178,333	178,050
Total OPEB liability, ending (a)	<u>\$ 174,265</u>	<u>\$ 180,829</u>	<u>\$ 172,730</u>	<u>\$ 177,922</u>	<u>\$ 178,333</u>	<u>\$ 178,050</u>	<u>\$ 238,813</u>
Plan fiduciary net position							
Contributions	\$ 11,471	\$ 11,877	\$ 10,068	\$ 10,338	\$ 10,581	\$ 11,562	\$ 13,884
Benefits payment	(8,471)	(8,877)	(10,068)	(10,338)	(10,581)	(11,562)	(13,884)
Expected investment income	6,259	7,143	7,825	8,659	23,496	11,419	9,885
Investment experience (loss) / gain - differences between expected and actual experience	2,925	787	(1,180)	(4,622)	8,960	(31,551)	(1,517)
Administrative expense	(45)	(52)	(53)	(57)	(66)	(73)	(65)
Net change in fiduciary net position	12,139	10,878	6,592	3,980	32,390	(20,205)	8,303
Plan fiduciary net position, beginning	84,501	96,640	107,518	114,110	118,090	150,480	130,275
Plan fiduciary net position, ending (b)	<u>\$ 96,640</u>	<u>\$ 107,518</u>	<u>\$ 114,110</u>	<u>\$ 118,090</u>	<u>\$ 150,480</u>	<u>\$ 130,275</u>	<u>\$ 138,578</u>
Net OPEB liability, ending (a - b)	<u>\$ 77,625</u>	<u>\$ 73,311</u>	<u>\$ 58,620</u>	<u>\$ 59,832</u>	<u>\$ 27,853</u>	<u>\$ 47,775</u>	<u>\$ 100,235</u>
Plan fiduciary net position as a percentage of total OPEB liability	55.46%	59.46%	66.07%	66.37%	84.38%	73.17%	58.03%
Covered payroll	84,111	88,533	92,134	97,299	106,472	115,455	124,538
Net OPEB liability as a percentage of covered payroll	92.29%	82.81%	63.62%	61.49%	26.16%	41.38%	80.49%
Discount rate	7.28%	7.28%	7.59%	7.59%	7.59%	7.59%	6.00%

* Fiscal year 2018 was the first year of GASB 75 implementation, therefore only 7 years are shown.

VALLEY WATER

Schedule of Employer Other Post Employment Benefit Contributions - Last 10 Years*

June 30, 2024

(Dollars in Thousands)

	Fiscal Year						
	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 8,780	\$ 8,559	\$ 8,162	\$ 7,356	\$ 7,431	\$ 5,063	\$ 6,861
Contributions in relation to the actuarially determined contribution	(12,546)	(10,227)	(10,757)	(10,972)	(12,078)	(13,910)	(13,445)
Contribution Deficiency / (Excess)	<u>\$ (3,766)</u>	<u>\$ (1,668)</u>	<u>\$ (2,595)</u>	<u>\$ (3,616)</u>	<u>\$ (4,647)</u>	<u>\$ (8,847)</u>	<u>\$ (6,584)</u>
Covered payroll ⁽¹⁾	\$ 88,533	\$ 92,134	\$ 97,299	\$ 106,472	\$ 115,455	\$ 124,538	\$ 158,786
Contribution as a percentage of covered payroll	14.17%	11.10%	11.13%	10.31%	10.46%	11.17%	8.47%

⁽¹⁾ The covered payroll noted on this page is different from the covered payroll presented on the previous page as the previous page is payroll related to the net OPEB liability in the applicable measurement period.

The covered payroll for the current year is from the actuarial valuation study using a prior year measurement date, adjusted to the current year using a 2.75% increase.

* Fiscal year 2018 was the first year of GASB 75 implementation, therefore only 7 years are shown.

VALLEY WATER

Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Budgeted Governmental Funds
For the Year Ended June 30, 2024
(Dollars in Thousands)

	General Fund			Variance with
	Original	Final	Budgetary	Final Budget
	budget	Budget	Basis	Positive
			Actual	(Negative)
Revenues:				
Property taxes	\$ 11,261	\$ 11,261	\$ 12,240	\$ 979
Use of money and property:				
Investment income	105	105	796	691
Rental	-	-	-	-
Reimbursement of capital costs	-	-	-	-
Other	30	30	199	169
Total revenues	<u>11,396</u>	<u>11,396</u>	<u>13,235</u>	<u>1,839</u>
Expenditures:				
Operating budget:				
Operations and operating projects	84,957	86,417	77,328	9,089
Debt Service:				
Principal payment	450	450	450	-
Interest payments	25	25	22	3
Total operating budget	<u>85,432</u>	<u>86,892</u>	<u>77,800</u>	<u>9,092</u>
Capital budget:				
Capital improvement projects	6,386	7,965	2,619	5,346
Total expenditures	<u>91,818</u>	<u>94,857</u>	<u>80,419</u>	<u>14,438</u>
Excess (deficiency) of revenues over				
(under) expenditures	<u>(80,422)</u>	<u>(83,461)</u>	<u>(67,184)</u>	<u>16,277</u>
Other financing sources (uses):				
Intra-district overhead reimbursement	80,224	80,224	73,185	(7,039)
Certificates of participation proceeds	-	-	-	-
Transfers in	1,843	1,843	2,084	241
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>82,067</u>	<u>82,067</u>	<u>75,269</u>	<u>(6,798)</u>
Excess (deficiency) of revenues and other financing sources				
Net change in fund balances	<u>\$ 1,645</u>	<u>\$ (1,394)</u>	8,085	<u>\$ 9,479</u>
Reconciliation of GAAP and budgetary basis:				
Interest payments not budgeted			-	
Expenditures of prior year encumbrances recognized on the GAAP basis:				
Operations and operating projects			(825)	
Capital improvement projects			(1,977)	
Debt Service			-	
Current year encumbrances recognized on the budgetary basis:				
Operations and operating projects			1,785	
Capital improvement projects			1,176	
Debt Service			-	
Fund Balances, beginning of year			<u>21,893</u>	
Fund Balances, end of year			<u>\$ 30,137</u>	

Watershed & Stream Stewardship Fund			
Original budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
\$116,444	\$116,444	\$122,830	\$ 6,386
1,630	1,630	6,824	5,194
1,509	1,509	1,690	181
34,170	34,170	3,064	(31,106)
301	301	2,724	2,423
<u>154,054</u>	<u>154,054</u>	<u>137,132</u>	<u>(16,922)</u>

78,032	78,232	75,373	2,859
-	-	-	-
-	-	-	-
<u>78,032</u>	<u>78,232</u>	<u>75,373</u>	<u>2,859</u>
<u>24,109</u>	<u>40,207</u>	<u>26,275</u>	<u>13,932</u>
<u>102,141</u>	<u>118,439</u>	<u>101,648</u>	<u>16,791</u>
<u>51,913</u>	<u>35,615</u>	<u>35,484</u>	<u>(131)</u>
-	-	-	-
-	-	-	-
1,011	3,064	3,383	319
<u>(4,054)</u>	<u>(4,054)</u>	<u>(4,295)</u>	<u>(241)</u>
<u>(3,043)</u>	<u>(990)</u>	<u>(912)</u>	<u>78</u>
<u>\$ 48,870</u>	<u>\$ 34,625</u>	34,572	<u>\$ (53)</u>

Safe, Clean Water & Natural Flood Protection Fund			
Original budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
\$ 52,277	\$ 52,277	\$ 52,175	\$ (102)
1,900	1,900	12,071	10,171
-	-	344	344
23,400	23,400	3,402	(19,998)
-	-	194	194
<u>77,577</u>	<u>77,577</u>	<u>68,186</u>	<u>(9,391)</u>

26,351	30,057	25,631	4,426
1,167	1,167	920	247
8,307	8,307	4,365	3,942
<u>35,825</u>	<u>39,531</u>	<u>30,916</u>	<u>8,615</u>
<u>103,873</u>	<u>122,726</u>	<u>45,793</u>	<u>76,933</u>
<u>139,698</u>	<u>162,257</u>	<u>76,709</u>	<u>85,548</u>
<u>(62,121)</u>	<u>(84,680)</u>	<u>(8,523)</u>	<u>76,157</u>
-	-	-	-
38,361	38,361	-	(38,361)
-	-	-	-
<u>(1,187)</u>	<u>(3,240)</u>	<u>(3,240)</u>	<u>-</u>
<u>37,174</u>	<u>35,121</u>	<u>(3,240)</u>	<u>(38,361)</u>
<u>\$ (24,947)</u>	<u>\$(49,559)</u>	(11,763)	<u>\$ 37,796</u>

-	(2,322)
(1,717)	(2,019)
(16,141)	(6,619)
-	(6)
1,019	2,252
1,912	5,253
-	50
<u>134,446</u>	<u>232,678</u>
<u>\$154,091</u>	<u>\$ 217,504</u>

VALLEY WATER
Notes to Required Supplementary Information
For the Year Ended June 30, 2024

Valley Water adopts an annual budget in June to be effective July 1 for the ensuing fiscal year. Annual appropriated budgets are adopted for the general fund, special revenue funds, and for all proprietary funds. The COP construction and COP debt service funds are not budgeted.

Legal budgetary (expenditure) control is established at the fund level, further controlled within the fund at the category level. The categories are defined as the operating budget (operations and maintenance, debt service, and operating projects) and the capital budget (capital improvement projects) in the budget and actual budgetary basis schedules. The amounts stated therein as proposed expenditures become appropriations to the various organization units. The Board may amend the budget by motion during the fiscal year. The Chief Executive Officer is authorized to transfer appropriations within budget categories by fund. All unencumbered appropriations for operations and maintenance, operating projects, and debt service lapse at fiscal year-end. The encumbered appropriation balance is carried forward to the succeeding year and is not re-appropriated. Unexpended appropriations for capital projects are carried forward until project completion or termination.

The budget process is based upon accounting for certain transactions on a basis other than the Generally Accepted Accounting Principles (GAAP) basis. The results of operations are presented in the budget and actual schedules in accordance with the budgetary basis to provide a meaningful comparison with the budget. The major differences between the budgetary basis and GAAP basis are as follows:

- Certain accruals (primarily accrued vacation and sick leave pay) are excluded from the budgetary basis because such amounts are budgeted on a cash basis.
- Year-end encumbrances are recognized as expenditures on the budgetary basis, while encumbered amounts are not recognized as expenditures on the GAAP basis until incurred.
- Certain budgeted debt service expenditures in special revenue funds are recorded as operating transfers out on a GAAP basis.
- Inter-fund overhead reimbursement on a budgetary basis is reflected as a reimbursement of expenditures on a GAAP basis.

Reported budget amounts reflect the annual budget as originally adopted and as subsequently amended by the Board. The budget amounts are based on estimates of Valley Water's expenditures/expenses and the proposed means of financing them. The final budget of capital improvement projects includes budget adjustments related to capital projects' period year balance forward. Actual expenditures for capital items, as in the case of special revenue funds, may vary significantly from the budgeted amounts due to the timing of such expenditures.

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**Supplemental
Information**

Schedule of Revenues, Expenditures and Change in Fund Balances – Selected Watershed Activities Contained Within the Watershed and Stream Stewardship Funds

Schedule of Revenues, Expenditures and Change in Fund Balances – Budget and Actual Selected Watershed Activities Contained Within the Watershed and Stream Stewardship Fund

VALLEY WATER
Schedule of Revenues, Expenditures and
Changes in Fund Balances
Selected Watershed Activities
Within the Watershed and Stream Stewardship Fund
For the Year Ended June 30, 2024
(Dollars in Thousands)

	Lower Peninsula Watershed	West Valley Watershed
Revenues:		
Benefit assessments	\$ 2,700	\$ 810
Total revenues	<u>2,700</u>	<u>810</u>
Expenditures:		
Debt service:		
Interest and fiscal agent fees	<u>1</u>	<u>1</u>
Total expenditures	<u>1</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,699</u>	<u>809</u>
Other financing sources (uses):		
Transfers in (Note 14)	-	1,219
Transfers out (Note 14)	<u>(2,699)</u>	<u>(2,028)</u>
Total other financing sources (uses)	<u>(2,699)</u>	<u>(809)</u>
Net change in fund balances	-	-
Fund balances, beginning of year	-	-
Fund balances, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Guadalupe Watershed	Coyote Watershed	Total
\$ 945	\$ 2,434	\$ 6,889
945	2,434	6,889
2	2	6
2	2	6
943	2,432	6,883
3,050	1,265	5,534
(3,993)	(3,697)	(12,417)
(943)	(2,432)	(6,883)
-	-	-
-	-	-
\$ -	\$ -	\$ -

VALLEY WATER

Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Selected Watershed Activities
Within the Watershed and Stream Stewardship Fund
For the Year Ended June 30, 2024
(Dollars in Thousands)

	Lower Peninsula Watershed			Variance with
	Original budget	Final Budget	Budgetary Basis Actual	Final Budget Positive (Negative)
Revenues:				
Benefit assessments	\$ 2,705	\$ 2,705	\$ 2,700	\$ (5)
Total revenues	<u>2,705</u>	<u>2,705</u>	<u>2,700</u>	<u>(5)</u>
Expenditures:				
Debt Service:				
Principal payment	1,617	1,617	1,616	1
Interest and fiscal charges	678	678	659	19
Total expenditures	<u>2,295</u>	<u>2,295</u>	<u>2,275</u>	<u>20</u>
Excess (deficiency) of revenues over (under) expenditures	<u>410</u>	<u>410</u>	<u>425</u>	<u>15</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>(410)</u>	<u>(410)</u>	<u>(425)</u>	<u>(15)</u>
Total other financing sources (uses)	<u>(410)</u>	<u>(410)</u>	<u>(425)</u>	<u>(15)</u>
Excess (deficiency) of revenues and other financing sources				
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

West Valley Watershed				Guadalupe Watershed			
Original budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)	Original budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
\$ 811	\$ 811	\$ 810	\$ (1)	\$ 941	\$ 941	\$ 945	\$ 4
811	811	810	(1)	941	941	945	4
1,606	1,606	1,606	-	3,374	3,374	569	2,805
256	256	243	13	363	363	3,140	(2,777)
1,862	1,862	1,849	13	3,737	3,737	3,709	28
(1,051)	(1,051)	(1,039)	12	(2,796)	(2,796)	(2,764)	32
1,166	1,166	1,039	(127)	2,917	2,917	2,764	(153)
(115)	(115)	-	115	(121)	(121)	-	121
1,051	1,051	1,039	(12)	2,796	2,796	2,764	(32)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

VALLEY WATER

Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Continued)
Selected Watershed Activities
Within the Watershed and Stream Stewardship Fund
For the Year Ended June 30, 2024
(Dollars in Thousands)

	Coyote Watershed			Variance with
	Original budget	Final Budget	Budgetary Basis Actual	Final Budget Positive (Negative)
Revenues:				
Benefit assessments	\$ 2,435	\$ 2,435	\$ 2,434	\$ (1)
Total revenues	<u>2,435</u>	<u>2,435</u>	<u>2,434</u>	<u>(1)</u>
Expenditures:				
Debt Service:				
Principal payment	2,619	2,619	1,455	1,164
Interest and fiscal charges	661	661	1,804	(1,143)
Total expenditures	<u>3,280</u>	<u>3,280</u>	<u>3,259</u>	<u>21</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(845)</u>	<u>(845)</u>	<u>(825)</u>	<u>20</u>
Other financing sources (uses):				
Transfers in	1,210	1,210	825	(385)
Transfers out	<u>(365)</u>	<u>(365)</u>	<u>-</u>	<u>365</u>
Total other financing sources (uses)	<u>845</u>	<u>845</u>	<u>825</u>	<u>(20)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financial uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Water Enterprise and State Water Project Funds

**Schedules of Revenues, Expenses and Change in Fund Net Position
Budget and Actual**

VALLEY WATER

Schedule of Revenues, Expenses and
Changes in Net Position - Budget to Actual
Water Enterprise and State Water Project Funds
For the Year Ended June 30, 2024
(Dollars in Thousands)

	Water Enterprise Fund			Variance with
	Original	Final	Budgetary	Final Budget
	Budget	Budget	Basis	Positive
			Actual	(Negative)
Revenues:				
Property taxes	\$ 10,315	\$ 10,315	\$ 11,045	\$ 730
Intergovernmental services	1,424	1,424	5,184	3,760
Ground water production charges	150,871	150,871	148,744	(2,127)
Treated water charges	174,081	174,081	169,633	(4,448)
Surface and recycled water revenue	3,613	3,613	2,261	(1,352)
Investment income	3,125	3,125	20,230	17,105
Capital reimbursement	10,266	10,266	3,544	(6,722)
Other	1,603	1,603	1,547	(56)
Total revenues	355,298	355,298	362,188	6,890
Expenses:				
Current:				
Operations and operating projects	213,762	203,334	235,824	(32,490)
Debt service:				
Principal repayment	26,915	26,915	22,705	4,210
Interest and fiscal agent fees	49,396	49,396	38,492	10,904
Capital outlay:				
Capital improvement projects	361,165	394,209	307,493	86,716
Total expenses	651,238	673,854	604,514	69,340
Excess (deficiency) of revenues over				
(under) expenses before transfers	(295,940)	(318,556)	(242,326)	76,230
Transfers in	1,093	1,093	1,093	-
Transfers out	(3,927)	(3,927)	(3,926)	1
Excess (deficiency) of revenues and other financing				
sources over (under) expenses	<u>\$ (298,774)</u>	<u>\$ (321,390)</u>	(245,159)	<u>\$ 76,231</u>
Reconciliation of GAAP and budgetary basis:				
Depreciation and amortization expense not budgeted			(21,571)	
Inventory adjustment not budgeted			21,289	
Capitalized expenditures			246,118	
Capitalized leases			315	
Debt principal and GAAP basis accruals for interest payable			22,909	
GAAP basis expenses and other liabilities			(2,402)	
Expenses of prior year encumbrances recognized on the GAAP basis:				
Operations and operating projects			(12,883)	
Capital improvement projects			(108,721)	
Current year encumbrances recognized on the budgetary basis:				
Operations and operating projects			7,878	
Capital improvement projects			111,683	
Net position, beginning of year			1,166,810	
Net position, end of year			<u>\$ 1,186,266</u>	

State Water Project				Total			
Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
\$ 27,000	\$ 27,000	\$ 28,013	\$ 1,013	\$ 37,315	\$ 37,315	39,058	\$ 1,743
-	-	-	-	1,424	1,424	5,184	3,760
-	-	-	-	150,871	150,871	148,744	(2,127)
-	-	-	-	174,081	174,081	169,633	(4,448)
-	-	-	-	3,613	3,613	2,261	(1,352)
-	-	-	-	3,125	3,125	20,230	17,105
-	-	-	-	10,266	10,266	3,544	(6,722)
1,000	1,000	6,145	5,145	2,603	2,603	7,692	5,089
28,000	28,000	34,158	6,158	383,298	383,298	396,346	13,048
30,325	30,325	30,325	-	244,087	233,659	266,149	(32,490)
-	-	-	-	26,915	26,915	22,705	4,210
-	-	-	-	49,396	49,396	38,492	10,904
-	-	-	-	361,165	394,209	307,493	86,716
30,325	30,325	30,325	-	681,563	704,179	634,839	69,340
(2,325)	(2,325)	3,833	6,158	(298,265)	(320,881)	(238,493)	82,388
-	-	-	-	1,093	1,093	1,093	-
-	-	-	-	(3,927)	(3,927)	(3,926)	1
<u>\$ (2,325)</u>	<u>\$ (2,325)</u>	3,833	<u>\$ 6,158</u>	<u>\$ (301,099)</u>	<u>\$ (323,715)</u>	(241,326)	<u>\$ 82,389</u>
		(944)				(22,515)	
		-				21,289	
		-				246,118	
		-				315	
		-				22,909	
		-				(2,402)	
		-				(12,883)	
		-				(108,721)	
		255				8,133	
		-				111,683	
		30,640				1,197,450	
		<u>\$ 33,784</u>				<u>\$ 1,220,050</u>	

Internal Service Funds

The Internal Service Funds are similar to Enterprise Funds, except that services are rendered to other Valley Water units rather than to the community. This fund type consists of the Equipment Fund, Risk Management Fund, and Information Technology Fund.

Equipment Fund - the fund is used to account for the maintenance and operation of Valley Water's fleet vehicles and heavy construction equipment. Financing is provided through rental charges to operations based upon usage.

Risk Management Fund – the fund is used to account for the monies set aside to pay for all claims, judgment, and premium costs. Financing is provided through premiums charged to operations.

Information Technology Fund – the fund is used to account for the maintenance and replacement of capital related information technology projects for Valley Water. Financing is provided through rental charges to operations based upon usage.

VALLEY WATER

Combining Statement of Net Position

Internal Service Funds

June 30, 2024

(Dollars in Thousands)

	Equipment	Risk Management	Information Technology	Total
ASSETS				
Current assets:				
Cash and investments	\$ 8,158	\$ 17,869	\$ 17,956	\$ 43,983
Deposits and other assets	87	-	-	87
Total current assets	8,245	17,869	17,956	44,070
Noncurrent assets:				
Capital assets				
Depreciable assets	26,608	18	14,756	41,382
Accumulated depreciation	(18,084)	(18)	(11,768)	(29,870)
Total noncurrent assets	8,524	-	2,988	11,512
Total assets	16,769	17,869	20,944	55,582
DEFERRED OUTFLOW OF RESOURCES				
Deferred outflows of resources - pension activities	908	1,210	4,586	6,704
Deferred outflows of resources - OPEB	507	675	2,560	3,742
Total deferred outflows of resources	1,415	1,885	7,146	10,446
LIABILITIES				
Current liabilities:				
Accounts payable	58	5	432	495
Accrued liabilities	61	266	460	787
Claims payable	-	2,989	-	2,989
Compensated absence	67	49	50	166
Total current liabilities	186	3,309	942	4,437
Non current liabilities:				
Claims payable	-	7,756	-	7,756
Net Pension liability	2,516	3,353	12,711	18,580
Other post employment benefits liability	813	1,083	4,106	6,002
Compensated absence	242	177	182	601
Total non current liabilities	3,571	12,369	16,999	32,939
Total liabilities	3,757	15,678	17,941	37,376
DEFERRED OUTFLOW OF RESOURCES				
Deferred inflows of resources - OPEB	52	69	263	384
Total deferred inflows of resources	52	69	263	384
NET POSITION				
Net investment in capital assets	8,524	-	2,988	11,512
Unrestricted	5,851	4,007	6,898	16,756
Total net position	\$ 14,375	\$ 4,007	\$ 9,886	\$ 28,268

VALLEY WATER

Combining Statement of Revenues, Expenses and
Change in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2024
(Dollars in Thousands)

	Equipment	Risk Management	Information Technology	Total
Operating revenues:				
Vehicle service charges	\$ 6,361	\$ -	\$ -	\$ 6,361
Computer equipment use charges	-	-	25,680	25,680
Self-insurance service charges	-	11,529	-	11,529
Total operating revenues	6,361	11,529	25,680	43,570
Operating expenses:				
Administration and general	-	13,577	-	13,577
Equipment maintenance	6,108	-	36,722	42,830
Depreciation and amortization	1,643	-	1,108	2,751
Total operating expenses	7,751	13,577	37,830	59,158
Operating Income (loss)	(1,390)	(2,048)	(12,150)	(15,588)
Nonoperating revenues:				
Investment income	412	792	836	2,040
Gain on sale of capital assets	54	-	-	54
Other	-	425	-	425
Total nonoperating revenues	466	1,217	836	2,519
Income (loss) before transfers	(924)	(831)	(11,314)	(13,069)
Transfer in	-	-	6,231	6,231
Change in net position	(924)	(831)	(5,083)	(6,838)
Net position, beginning of year	15,299	4,838	14,969	35,106
Net position, end of year	\$ 14,375	\$ 4,007	\$ 9,886	\$ 28,268

VALLEY WATER
Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024
(Dollars in Thousands)

	Equipment	Risk Management	Information Technology	Total
Cash flows from operating activities:				
Payment for interfund services provided	\$ 6,361	\$ 11,529	\$ 25,680	\$ 43,570
Payment to suppliers	(3,415)	(7,439)	(23,294)	(34,148)
Payment to employees	(1,842)	(2,318)	(8,563)	(12,723)
Other receipts	-	425	-	425
Net cash provided by (used for) operating activities	1,104	2,197	(6,177)	(2,876)
Cash flows from capital & related financing activities:				
Acquisition and construction of capital assets	(1,184)	-	(576)	(1,760)
Transfers in from other funds			6,231	6,231
Net cash provided by (used for) capital & related financing activities	(1,184)	-	5,655	4,471
Cash flows from investing activities:				
Interest received on cash & investments	412	792	836	2,040
Net cash provided by/(used for) investing activities	412	792	836	2,040
Net increase/(decrease) in cash & cash equivalents	332	2,989	314	3,635
Cash & cash equivalents, beginning	7,826	14,880	17,642	40,348
Cash & cash equivalents, ending	\$ 8,158	\$ 17,869	\$ 17,956	\$ 43,983
Cash and cash equivalents are reported on the Statement of Net Position as follows:				
Cash and investments	\$ 8,158	\$ 17,869	\$ 17,956	\$ 43,983
Cash & cash equivalents, ending	\$ 8,158	\$ 17,869	\$ 17,956	\$ 43,983
Reconciliation of net operating income/(loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (1,390)	\$ (2,048)	\$ (12,150)	\$ (15,588)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Other receipts/(payments)	-	425	-	425
Depreciation and amortization	1,643	-	1,108	2,751
Change in operating assets and liabilities:				
(Increase)/decrease in deposits and other assets	22	-	-	22
Increase/(decrease) in accounts payable	(10)	1	219	210
Increase (decrease) in accrued liabilities	(24)	228	45	249
Increase (decrease) in compensated absences	-	-	(1)	(1)
Increase (decrease) in Claims payable	-	2,408	-	2,408
Increase/(decrease) in pension liability	(4)	68	534	598
Increase/(decrease) in other post employment benefits payable	402	548	2,122	3,072
Increase/(decrease) in deferred inflow/outflow of resources	465	567	1,946	2,978
Net cash provided by (used in) operating activities	\$ 1,104	\$ 2,197	\$ (6,177)	\$ (2,876)
Noncash investing, capital and financing activity:				
(Acquisition)/disposition of capital assets	\$ 54	\$ -	\$ -	\$ 54

VALLEY WATER
Schedule of Revenues, Expenses and
Changes in Fund Net Position - Budget and Actual
Internal Service Funds
For the Year Ended June 30, 2024
(Dollars in Thousands)

	Equipment			Variance with
	Original	Final	Budgetary	Final Budget
	Budget	Budget	Basis	Positive
			Actual	(Negative)
Revenues:				
Investment income	\$ 60	\$ 60	\$ 412	\$ 352
Vehicle service charge	6,362	6,362	6,361	(1)
Computer equipment use charge	-	-	-	-
Self-insurance service charge	-	-	-	-
Gain on sale of fixed assets	20	20	54	34
Other	-	-	-	-
Total revenues	<u>6,442</u>	<u>6,442</u>	<u>6,827</u>	<u>385</u>
Expenses:				
Current:				
Operations and operating projects	4,957	5,207	6,107	(900)
Capital equipment acquisition	2,006	911	825	86
Total expenses	<u>6,963</u>	<u>6,118</u>	<u>6,932</u>	<u>(814)</u>
Excess (deficiency) of revenues over (under)				
expenditures before transfers	(521)	324	(105)	(429)
Transfers in			-	-
Excess (deficiency) of revenues and other financing resources				
over (under) expenditures and other financial uses	<u>\$ (521)</u>	<u>\$ 324</u>	(105)	<u>\$ (429)</u>
Reconciliation of GAAP and budgetary basis:				
Depreciation and amortization expense not budgeted			(1,643)	
Capitalized expenditures			1,238	
Expenditures of prior year encumbrances recognized on the GAAP basis:				
Operations and operating projects			-	
Capital improvement projects			(1,120)	
Current year encumbrances recognized on the budgetary basis:				
Operations and operating projects			-	
Capital improvement projects			706	
Net position, beginning of year			<u>15,299</u>	
Net position, end of year			<u>\$ 14,375</u>	

Risk Management			
Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
\$ 160	\$ 160	\$ 792	\$ 632
-	-	-	-
-	-	-	-
12,662	12,662	11,529	(1,133)
-	-	-	-
-	-	425	425
<u>12,822</u>	<u>12,822</u>	<u>12,746</u>	<u>(76)</u>

10,852	12,071	13,518	(1,447)
-	-	-	-
<u>10,852</u>	<u>12,071</u>	<u>13,518</u>	<u>(1,447)</u>
1,970	751	(772)	(1,523)
-	-	-	-
<u>\$ 1,970</u>	<u>\$ 751</u>	<u>(772)</u>	<u>\$ (1,523)</u>

-
-
(85)
-
26
-
4,838
<u>\$ 4,007</u>

Information Technology			
Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
\$ 220	\$ 220	\$ 836	\$ 616
-	-	-	-
25,680	25,680	25,680	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>25,900</u>	<u>25,900</u>	<u>26,516</u>	<u>616</u>
27,752	27,816	30,844	(3,028)
6,692	7,725	6,700	1,025
<u>34,444</u>	<u>35,541</u>	<u>37,544</u>	<u>(2,003)</u>
(8,544)	(9,641)	(11,028)	(1,387)
6,231	6,231	6,231	-
<u>\$ (2,313)</u>	<u>\$ (3,410)</u>	<u>(4,797)</u>	<u>\$ (1,387)</u>

(1,108)
576
(2,179)
(2,239)
3,114
1,550
14,969
<u>\$ 9,886</u>

VALLEY WATER
Schedule of Revenues, Expenses and
Changes in Fund Net Position - Budget and Actual (Continued)
Internal Service Funds
For the Year Ended June 30, 2024
(Dollars in Thousands)

	Total			Variance with
	Original	Final	Budgetary	Final Budget
	Budget	Budget	Basis	Positive
			Actual	(Negative)
Revenues:				
Investment income	\$ 440	\$ 440	\$ 2,040	\$ 1,600
Vehicle service charge	6,362	6,362	6,361	(1)
Computer equipment use charge	25,680	25,680	25,680	-
Self-insurance service charge	12,662	12,662	11,529	(1,133)
Gain on sale of fixed assets	20	20	54	34
Other	-	-	425	425
Total revenues	<u>45,164</u>	<u>45,164</u>	<u>46,089</u>	<u>925</u>
Expenses:				
Current:				
Operations and operating projects	43,561	45,094	50,469	(5,375)
Capital equipment acquisition	8,698	8,636	7,525	1,111
Total expenses	<u>52,259</u>	<u>53,730</u>	<u>57,994</u>	<u>(4,264)</u>
Excess (deficiency) of revenues over (under) expenditures before transfers	<u>(7,095)</u>	<u>(8,566)</u>	<u>(11,905)</u>	<u>(3,339)</u>
Transfers in	<u>6,231</u>	<u>6,231</u>	<u>6,231</u>	<u>-</u>
Excess (deficiency) of revenues and other financing resources over (under) expenditures and other financial uses	<u>\$ (864)</u>	<u>\$ (2,335)</u>	<u>(5,674)</u>	<u>\$ (3,339)</u>
			(2,751)	
			1,814	
			-	
			(2,264)	
			(3,359)	
			-	
			3,140	
			2,256	
			<u>35,106</u>	
			<u>\$ 28,268</u>	

Capital Assets Used in the Operation of Governmental Activities

Capital assets consist of land, improvements to land, buildings, equipment, and intangibles that are used in operations and that have initial useful lives extending beyond a single reporting period.

VALLEY WATER

Capital Assets Used in the Operation of Governmental Activities

Schedule by Source

June 30, 2024

(Dollars in Thousands)

Governmental activities capital assets:

Land	\$ 191,852
Buildings	42,007
Structures and improvements	1,065,936
Equipment	61,498
Lease assets	4,530
Construction in process	707,138
Intangibles:	
Easements	31,009
Computer Software	4,263
Total governmental funds capital assets	<u>\$ 2,108,233</u>

Investments in governmental activities capital assets by source:

General fund	\$ 93,477
Special revenue funds:	
Watershed & Stream Stewardship	1,284,404
Safe, Clean Water & Natural Flood Protection	688,970
Internal service funds	41,382
Total governmental funds capital assets	<u>\$ 2,108,233</u>

VALLEY WATER

Capital Assets Used on the Operation of Governmental Activities
Schedule by Function and Activity
June 30, 2024
(Dollars in Thousands)

Dept	Function and Activity	Land	Buildings	Structures and Improvements	Equipment	Lease Assets	Construction -in-Progress	Intangibles Easements	Software	Total
100	CEO Support Operations									
102	Chief Executive Office	\$ -	\$ -	\$ -	\$ 360	\$ -	\$ -	\$ -	\$ -	\$ 360
200	Watershed Operations									
210	Chief Operating Office	-	-	-	2,779	-	-	-	-	2,779
210	Watershed Management Division									
215	Watershed Business Management	-	-	-	84	-	-	-	-	84
250	Lower Peninsula/West Valley Mgmt.	-	-	-	167	-	-	-	-	167
270	Guadalupe Watershed Mgmt.	-	-	-	318	-	-	-	-	318
310	Capital Program Services Division									
340	Capital Program Services Departments	-	-	-	415	-	-	-	-	415
410	Water Utility Enterprise Operations									
410	Chief Operating Office	-	-	-	3	-	-	-	-	3
420	Water Utility Enterprise	-	-	-	125	-	-	-	-	125
600	Administration									
602	Chief Administrative Office	-	-	-	214	-	-	-	-	214
670	Financial Services Division									
610	Office of Administrative Services	-	-	-	68	-	-	-	-	68
670	Business And Finance Program	-	-	-	1,405	-	-	-	-	1,405
710	Information Management Division									
715	Information Management Division	-	-	-	249	-	-	-	-	249
720	Information Mgmt. Support Department	-	-	-	12,407	-	-	-	-	12,407
810	General Services Division									
815	Technical Services Division	-	-	-	-	-	-	-	-	-
820	Technical Services Support Division	-	-	-	2,742	-	-	-	-	2,742
765	Records and Library	-	-	-	168	-	-	-	-	168
820	Warehouse Services	-	-	-	311	-	-	-	-	311
885	Equipment Management	-	-	-	24,901	-	-	-	-	24,901
910	Human Resources Program									
660	Human Resources Program	-	-	-	53	-	-	-	-	53
Other:										
	District-wide property	191,852	42,007	1,065,936	14,729	4,530	707,138	31,009	4,263	2,061,464
	Total capital assets	\$ 191,852	\$ 42,007	\$ 1,065,936	\$ 61,498	\$ 4,530	\$ 707,138	\$ 31,009	\$ 4,263	\$2,108,233

VALLEY WATER

Capital Assets Used in the Operation of Governmental Activities
Schedule of Changes By Function and Activity
For the Year Ended June 30, 2024
(Dollars in Thousands)

Dept	Function and Activity	Governmental	Additions	Deductions	Governmental
		Capital Assets June 30, 2023			Capital Assets June 30, 2024
100	CEO Support Operations				
102	Chief Executive Office	\$ 360	\$ -	\$ -	\$ 360
200	Watershed Operations				
202	Chief Operating Office	2,714	65	-	2,779
210	Watershed Management Division				
215	Watershed Business Management	84	-	-	84
250	Lower Peninsula/West Valley Mgmt.	161	6	-	167
270	Guadalupe Watershed Mgmt.	318	-	-	318
310	Capital Program Services Division				
340	Capital Program Services Departments	415	-	-	415
410	Water Utility Enterprise Operations				
410	Chief Operating Office	3	-	-	3
420	Water Utility Enterprise	125	-	-	125
600	Administration				
602	Chief Administrative Office	214	-	-	214
670	Financial Services Division				
610	Office of Administrative Services	68	-	-	68
670	Business And Finance Program	1,405	-	-	1,405
710	Information Management Division				
715	Information Management Division	249	-	-	249
720	Information Mgmt. Support Departments	11,831	576	-	12,407
810	General Services Division				
820	Technical Services Support Division	2,647	95	-	2,742
765	Records and Library	168	-	-	168
820	Warehouse Services	311	-	-	311
885	Equipment Management	24,065	1,276	(440)	24,901
910	Human Resources Program				
660	Human Resources Program	53	-	-	53
Other:					
	District-wide property	2,019,194	42,270	-	2,061,464
		<u>\$ 2,064,385</u>	<u>\$ 44,288</u>	<u>\$ (440)</u>	<u>\$ 2,108,233</u>

SANTA CLARA VALLEY WATER DISTRICT

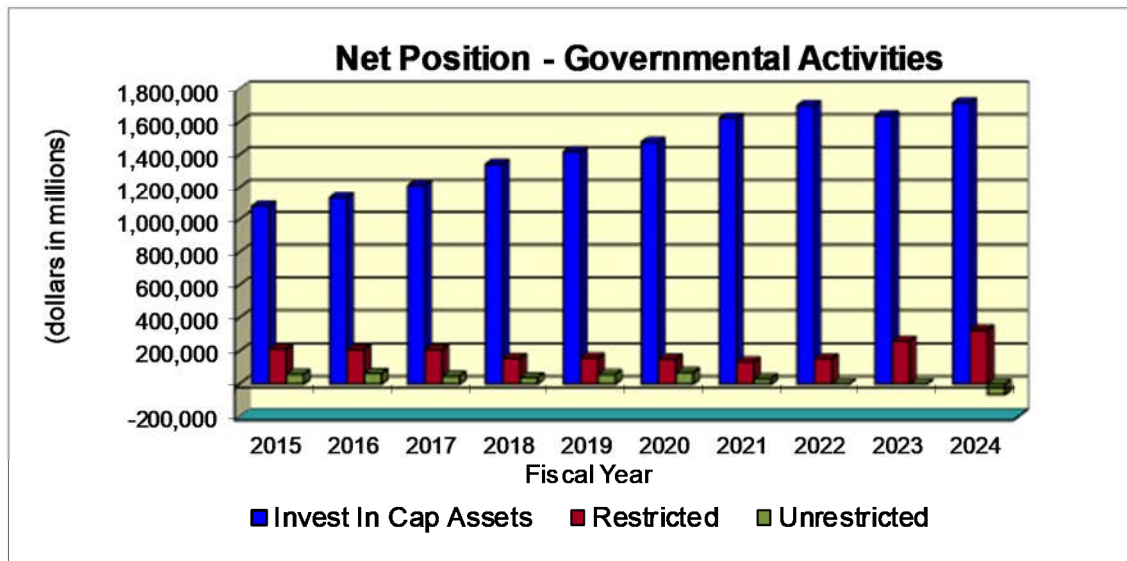
Statistical Section

This part of Valley Water's annual comprehensive financial statement report presents detailed information as a context for understanding what the information in the financial statement, note disclosures, and required supplementary information says about Valley Water's overall financial health.

<u>Contents</u>	Page
Financial Trends	154
These schedules contain trend information to help the reader understand how Valley Water's financial performance and well-being have changed over time.	
Revenue Capacity	162
These schedules contain information to help the reader assess Valley Water's most significant local revenue source - water sales.	
Debt Capacity	169
These schedules present information to help the reader assess the affordability of Valley Water's current level of outstanding debt and Valley Water's ability to issue additional debt in the future.	
Demographic and Economic Information	175
These schedules offer demographic and economic indicators to help the reader understand the environment within which Valley Water's financial activities take place.	
Operating Information	177
These schedules contain service and infrastructure data to help the reader understand how the information in Valley Water's financial report relates to the services Valley Water provides and the activities it performs.	

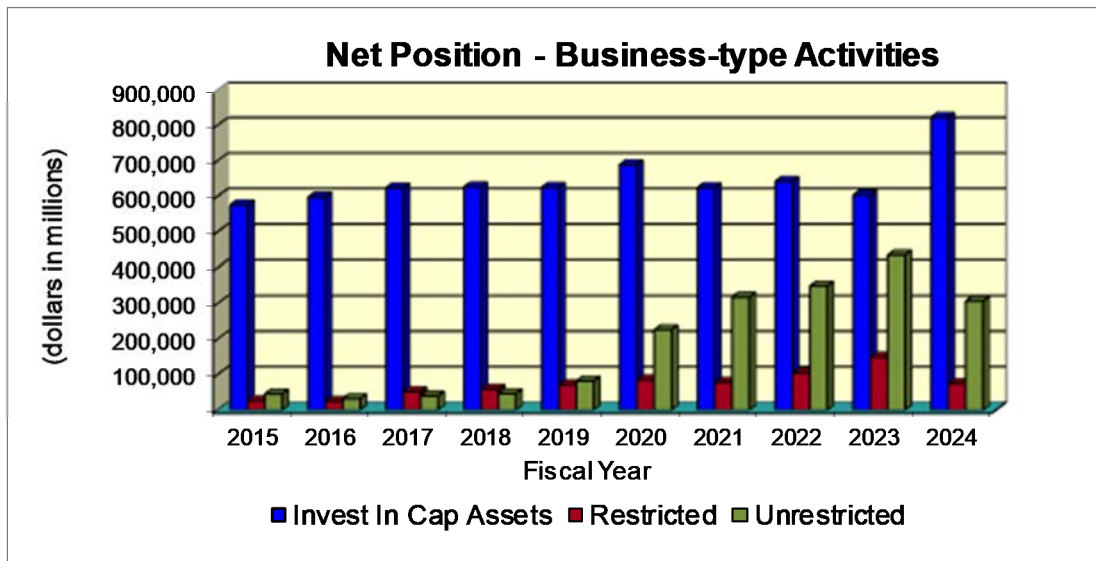
VALLEY WATER
Net Position By Component
Government-wide
Last Ten Fiscal Years
(Dollars in Thousands)

	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	\$ 1,083,571	\$ 1,135,593	\$ 1,213,840	\$ 1,344,142
Restricted	214,991	210,198	209,873	158,062
Unrestricted	60,731	66,407	48,978	40,479
Total governmental activities net position	<u>\$ 1,359,293</u>	<u>\$ 1,412,198</u>	<u>\$ 1,472,691</u>	<u>\$ 1,542,683</u>
Business-type activities				
Net investment in capital assets	575,873	598,075	623,828	626,514
Restricted	26,087	24,552	52,118	58,679
Unrestricted	45,429	32,191	39,895	46,102
Total business-type activities net position	<u>\$ 647,389</u>	<u>\$ 654,818</u>	<u>\$ 715,841</u>	<u>\$ 731,295</u>
Primary government				
Net investment in capital assets	\$ 1,733,668	\$ 1,837,668	\$ 1,970,656	\$ 2,046,872
Restricted	234,750	261,991	216,741	232,121
Unrestricted	98,598	88,873	86,581	141,271
Total primary government net position	<u>\$ 2,067,016</u>	<u>\$ 2,188,532</u>	<u>\$ 2,273,978</u>	<u>\$ 2,420,264</u>



Source: Santa Clara Valley Water District, General Accounting Unit

2019	2020	2021	2022	2023	2024
\$1,421,616	\$1,478,400	\$1,624,900	\$1,701,199	\$1,639,659	\$1,718,899
160,594	153,700	136,500	154,141	262,847	263,239
59,460	71,800	33,200	-	-	-
<u>\$1,641,670</u>	<u>\$1,703,900</u>	<u>\$1,794,600</u>	<u>\$1,855,340</u>	<u>\$1,902,506</u>	<u>\$1,982,138</u>
625,256	689,200	624,500	642,319	603,803	\$ 822,531
71,527	84,700	78,500	104,048	149,595	74,334
81,811	226,100	318,200	348,911	435,068	306,620
<u>\$ 778,594</u>	<u>\$1,000,000</u>	<u>\$1,021,200</u>	<u>\$1,095,278</u>	<u>\$1,188,466</u>	<u>\$1,203,485</u>
\$2,167,600	\$2,249,400	\$2,343,518	\$2,343,518	\$2,243,462	\$2,541,430
238,400	215,000	258,189	258,189	412,442	337,573
297,900	351,400	348,911	348,911	435,068	306,620
<u>\$2,703,900</u>	<u>\$2,815,800</u>	<u>\$2,950,618</u>	<u>\$2,950,618</u>	<u>\$3,090,972</u>	<u>\$3,185,623</u>



VALLEYWATER
Changes in Net Position
Government-wide
Last Ten Fiscal Years
(Dollars in Thousands)

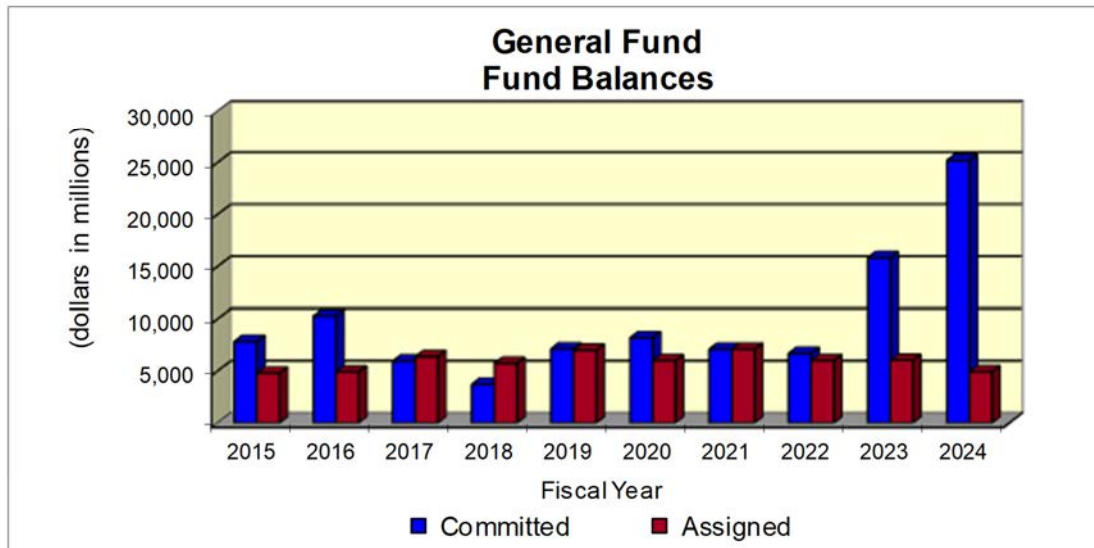
	2015	2016	2017	2018
Expenses				
Governmental activities:				
General government:	\$ 20,399	\$ 5,940	\$ 9,339	\$ 8,407
Watersheds	56,758	57,745	69,166	85,780
Interest on long-term debt	5,753	5,977	4,271	3,091
Total governmental activities expenses	82,910	69,662	82,776	97,278
Business-type activities:				
Water enterprise	186,281	207,282	199,631	229,373
Total primary government expenses	<u>\$269,191</u>	<u>\$ 276,944</u>	<u>\$ 282,407</u>	<u>\$326,651</u>
Program revenues				
Governmental activities:				
Capital grants and contributions	\$ 17,822	\$ 19,426	\$ 16,608	\$ 61,190
Business-type activities:				
Charges for services	154,819	151,235	190,896	231,001
Operating grants and contributions	2,149	2,074	2,037	4,396
Capital grants and contributions	847	3,177	17,527	4,350
Total business-type activities program revenues	157,815	156,486	210,460	239,747
Total primary government program revenues	<u>\$175,637</u>	<u>\$ 175,912</u>	<u>\$ 227,068</u>	<u>\$300,937</u>
Net (expense)/revenue				
Governmental activities	\$ (65,088)	\$ (50,236)	\$ (66,168)	\$ (36,088)
Business-type activities	(28,466)	(50,796)	10,829	10,374
Total primary government net (expense)/revenue	<u>\$ (93,554)</u>	<u>\$ (101,032)</u>	<u>\$ (55,339)</u>	<u>\$ (25,714)</u>
General revenues and other changes in net position				
Governmental activities:				
Property taxes	\$107,643	\$ 114,418	\$ 123,325	\$129,891
Unrestricted investment earnings	3,728	5,004	1,186	2,477
Miscellaneous	3,013	3,592	4,052	6,685
Transfers	11,406	(19,873)	(1,902)	8,225
Total governmental activities	<u>\$125,790</u>	<u>\$ 103,141</u>	<u>\$ 126,661</u>	<u>\$147,278</u>
Business-type activities:				
Property taxes	\$ 27,701	\$ 30,535	\$ 44,786	\$ 37,417
Unrestricted investment earnings	1,621	2,925	979	1,267
Lease revenues	-	-	-	-
Miscellaneous	3,113	4,892	2,527	6,428
Transfers	(11,406)	19,873	1,902	(8,225)
Total business-type activities	<u>\$ 21,029</u>	<u>\$ 58,225</u>	<u>\$ 50,194</u>	<u>\$ 36,887</u>
Changes in net position				
Governmental activities	\$ 60,702	\$ 52,905	\$ 60,493	\$111,190
Business-type activities	(7,437)	7,429	61,023	47,261
Total primary government	<u>\$ 53,265</u>	<u>\$ 60,334</u>	<u>\$ 121,516</u>	<u>\$158,451</u>

Source: Santa Clara Valley Water District, General Accounting Unit

2019	2020	2021	2022	2023	2024
\$ 3,246	\$ 10,900	\$ 18,600	\$ 27,200	\$ 11,757	\$ 15,465
99,415	134,100	145,300	34,800	134,027	132,333
3,048	2,500	2,500	1,900	4,834	3,532
105,709	147,500	166,400	63,900	150,618	151,330
222,050	226,900	239,300	310,000	265,150	378,494
<u>\$ 327,759</u>	<u>\$ 374,400</u>	<u>\$ 405,700</u>	<u>\$ 373,900</u>	<u>\$ 415,768</u>	<u>\$ 529,824</u>
\$ 40,271	\$ 42,900	\$ 25,900	\$ 29,300	\$ 34,781	\$ 13,355
227,679	266,900	289,700	272,400	268,101	320,638
2,754	3,700	4,000	5,300	5,376	5,184
1,149	4,300	6,400	5,600	13,624	3,544
231,582	274,900	300,100	283,300	287,101	329,366
<u>\$ 271,853</u>	<u>\$ 317,800</u>	<u>\$ 326,000</u>	<u>\$ 312,600</u>	<u>\$ 321,882</u>	<u>\$ 342,721</u>
\$ (65,438)	\$ (104,600)	\$ (140,500)	\$ (34,600)	\$ (115,837)	\$ (137,975)
9,532	48,000	60,800	(26,700)	21,951	(49,128)
<u>\$ (55,906)</u>	<u>\$ (56,600)</u>	<u>\$ (79,700)</u>	<u>\$ (61,300)</u>	<u>\$ (93,886)</u>	<u>\$ (187,103)</u>
\$ 143,848	\$ 148,400	\$ 154,500	\$ 164,700	\$ 177,788	\$ 187,245
13,634	12,900	-	(10,000)	1,827	21,906
4,263	3,900	2,600	5,400	5,600	5,623
2,680	1,600	74,100	(65,900)	(22,212)	2,833
<u>\$ 164,425</u>	<u>\$ 166,800</u>	<u>\$ 231,200</u>	<u>\$ 94,200</u>	<u>\$ 163,003</u>	<u>\$ 217,607</u>
\$ 30,468	\$ 30,200	\$ 30,200	\$ 39,800	\$ 39,394	\$ 39,058
8,074	8,800	1,600	(8,300)	7,582	20,230
-	-	-	-	94	83
1,905	2,800	2,700	3,300	1,955	7,609
(2,680)	(1,600)	(74,100)	65,900	22,212	(2,833)
<u>\$ 37,767</u>	<u>\$ 40,200</u>	<u>\$ (39,600)</u>	<u>\$ 100,700</u>	<u>\$ 71,237</u>	<u>\$ 64,147</u>
\$ 98,987	\$ 62,200	\$ 90,700	\$ 59,600	\$ 47,166	\$ 79,632
47,299	88,200	21,200	74,000	93,188	15,019
<u>\$ 146,286</u>	<u>\$ 150,400</u>	<u>\$ 111,900</u>	<u>\$ 133,600</u>	<u>\$ 140,354</u>	<u>\$ 94,651</u>

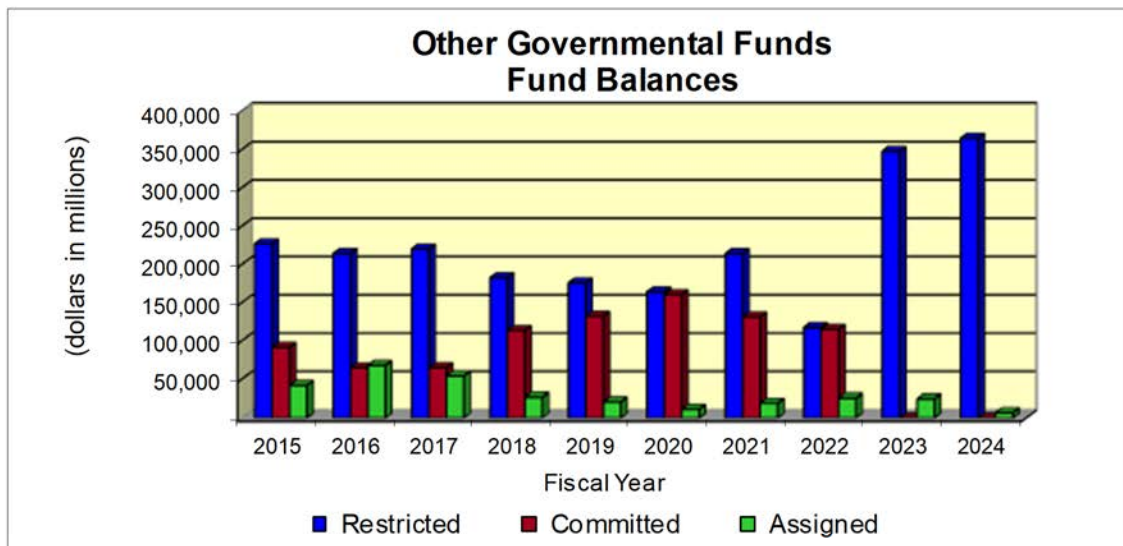
VALLEY WATER
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Dollars in Thousands)

	2015	2016	2017
General Fund			
Committed	\$ 7,842	\$ 10,274	\$ 5,962
Assigned	4,809	4,924	6,385
Total general fund	<u>\$ 12,651</u>	<u>\$ 15,198</u>	<u>\$ 12,347</u>
All other governmental funds			
Restricted	\$226,770	\$214,078	\$220,115
Committed	91,817	64,851	64,898
Assigned	41,916	67,969	54,175
Total all other governmental funds	<u>\$360,503</u>	<u>\$346,898</u>	<u>\$339,188</u>



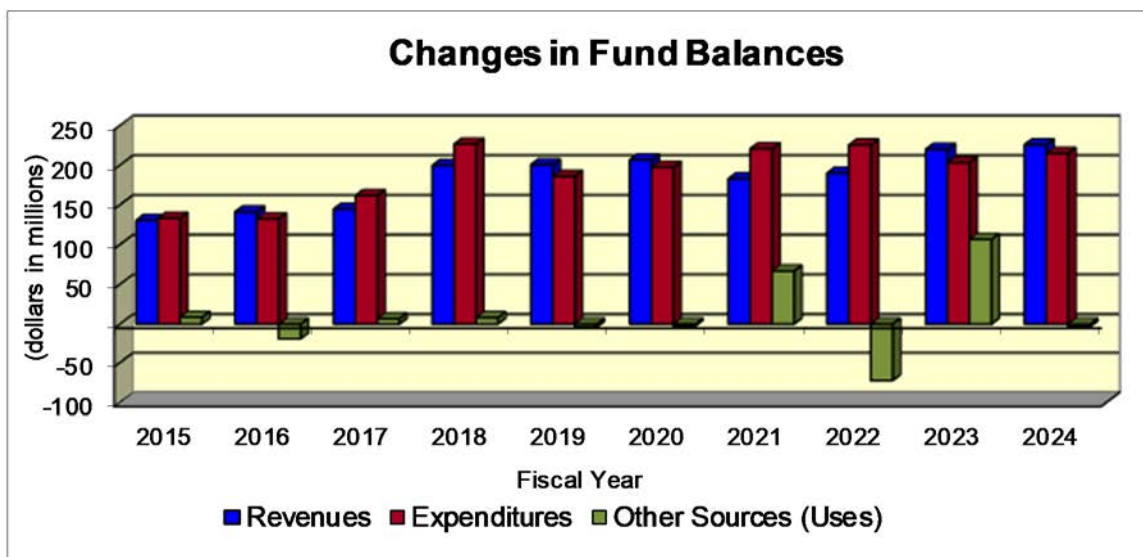
Source: Santa Clara Valley Water District, General Accounting Unit

2018	2019	2020	2021	2022	2023	2024
\$ 3,733	\$ 7,125	\$ 8,200	\$ 7,100	\$ 6,700	\$ 15,848	\$ 25,202
5,747	7,012	6,000	7,100	6,000	6,045	4,935
<u>\$ 9,480</u>	<u>\$ 14,137</u>	<u>\$ 14,200</u>	<u>\$ 14,200</u>	<u>\$ 12,700</u>	<u>\$ 21,893</u>	<u>\$ 30,137</u>
\$ 182,319	\$ 175,894	\$ 163,900	\$ 214,100	\$ 117,500	\$ 347,769	\$ 364,651
113,673	132,208	160,500	131,500	115,100	-	-
26,909	21,093	11,500	19,300	25,700	24,787	7,015
<u>\$ 322,901</u>	<u>\$ 329,195</u>	<u>\$ 335,900</u>	<u>\$ 364,900</u>	<u>\$ 258,300</u>	<u>\$ 372,556</u>	<u>\$ 371,666</u>



VALLEY WATER
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Dollars in Thousands)

	2015	2016	2017	2018
Revenues				
Property taxes	\$ 107,643	\$ 114,418	\$ 123,325	\$ 129,891
Benefits assessments	16,074	14,683	14,790	14,774
Use of monies & property				
Investment income	2,505	3,747	956	2,305
Rental income	1,684	1,759	1,817	1,931
Reimbursement of capital cost	1,748	4,743	1,818	46,416
Others	911	1,782	1,971	4,361
Total revenues	130,565	141,132	144,677	199,678
Expenditures				
Operations & operating projects	65,425	57,725	67,511	70,912
Capital improvement projects	53,984	61,876	81,597	142,710
Debt service:				
Principal repayment	8,355	7,630	8,020	8,660
Interest and fiscal charges	5,497	5,084	4,743	4,418
Total expenditures	133,261	132,315	161,871	226,700
Excess of revenues over (under) expenditures	(2,696)	8,817	(17,194)	(27,022)
Other financing sources (uses)				
Transfers in	30,054	26,528	17,436	31,007
Transfers out	(21,548)	(46,403)	(19,338)	(22,939)
Proceeds from issuance of debt	-	-	68,932	-
Payment to refunded bond escrow agent	-	-	(60,397)	-
Total other financing sources (uses)	8,506	(19,875)	6,633	8,068
Net change in fund balance	\$ 5,810	\$ (11,058)	\$ (10,561)	\$ (18,954)
Debt service as a percentage of non-capital expenditures	13.0%	13.4%	15.0%	13.7%

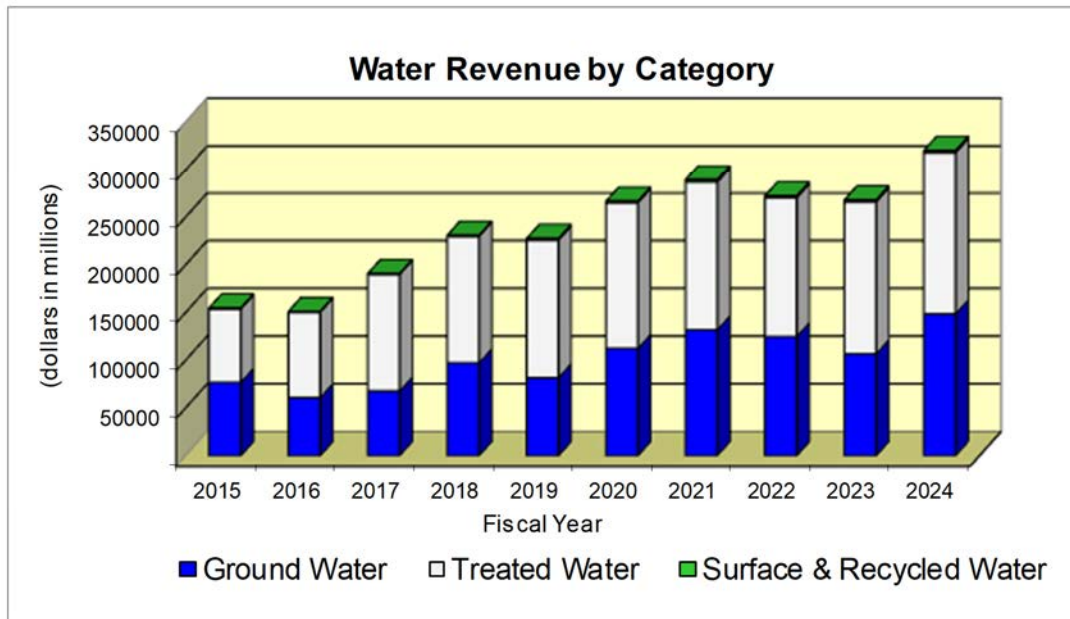


Source: Santa Clara Valley Water District, General Accounting Unit

2019	2020	2021	2022	2023	2024
\$ 143,848	\$ 148,400	\$ 154,500	\$ 164,700	\$ 177,788	\$ 187,245
14,746	13,400	12,400	13,500	13,229	6,889
12,390	11,600	-	(9,100)	1,964	19,864
2,005	2,100	1,800	2,300	2,077	2,034
25,525	29,500	13,500	15,800	21,552	6,466
2,085	1,700	700	2,800	3,338	3,117
<u>200,599</u>	<u>206,700</u>	<u>182,900</u>	<u>190,000</u>	<u>219,948</u>	<u>225,615</u>
68,164	80,200	86,600	90,900	94,568	106,973
104,335	104,900	121,700	122,100	94,086	91,084
8,715	8,100	8,500	8,900	9,250	10,585
4,711	4,200	3,900	3,700	5,266	6,221
<u>185,925</u>	<u>197,400</u>	<u>220,700</u>	<u>225,600</u>	<u>203,170</u>	<u>214,863</u>
<u>14,674</u>	<u>9,300</u>	<u>(37,800)</u>	<u>(35,600)</u>	<u>16,778</u>	<u>10,752</u>
17,290	34,400	164,400	17,400	15,599	21,229
(21,123)	(36,900)	(97,600)	(89,900)	(41,872)	(24,627)
-	-	-	-	132,952	-
-	-	-	-	-	-
<u>(3,833)</u>	<u>(2,500)</u>	<u>66,800</u>	<u>(72,500)</u>	<u>106,679</u>	<u>(3,398)</u>
<u>\$ 10,841</u>	<u>\$ 6,800</u>	<u>\$ 29,000</u>	<u>\$ (108,100)</u>	<u>\$ 123,457</u>	<u>\$ 7,354</u>
13.8%	9.0%	8.6%	15.3%	11.1%	9.7%

VALLEY WATER
Water Revenue by Category
Last Ten Fiscal Years
(Dollars in Thousands)

Fiscal Year	Ground Water Revenue	Treated Water Revenue	Surface & Recycled Water Revenue	Total Water Revenue
2015	\$ 77,095	\$ 76,799	\$ 925	\$ 154,819
2016	61,128	89,375	732	151,235
2017	67,937	122,212	747	190,896
2018	97,483	132,477	1,041	231,001
2019	81,923	143,998	1,758	227,679
2020	112,600	152,600	1,700	266,900
2021	132,100	154,900	2,700	289,700
2022	125,000	145,400	2,000	272,400
2023	106,936	159,215	1,950	268,101
2024	148,744	169,633	2,261	320,638



Source: Santa Clara Valley Water District, Wells & Water Production Unit

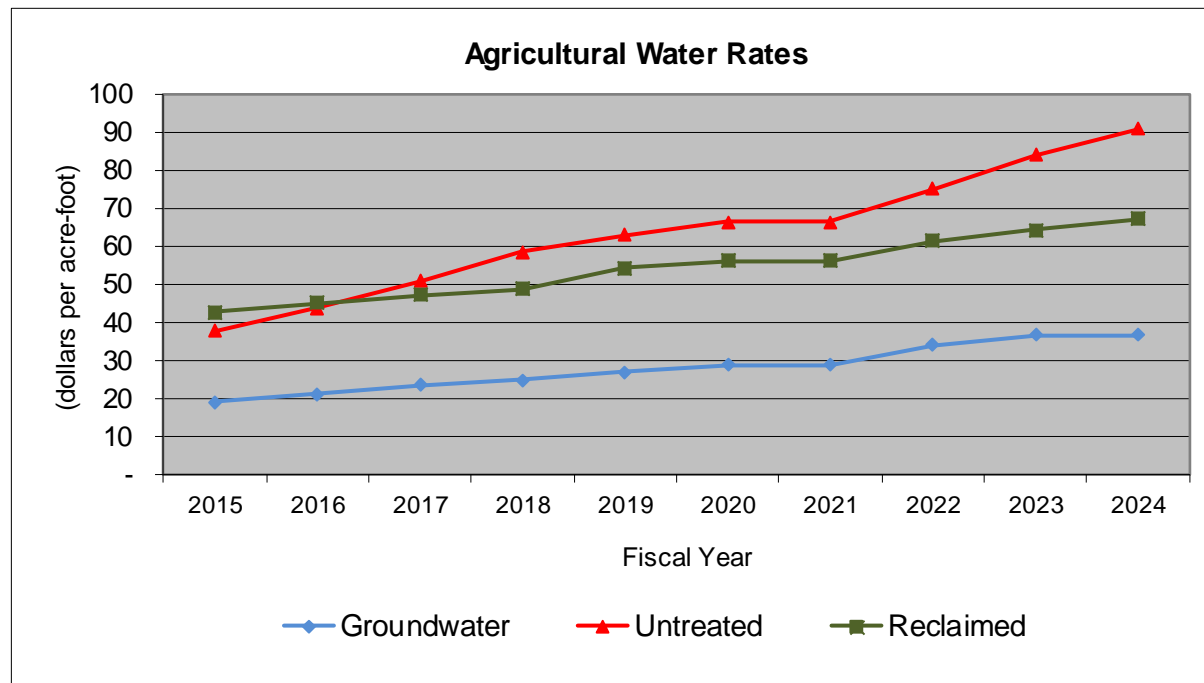
Valley Water
Principal Water Revenue Customers
Current year and Nine years ago
(Dollars in Thousands)

Water Customer	Fiscal Year 2024			Fiscal Year 2015		
	Water Revenue	Rank	Percent of Total Water Revenue	Water Revenue	Rank	Percent of Total Water Revenue
San Jose Water Company	\$ 186,911	1	58.29%	\$ 88,812	1	57.37%
City of Santa Clara	28,187	2	8.79%	12,843	2	8.30%
San Jose Municipal Water	22,220	3	6.93%	10,712	3	6.92%
City of Sunnyvale	17,008	4	5.30%	7,241	5	4.68%
California Water Service Company	13,766	5	4.29%	9,456	4	6.11%
Great Oaks Water Company	8,326	6	2.60%	5,753	6	3.72%
City of Milpitas	5,234	7	1.63%	3,012	7	1.95%
Gilroy City Water Department	4,243	8	1.32%	2,427	8	1.57%
City of Cupertino	4,173	9	1.30%	2,388	9	1.54%
Morgan Hill City Water	4,024	10	1.25%	2,171	10	1.40%
Total	<u>\$ 294,092</u>		<u>91.70%</u>	<u>\$ 144,815</u>		<u>93.56%</u>
Total Water Sales	<u>\$ 320,638</u>			<u>\$ 154,819</u>		

Source: Santa Clara Valley Water District, Revenue Management Unit

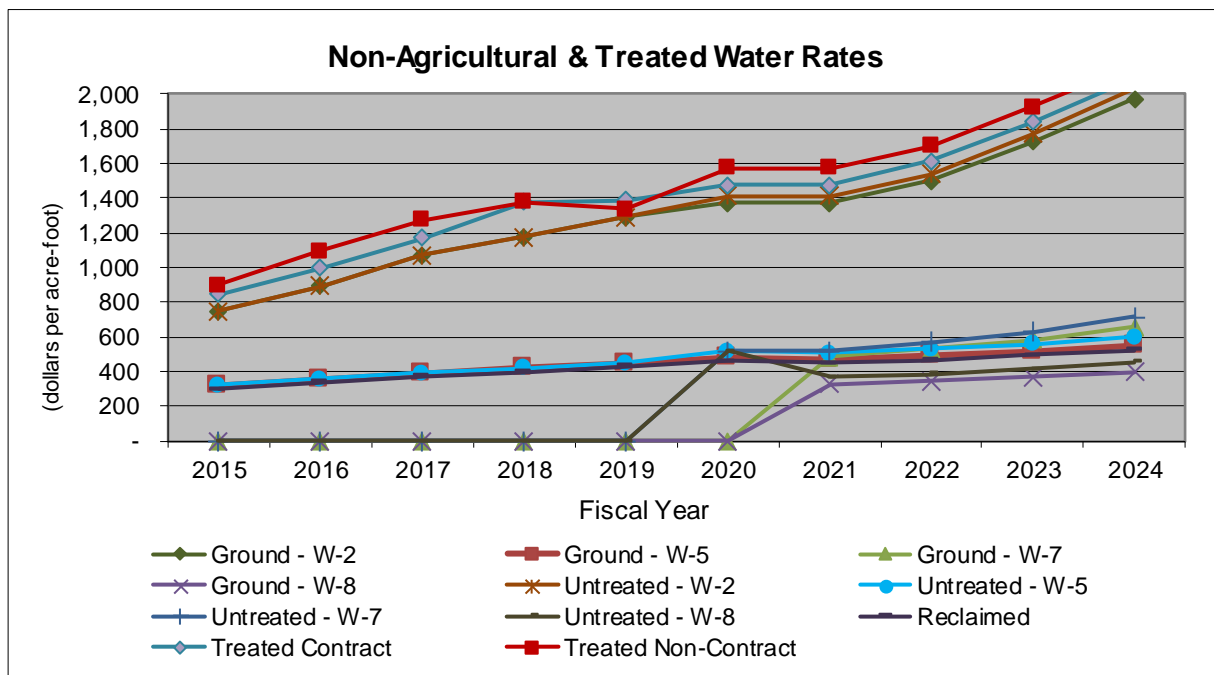
Valley Water
Water Enterprise Rates Summary
Last Ten Fiscal Years
(Rates in Dollars per Acre-foot)

Fiscal Year	Groundwater Rates					Treated Water Rates	
	Non-AG				AG	Contract	Non Contract
	Zone W-2	Zone W-5	Zone W-7	Zone W-8	All Zones		
2015	747.00	319.00	-	-	19.14	847.00	897.00
2016	894.00	356.00	-	-	21.36	994.00	1,094.00
2017	1,072.00	393.00	-	-	23.59	1,172.00	1,272.00
2018	1,175.00	418.00	-	-	25.09	1,375.00	1,375.00
2019	1,289.00	450.00	-	-	27.02	1,389.00	1,339.00
2020	1,374.00	481.00	-	-	28.86	1,474.00	1,574.00
2021	1,374.00	467.00	481.00	327.00	28.86	1,474.00	1,574.00
2022	1,499.00	488.00	528.50	341.50	34.15	1,614.00	1,699.00
2023	1,724.00	513.00	582.50	368.50	36.85	1,839.00	1,924.00
2024	1,974.00	543.50	657.50	398.00	36.85	2,089.00	2,174.00



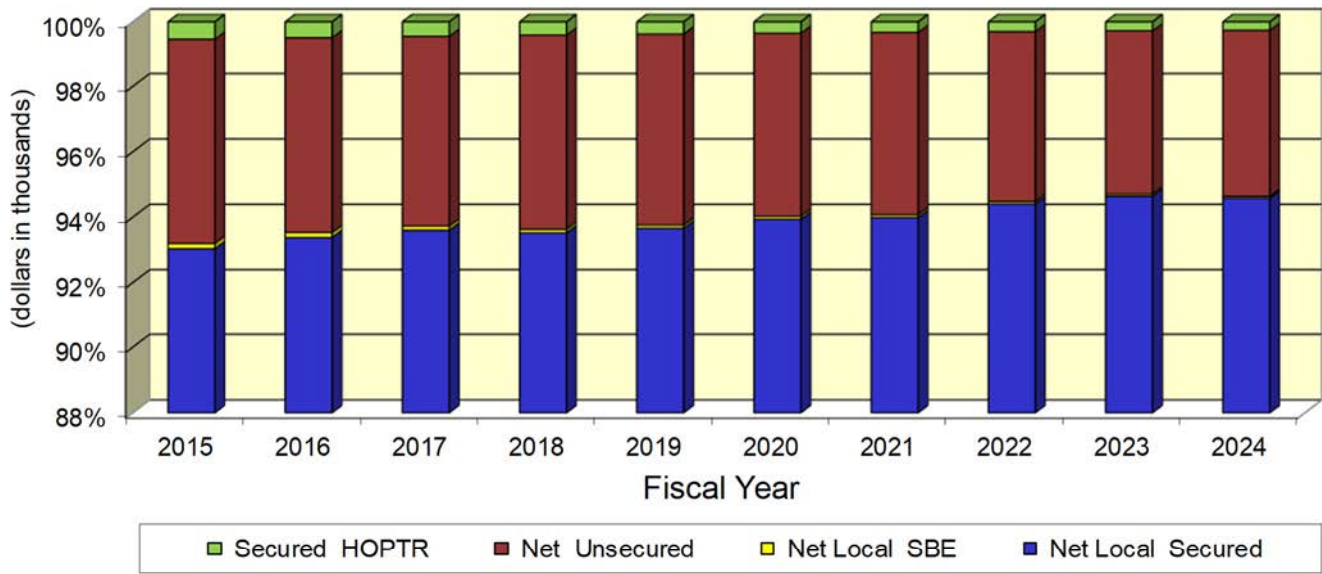
Source: Santa Clara Valley Water District, Wells & Water Production Unit

Untreated Water Rates					Reclaimed Water Rates	
AG	Non-AG				AG	Non-AG
All Zones	Zone W-2	Zone W-5	Zone W-7	Zone W-8		
37.74	747.00	319.00	-	-	42.94	299.00
43.96	894.00	356.00	-	-	45.16	336.00
51.05	1,072.00	393.00	-	-	47.38	373.00
58.45	1,175.00	418.00	-	-	48.88	398.00
62.94	1,289.00	450.00	-	-	54.41	430.00
66.36	1,411.50	518.50	518.50	518.50	56.25	461.00
66.36	1,411.50	504.50	518.50	364.50	56.26	447.00
75.05	1,539.90	528.90	569.40	382.40	61.55	468.00
83.95	1,771.10	560.10	629.60	415.60	64.25	493.00
90.85	2,028.00	597.50	711.50	452.00	67.20	523.50



Valley Water
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Dollars in Thousands)

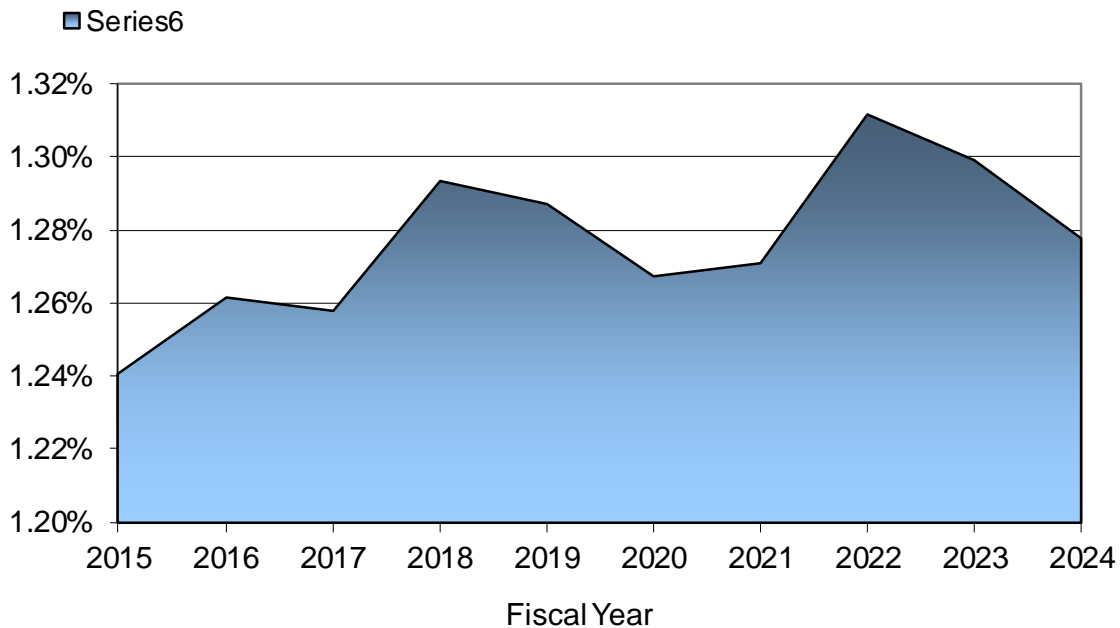
Fiscal Year	Net Local Secured	SBE	Total Secured	Net Unsecured	Total (a)	Exempt Valuation Secured HOPTR (b)	Total (c) = (a+b)	District Direct Rate (d)	Total District Direct Tax (c x d)
2015	332,220,200	577,096	332,797,296	22,417,252	355,214,548	1,891,373	357,105,921	0.0065%	23,211.88
2016	362,318,558	594,415	362,912,973	23,239,529	386,152,502	1,874,832	388,027,334	0.0057%	22,117.56
2017	392,058,176	524,128	392,582,304	24,439,939	417,022,243	1,850,004	418,872,247	0.0086%	36,023.01
2018	420,616,061	476,901	421,092,962	26,855,499	447,948,461	1,824,379	449,772,840	0.0062%	27,885.92
2019	452,259,125	451,125	452,710,250	28,342,158	481,052,408	1,808,872	482,861,280	0.0042%	20,280.17
2020	484,249,401	442,613	484,692,014	29,026,589	513,718,603	1,791,435	515,510,038	0.0041%	21,135.91
2021	517,837,409	462,813	518,300,222	30,879,670	549,179,892	1,770,130	550,950,022	0.0037%	20,385.15
2022	544,089,744	413,735	544,503,479	30,094,207	574,597,686	1,721,856	576,319,542	0.0051%	29,392.30
2023	585,844,983	390,407	586,235,390	31,113,862	617,349,252	1,685,399	619,034,651	0.0044%	27,237.52
2024	624,298,257	376,408	624,674,665	33,700,065	658,374,730	1,705,711	660,080,441	0.0041%	27,063.30



Source: County of Santa Clara Compilation of Tax Rates & Information

Valley Water
Property Tax Rates-Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	Basic County Wide Levy	County	Cities	Santa Clara Valley Water District	Schools and Other Districts	Total Tax Rate
2015	1.0000%	0.0388%	0.0253%	0.0065%	0.1702%	1.2408%
2016	1.0000%	0.0388%	0.0223%	0.0057%	0.1949%	1.2617%
2017	1.0000%	0.0388%	0.0207%	0.0086%	0.1896%	1.2577%
2018	1.0000%	0.0597%	0.0186%	0.0062%	0.2087%	1.2932%
2019	1.0000%	0.0565%	0.0170%	0.0042%	0.2095%	1.2872%
2020	1.0000%	0.0557%	0.0226%	0.0041%	0.1846%	1.2670%
2021	1.0000%	0.0457%	0.0175%	0.0037%	0.2038%	1.2707%
2022	1.0000%	0.0576%	0.0207%	0.0051%	0.2281%	1.3115%
2023	1.0000%	0.0559%	0.0191%	0.0044%	0.2198%	1.2992%
2024	1.0000%	0.0538%	0.0167%	0.0041%	0.2029%	1.2775%



Source: County of Santa Clara, Department of Finance (tax rate area 17-026)

Valley Water
Principal Property Tax Payers
Current year and Nine years ago
(Dollars in Thousands)

Taxpayer	Fiscal Year 2024 ⁽²⁾			Fiscal Year 2015 ⁽²⁾		
	Taxable Assessed Value ⁽¹⁾	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value ⁽¹⁾	Rank	Percentage of Taxable Assessed Value
Google Inc.	\$ 11,025,330	1	1.67%	\$ 1,666,032	2	0.47%
Leland Stanford Jr, University	8,511,675	2	1.29%			
Campus Holdings Inc.	4,488,998	3	0.68%			
Apple Computer Inc.	3,172,544	4	0.48%	919,903	4	0.26%
Sobrato Interests	2,574,601	5	0.39%			
Essex Portfolio LP	1,948,196	6	0.30%			
Cisco Technology	1,665,192	7	0.25%	1,375,263	3	0.39%
Planetary Ventures LLC	1,610,300	8	0.24%			
Intel Corporation	1,397,734	9	0.21%	888,854	5	0.25%
Applied Materials Inc,	1,381,843	10	0.21%			
Adobe Inc.	1,209,625	11	0.18%			
Intuitive Surgical Inc.	1,126,316	12	0.17%			
Pathline Park I LLC	1,120,897	13	0.17%			
Vantage Data Centers	1,107,127	14	0.17%			
VF Mall LLC	1,100,388	15	0.17%	848,647	6	0.24%
Lockheed Missels and Space Co. Inc.	1,075,455	16	0.16%			
Nvidia Corporation	1,072,864	17	0.16%			
FRIT San Jose Town & Country Village LLC	1,009,444	18	0.15%			
San Jose Water Works	993,784	19	0.15%			
LinkedIn Corporation	991,319	20	0.15%			
Pacific Gas & Electric Company				1,896,861	1	0.53%
The Irvine Company LLC				836,723	7	0.23%
Menlo & Juniper Networks LLC				814,973	8	0.23%
Network Appliance Inc.				698,685	9	0.20%
Pacific Bell Telephone Co, DBA AT& T Calif.				447,527	10	0.13%
Total	<u>\$ 48,583,632</u>		<u>7.35%</u>	<u>\$ 10,393,468</u>		<u>2.93%</u>
Net Assessed Value of Taxable Property	<u>\$ 660,080,441</u>			<u>\$ 357,105,921</u>		

⁽¹⁾ Includes taxable properties only.

⁽²⁾ Source: California Municipal Statistics, Inc.

Valley Water
Computation of District Act Debt Margin
June 30, 2024
(Dollars in Thousands)

Authorized short-term debt under authority of District Act Section 25.6	\$ 8.0
Outstanding short-term debt under Section 25.6, June 30, 2024	-
District Act Section 25.6 debt margin on short-term debt	<u>\$ 8.0</u>

Note:

The Santa Clara Valley Water District's debt issuance practices are governed by the provisions of California law and Section 25.6 of the special legislation which formed the Santa Clara Valley Water District (the District Act).

Prior to January 1, 2024, the District Act set the limit on short term debt obligations (maturities of less than five years) at \$8,000,000. Effective January 1, 2024, pursuant to amendments to Section 25.6 of the District Act, Valley Water may issue short term notes, provided that the principal payable in any fiscal year, when added to the interest thereon, does not exceed 85% of the estimated amount of the revenues, charges, taxes, and assessments of or allocable to Valley Water that will be available in that fiscal year for payment of the short-term notes and the interest thereon (and subject to certain other limitations including a maturity not in excess of five years).

Valley Water may also issue short term notes under the tax and revenue anticipation note statute included in the California Government Code (sections 53850-53858). Under the tax and revenue anticipation note statute, Valley Water may issue notes, provided the principal and interest are not to exceed 85% of the estimated amount of the then uncollected revenues of Valley Water on the date such notes are issued (and subject to certain other limitations including a 15-month maturity provision). Section 53851 provides that the tax and revenue anticipation note statute is separate authority for Valley Water to issue notes and any amount borrowed under the tax and revenue anticipation note statute is not limited by any other provision of law.

Valley Water has heretofore elected to issue notes under the tax and revenue anticipation note statute to support the short term financing program because it has allowed a larger amount of notes to be issued even though there is a shorter limitation on maturities.

Valley Water is in compliance with its District Act and the debt issuance provisions of California law.

Valley Water
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(Dollars in Thousands, Except Per Capita)

Fiscal Year	Governmental Activities			Business-type Activities		
	General Obligation Bonds	Revenue Bonds /Certificate of Participation	Leases	General Obligation Bonds	Revenue Bonds /Certificate of Participation	Leases
2015	-	117,117		-	191,490	
2016	-	108,393		-	440,089	
2017	-	105,529		-	443,602	
2018	-	95,322		-	423,775	
2019	-	85,059		-	509,241	
2020	-	75,400		-	495,000	
2021	-	65,400		-	714,000	
2022	-	55,100	1,189	-	676,200	3,632
2023	-	176,797	3,293	-	1,014,758	2,974
2024	-	163,851	2,441	-	987,487	2,690

Source: Santa Clara Valley Water District, General Accounting Unit

Total Primary Government	Debt as a Percentage of Personal Income	Debt Per Capita
308,607	0.2154%	163
548,482	0.3163%	284
549,131	0.2890%	283
519,097	0.2483%	267
594,300	0.2622%	304
570,400	0.2419%	291
779,400	0.2980%	403
736,121	0.2725%	386
1,197,822	0.4390%	630
1,156,469	0.4196%	608

Valley Water
Revenue Bond Coverage
Last Ten Fiscal Years
(Dollars in Thousands)

	2015	2016	2017
Adjusted revenues	\$ 154,696	\$ 182,404	\$ 207,899
Adjusted operating expenses	130,915	141,367	130,278
Net revenue available for debt service (A)	\$ 23,781	\$ 41,037	\$ 77,621
Rate stabilization fund transfer (B)	-	-	-
Special purpose fund transfer (C)	-	-	-
Debt obligation			
Principal	7,456	3,948	3,830
Interest	7,501	6,066	4,827
Adjusted net revenue available for debt service (D)	\$ 38,738	\$ 51,051	\$ 86,278
Senior obligation debt service requirement (E)	\$ 14,957	\$ 10,014	\$ 8,657
<u>Parity obligations</u>			
Net revenue available for debt service (F = D - E)		\$ 51,051	\$ 86,278
Debt obligation			
Principal		-	-
Interest		2,072	12,447
Debt service requirement (G)		\$ 2,072	\$ 12,447
Coverage factor (1.25 required) (F / G) ⁽²⁾		14.97	5.54
<u>Senior/parity/subordinate obligations</u>			
Net revenue available for debt service (D)		\$ 41,037	\$ 77,621
Debt obligation - senior and parity			
Senior		10,014	8,657
Parity		2,072	12,447
subordinate		185	-
Debt service requirement (H)		\$ 12,271	\$ 21,104
Coverage factor (1.10 required) (A / H) ⁽³⁾		3.34	3.68

Source: Santa Clara Valley Water District General Accounting Unit

In July 1994, the District refunded its outstanding water revenue bonds and restructured its debt covenants under a Senior Master Resolution (94-58, as amended by 06-80) governing the issuance of all Water Utility System Senior debt obligations, including the method of calculating Senior Debt Service coverage ratio.

In February 2016, the District Board adopted the Water Utility Parity System Master Resolution (16-10) governing issuance of all Water Utility System Parity debt obligations, calculating the method of calculating Parity Debt Service coverage ratio.

Prescribed by the aforementioned Master Resolutions, operating revenues and expenses include adjustments which relate primarily to intergovernmental revenues, depreciation and amortization, other post employment benefits, and compensated absences and claims.

2018	2019	2020	2021	2022	2023	2024
\$ 254,177	\$ 242,271	\$ 284,600	\$ 302,000	\$ 292,600	\$ 314,083	\$ 350,072
172,427	148,101	146,600	170,400	224,300	200,078	228,072
\$ 81,750	\$ 94,170	\$ 138,000	\$ 131,600	\$ 68,300	\$ 114,005	\$ 122,000
-	-	-	-	10,000	13,003	35,000
-	-	-	-	8,000	-	-
2,070	2,165	800	900	-	-	-
1,793	2,127	1,500	900	400	-	-
\$ 85,613	\$ 98,462	\$ 140,300	\$ 133,400	\$ 86,700	\$ 127,008	\$ 157,000
\$ 3,863	\$ 4,292	\$ 2,300	\$ 1,800	\$ 400	\$ -	\$ -
\$ 85,613	\$ 98,462	\$ 140,300	\$ 133,400	\$ 86,700	\$ 127,008	\$ 157,000
6,250	8,625	12,300	13,300	18,800	19,415	22,705
14,963	15,125	18,600	22,800	25,000	27,411	31,917
\$ 21,213	\$ 23,750	\$ 30,900	\$ 36,100	\$ 43,800	\$ 46,826	\$ 54,622
3.67	3.78	4.39	3.60	1.96	2.71	2.87
\$ 81,750	\$ 94,170	\$ 138,000	\$ 131,600	\$ 86,300	\$ 127,008	\$ 157,000
3,863	4,292	2,300	1,800	400	-	-
21,213	23,750	30,900	36,100	43,800	46,826	54,622
358	1,699	300	100	-	2,249	2,597
\$ 25,434	\$ 29,741	\$ 33,500	\$ 38,000	\$ 44,200	\$ 49,075	\$ 57,219
3.21	3.17	4.12	3.46	1.95	2.59	2.74

⁽²⁾ The parity obligation minimum debt service coverage requirement is 1.25, per the Parity Master Resolution (16-10).

⁽³⁾ The senior/parity/subordinate obligation minimum debt service coverage requirement is 1.10, per the Water Utility Senior Master Resolution (94-58, as amended by 06-80).

As of 6/1/2022, the Water Utility Senior Master Resolution was terminated upon the full redemption of the Water Utility System Refunding Revenue Bonds, Taxable Series 2006B.

Valley Water
Computation of Direct and Overlapping Debt
June 30, 2024

2023-24 Assessed Valuation	\$ 660,080,440,806		
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt-06/30/2024	% Applicable⁽¹⁾	District's Share of Debt-06/30/2024
Santa Clara County	\$ 956,770,000	100%	\$ 956,770,000
Foothill-DeAnza Community College District	640,179,446	100%	640,179,446
San Jose-Evergreen Community College District	982,134,604	100%	982,134,604
West Valley-Mission Community College District	663,040,000	99.108%	657,125,683
Other Community College Districts	486,232,298	0.049-73.361%	179,662,042
Gilroy Unified School District	339,292,495	100%	339,292,495
Palo Alto Unified School District	415,553,859	100%	415,553,859
San Jose Unified School District	445,699,025	100%	445,699,025
Santa Clara Unified School District	1,003,615,000	100%	1,003,615,000
Other Unified School Districts	537,465,352	1.042-100%	476,521,719
Campbell Union High School District	336,185,000	100%	336,185,000
East Side Union High School District	932,616,437	100%	932,616,437
Fremont Union High School District	737,130,088	100%	737,130,088
Other High School Districts	436,111,229	0.484-100%	335,793,688
Campbell School District	250,309,324	100%	250,309,324
Cupertino Union School District	235,883,303	100%	235,883,303
Evergreen School District	129,625,597	100%	129,625,597
Franklin McKinley School District	170,254,017	100%	170,254,017
Los Altos School District	132,000,000	100%	132,000,000
Los Gatos Union School District	57,080,000	100%	57,080,000
Moreland School District	100,974,243	100%	100,974,243
Oak Grove School District	273,292,189	100%	273,292,189
Sunnyvale School District	251,455,820	100%	251,455,820
Other School Districts	1,007,683,038	4.065-100%	999,939,308
City of Campbell	41,710,000	100%	41,710,000
City of Gilroy	22,471,772	100%	22,471,772
City of Palo Alto	46,620,000	100%	46,620,000
City of San Jose	522,815,000	100%	522,815,000
City of Saratoga	5,775,000	100%	5,775,000
Saratoga Fire Protection District	1,665,669	100%	1,665,669
El Camino Hospital District	102,186,937	100%	102,186,937
City Community Facilities Districts	16,924,898	100%	16,924,898
Other City 1915 Act Bonds (Estimated)	15,945,000	100%	15,945,000
Midpeninsula Regional Open Space District	80,700,000	67.538%	54,503,166
Santa Clara Valley Water District Benefit Assessment District	166,292,000	100%	166,292,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 12,036,002,329
<u>Ratios to the 2023-24 Assessed Valuation</u>			
Direct Debt (\$166,292,000)			0.025%
Total Direct and Overlapping Tax and Assessment Debt			1.82%
OVERLAPPING GENERAL FUND DEBT:	Total Debt-06/30/2024	% Applicable⁽¹⁾	District's Share of Debt-06/30/2024
Santa Clara County General Fund Obligations	\$ 1,057,709,440	100%	\$ 1,057,709,440
Santa Clara County Pension Obligation Bonds	323,733,582	100%	323,733,582
Santa Clara County Office of Education Certificates of Participation	12,073,098	100%	12,073,098
San Jose-Evergreen Community College District OPEB Obligation	46,975,000	100%	46,975,000
West Valley-Mission Community College District General Fund Obligations	2,520,000	99.108%	2,497,522
Gilroy Unified School District Certificates of Participation	20,505,000	100%	20,505,000
Other Unified School District School General Fund Obligations	46,232,175	1.042-100%	36,375,958
East Side Union High School District Benefit Obligations	23,670,000	100%	23,670,000
Other Union High School District General Fund Obligations	22,315,274	0.484-100%	14,988,042
Other School District General Fund Obligations	56,908,399	21.163-100%	56,862,674
City of Cupertino Certificates of Participation	14,030,000	100%	14,030,000
City of Gilroy General Fund Obligations	24,209,685	100%	24,209,685
City of San Jose General Fund Obligations	633,015,000	100%	633,015,000
City of Santa Clara General Fund Obligations	9,055,000	100%	9,055,000
City of Sunnyvale General Fund Obligations	128,745,000	100%	128,745,000
Other City General Fund Obligations	178,361,543	100%	178,361,543
Midpeninsula Regional Park District General Fund Obligations	79,795,600	67.538%	53,892,352
Santa Clara County Central Fire Protection District General Fund Obligations	27,130,000	100%	27,130,000
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT			\$ 2,663,828,896
Less: Santa Clara County supported general fund obligations			2,660,000
TOTAL NET OVERLAPPING GENERAL FUND DEBT			\$ 2,661,168,896
OVERLAPPING TAX INCREMENT DEBT:	\$ 1,313,135,000	100%	\$ 1,313,135,000
TOTAL DIRECT DEBT			\$ 166,292,000
TOTAL GROSS COMBINED OVERLAPPING DEBT			\$ 15,846,674,225
TOTAL NET COMBINED OVERLAPPING DEBT			\$ 15,844,014,225
GROSS COMBINED TOTAL DEBT			\$ 16,012,966,225⁽²⁾
NET COMBINED TOTAL DEBT			\$ 16,010,306,225
⁽¹⁾ The percent of overlapping debt applicable to the Water District is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the Water District divided by the district's total taxable assessed value.			
⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.			
<u>Ratios to the 2023-24 Assessed Valuation</u>			<u>Ratio</u>
Total Direct Debt			0.025%
Gross Combined Total Debt			2.43%
Net Combined Total Debt			2.43%
<u>Ratio to Redevelopment Incremental Valuation (\$75,713,023,152)</u>			
Total Overlapping Tax Increment Debt			1.73%

Source: California Municipal Statistics, Inc.

Valley Water
Demographic and Economic Statistics
For Santa Clara County
Last Ten Fiscal Years

Fiscal Year	Population ⁽¹⁾	Total Personal Income (in \$000) ⁽²⁾	Per Capita Personal Income (in \$000)	Change In Consumer Price Index ⁽³⁾	School Enrollment ⁽⁴⁾	Total Employment ⁽⁵⁾	Unemployment Rate ⁽⁵⁾
2015	1,889,638	143,292,442	75.831	2.3%	276,689	993,400	3.7%
2016	1,927,888	173,428,896	89.958	2.7%	274,948	996,800	4.0%
2017	1,938,180	190,001,690	98.031	3.5%	273,264	992,900	3.8%
2018	1,947,798	209,019,944	107.311	3.9%	272,132	1,035,600	2.7%
2019	1,954,286	226,697,176	116.000	2.7%	267,224	1,026,700	2.6%
2020	1,961,969	235,835,442	120.203	1.6%	263,449	926,700	10.7%
2021	1,934,171	261,564,583	135.233	3.7%	253,625	961,700	5.2%
2022	1,907,693	270,162,197	141.617	6.8%	241,326	1,034,900	2.1%
2023	1,902,799	272,863,819	143.401	2.9%	236,428	1,007,700	3.6%
2024	1,903,198	275,592,457	144.805	3.2%	234,027	983,300	4.1%

Source: ⁽¹⁾ State of California - Department of Finance, Demographics & Research Unit.

⁽²⁾ U.S. Department of Commerce - Bureau of Economic Analysis;
actual data available up to 2022; personal income data for 2023 & 2024 are preliminary
and assumes a 1% increase from prior year.

⁽³⁾ U.S. Department of Labor - Bureau of Labor Statistics - San Francisco Bay Region

⁽⁴⁾ State of California - Department of Education and Santa Clara County Office of Education

⁽⁵⁾ State of California - Employment Development Department

Valley Water
Principal Employers
Current Year and Nine Years ago
(*unaudited*)

Company or Organization	Fiscal Year 2024			Fiscal Year 2015		
	Employees ⁽¹⁾	Rank	Percentage of Total County Employment	Employees ⁽²⁾	Rank	Percentage of Total County Employment
Apple Inc.	25,000	1	2.55%	19,000	2	1.91%
County of Santa Clara	22,300	2	2.27%	17,879	3	1.80%
Tesla Motors Inc.	20,000	3	2.03%			
Cisco Systems	14,492	4	1.48%	14,488	4	1.46%
Intel Corp.	7,352	5	0.75%			
Oracle Corp.	6,900	6	0.70%	7,315	9	0.74%
Applied Materials Inc.	5,816	7	0.59%			
LinkedIn Corp.	5,347	8	0.55%			
Intuitive Surgical Inc.	4,162	9	0.42%			
Amazon.com Services	3,748	10	0.38%			
Lockheed Martin	3,576	11	0.36%			
A2Z development Center Inc DBA Amazon Music	3,250	12	0.33%			
Servicenow Inc.	3,142	13	0.32%			
PayPal Holdings	2,801	14	0.29%			
Super Micro Computer Inc. DBA SuperMicro	2,291	15	0.23%			
Ebay Inc.	2,000	16	0.20%			
Marvell	1,630	17	0.17%			
Agilent Technologies	1,600	18	0.16%			
Fortinet Inc.	1,397	19	0.14%			
Netapp Inc.	1,013	20	0.10%			
Google Inc.				20,000	1	2.01%
Stanford University				13,387	5	1.35%
Kaiser Permanente				12,500	6	1.26%
Stanford Hospitals & Clinics				9,981	7	1.00%
University of California Santa Cruz				8,258	8	0.83%
Safeway, Inc.				6,843	10	0.69%
Total	<u>137,817</u>		<u>14.02%</u>	<u>129,651</u>		<u>13.05%</u>
Total County Employment ⁽³⁾	<u>983,300</u>		<u>14.02%</u>	<u>993,400</u>		<u>13.05%</u>

Source: ⁽¹⁾ Silicon Valley Business Journal, August 2024

⁽²⁾ Silicon Valley Business Journal, July 24, 2015

⁽³⁾ State of California - Employment Development Department

Valley Water
Full-time Equivalent Employees by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Office of the CEO	10	10	11	11	17	20	16	18	19	18
Office of the District Counsel	9	9	10	10	11	11	13	13	14	12
Community & Government Relations	8	18	23	27	28	32	41	47	42	41
County-Wide Watershed Management	98	112	109	109	133	133	145	161	154	161
Capital Programs	115	118	112	112	108	111	122	137	143	138
Water Utility Operations	43	43	43	43	41	41	39	39	37	35
Water Supply	11	11	11	11	8	8	13	13	13	13
Water Conservation	10	10	11	11	12	12	10	10	10	10
Surface & Groundwater Management	34	36	33	33	35	35	39	38	39	37
Water Quality	22	22	28	28	24	24	25	24	26	26
Control Systems	11	11	14	14	14	14	15	14	15	14
Water Utility Maintenance	23	23	28	28	28	28	28	27	27	27
Treated Water Operations	36	38	44	44	43	43	48	46	45	47
Raw Water Operations	25	28	37	37	37	40	38	38	39	37
Administrative & Business Management	8	8	11	11	3	5	14	12	16	15
Clerk of the Board	12	12	14	14	10	10	10	9	13	16
Business Support Services	16	16	16	16	20	25	12	12	11	10
Library & Records	6	6	5	5	6	6	5	5	5	4
Budget Office	8	8	7	7	7	10	8	8	8	6
Accounting	18	18	17	17	16	16	17	18	18	18
Information & Systems Management	39	39	36	36	32	32	32	33	34	33
Technical Services	3	3	3	3	3	3	3	3	4	2
Wells & Water Production	18	18	18	18	15	15	20	21	19	20
Real Estate & Right-of-Way	8	9	10	10	8	10	8	9	7	11
Equipment Management	12	12	12	12	10	10	9	11	11	11
Warehouse & Inventory Control	6	6	5	5	5	5	5	5	5	5
Facilities Maintenance	15	15	15	15	14	16	16	13	15	14
Purchasing	9	10	10	10	9	12	15	15	13	14
Permits	16	16	14	14	16	16	16	17	18	18
Contracts Administration	4	5	5	5	5	10	6	6	8	6
Human Resources, Training, Benefits	27	27	22	22	26	30	28	23	22	27
Health & Safety	6	6	10	10	9	9	9	6	8	8
Total	686	723	744	748	753	792	825	851	858	854

Source: Santa Clara Valley Water District, Human Resources & Benefits Unit

Valley Water
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District Well Ordinance Program										
New Wells	407	424	321	410	325	298	367	344	351	322
Destroyed Wells	1,504	1,167	945	463	494	387	481	500	336	413
Well Permits	2,285	1,799	1,546	1,272	1,078	1,123	882	1,217	901	982
Well Inspections	2,092	1,848	1,687	1,093	1,030	1,163	1,254	1,288	1,019	1,129
Watershed Management					-					
Miles of Vegetation Removed/Managed	177	164	116	168	163	161	134	206	174	164
Cubic Yards of Sediment Removed	4,129	3,929	83,792	34,881	19,279	49,641	55,878	28,034	14,832	55,713
Miles of Bank Erosion Protection	0.2	1.2	0.5	0.5	0.2	0.3	0.3	0.9	0.8	1.4
Laboratory Services Unit										
Water Samples Tested (approx.)	169,182	178,934	179,252	156,347	151,118	151,500	142,328	130,994	132,510	130,810
Water Quality Violations	-	-	-	-	-	-	-	-	-	-
Water Measurement Program										
Meter Reads/Site Visits	5,908	5,934	5,489	6,264	5,384	6,740	6,126	6,326	6,041	6,008
Meter Repairs/Preventative Maintenance	201	323	301	307	381	183	115	255	169	192
Backflow Device Tests	203	153	149	227	188	217	205	197	203	201
Community Projects Review										
Permits Issued	220	289	228	177	160	137	175	149	150	127
Land Development Review Requests	843	45	124	749	938	809	1,023	1,165	1,143	1,358
Underground Service Alerts	58,871	12,118	8,042	8,529	9,859	8,560	8,607	2,959	2,407	2,377
Requests for Flood Zone Information	24	92	26	18	18	11	20	13	14	8
Environmental Impact Reports Reviewed	68	32	56	53	83	82	145	242	237	25
Water Resource Protec. Ordinance Violation	130	220	163	186	208	240	243	157	169	224
Human Resources										
Permanent Positions Hired	54	150	112	133	79	162	182	197	152	150
Temporary Workers Employed	134	276	259	122	108	110	115	276	117	120
Employment Applications Processed	5,746	5,621	5,847	5,668	5,370	7,860	7,382	5,913	5,979	7,219
Health & Safety										
Ergonomic Assessments	42	46	44	47	37	12	36	40	30	36
Confined Space Assessments	147	204	120	223	192	205	164	114	N/A	139
Employee Safety Committee Meetings	12	12	12	11	8	6	8	12	N/A	-
Projects Managed by Type:										
Capital Projects	160	165	121	130	121	114	122	93	136	142
Operating Projects	35	39	23	29	17	16	15	13	14	14
Operations Projects	415	409	358	351	335	328	317	216	307	309

Source: Santa Clara Valley Water District, various government departments

Valley Water
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Water Utility Enterprise										
Acres of groundwater recharge ponds	393	393	393	393	393	393	277	285	285	285
Miles of canals	17	17	17	17	17	17	17	47	47	48
Miles of pipeline	144	144	144	144	144	144	144	142	145	150
Miles of tunnels	8	8	8	8	8	8	8	8	8	8
Number of treatment plants	3	3	3	3	3	3	3	3	3	4
Number of pumping stations	3	3	3	3	3	3	3	3	3	3
Number of treated water reservoirs	1	1	1	1	1	1	1	1	1	1
Water Utility Operations										
Process Control Instrumentation	1,443	1,493	1,548	1,534	1,542	1,710	1,748	1,772	1,931	1,821
Mechanical Drives	56	73	58	61	61	61	52	51	57	57
Chemical Mixers	95	95	92	88	88	126	124	126	135	134
Electrical Motors	439	455	468	464	468	531	529	531	553	844
Power Distribution Equipment	1,140	1,155	1,089	859	870	890	1,383	1,335	1,458	1,474
Pumps	515	518	517	518	517	584	582	591	601	591
Utility Vaults & Structures	1,114	1,340	1,156	1,122	1,166	1,195	1,205	1,236	1,266	1,288
Chemical & Water Storage Tanks	174	203	168	173	196	202	207	209	208	207
Valves	1,600	1,676	1,695	1,710	1,758	1,987	1,866	1,881	2,185	2,159
Valve Operators	783	782	781	782	789	841	824	825	839	851
Generators	25	29	29	27	30	33	33	33	33	37
Flow Meters	347	377	399	360	361	395	392	399	1,012	1,073
Electric Drives	165	162	172	183	191	196	201	196	208	209
Blowers & Compressors	188	185	184	181	187	188	187	188	187	186
Miscellaneous Equipment	1,441	1,350	1,356	1,322	1,327	1,345	1,362	1,360	1,591	1,494
Watersheds										
Miles of creeks and rivers managed for flood protection	700	700	700	800 +*	800 +*	800 +*	<275*	<275*	183	185
Number of reservoirs	10	10	10	10	10	10	10	10	10	10
Total District reservoir capacity (acre-feet)	169,415	169,415	169,415	169,415	169,415	169,415	166,266	166,140	166,140	166,140
Acres of Wildlife Habitat Restored	326	326	310	364	364	364	493	496	521	521
Fleet Equipment										
Class I Passenger Vehicles	182	184	179	178	178	175	168	199	201	223
Class II Heavy Duty Trucks	87	82	90	94	94	97	64	99	106	107
Class III Tractors, Const. Equip., Generators, Forklifts	26	26	21	26	26	26	22	26	25	25
Class IV Misc. Small Tools & Engines	506	506	534	478	415	521	519	581	607	496

Source: Santa Clara Valley Water District, various government departments

* There are more than 800 miles of creeks in Santa Clara County (SC Co.). SCVWD has land rights to 333 miles of streams in SC Co. Only a portion of these have been modified with flood protection projects. Those are the streams that are maintained by SCVWD.

Valley Water
Flood Control System
Historical Operating Results
Combined Statement of Revenues and Debt Service Coverage
Last Ten Fiscal Years
(Dollars in Thousands)

	2015	2016	2017	2018
Flood Control System Revenues:				
Benefit assessment, gross ¹	\$ 16,236	\$ 14,832	\$ 14,939	\$ 14,922
Property tax	62,887	68,005	74,806	79,538
Investment income	889	1,303	317	729
Rental income	1,403	1,474	1,527	1,609
Other	596	1,210	1,870	3,999
Total Flood Control System Revenue	<u>\$ 82,011</u>	<u>\$ 86,824</u>	<u>\$ 93,459</u>	<u>\$ 100,797</u>
Debt Service:				
2004A Certificates of participation ^{2/3}	1,349	1,109	1,111	-
2007A Certificates of participation ²	5,762	5,757	5,760	-
2012A Certificates of participation	6,101	5,294	5,297	5,295
2017A Certificates of participation ³	-	-	-	6,866
Total Debt Service	<u>\$ 13,212</u>	<u>\$ 12,160</u>	<u>\$ 12,168</u>	<u>\$ 12,161</u>
Coverage	<u>6.21</u>	<u>7.14</u>	<u>7.68</u>	<u>8.29</u>

¹ The benefit assessment presented on the Statement of Revenues, Expenditures and Changes in Fund Balances are net of collection fees. For the purpose of the Flood Control System Debt Service Coverage, collection fees are excluded. Therefore, the benefit assessments presented above have been increased as follows (in thousands):

FY2024 - \$ 70
FY2023 - \$ 134
FY2022 - \$ 136
FY2021 - \$ 125
FY2020 - \$ 135
FY2019 - \$ 149
FY2018 - \$ 148
FY2017 - \$ 149
FY2016 - \$ 149
FY2015 - \$ 162

In accordance with voter authorizations, benefit assessments are set at 1.25 of gross debt service allocable to flood control projects starting during Fiscal Year 2001.

Source: Santa Clara Valley Water District, General Accounting Unit

2019	2020	2021	2022	2023	2024
\$ 14,895	\$ 13,500	\$ 12,500	\$ 13,600	\$ 13,363	\$ 6,960
90,727	93,100	98,600	107,000	116,706	122,830
4,916	5,200	-	1,400	2,330	4,198
1,650	1,700	1,500	1,900	1,744	1,690
1,746	1,600	600	1,000	1,176	2,724
<u>\$ 113,934</u>	<u>\$ 115,100</u>	<u>\$ 113,200</u>	<u>\$ 124,900</u>	<u>\$ 135,319</u>	<u>\$ 138,402</u>
-	-	-	-	-	-
-	-	-	-	-	-
5,295	5,300	5,300	5,300	5,300	-
6,868	5,800	5,800	5,800	5,786	5,793
<u>\$ 12,163</u>	<u>\$ 11,100</u>	<u>\$ 11,100</u>	<u>\$ 11,100</u>	<u>\$ 11,086</u>	<u>\$ 5,793</u>
<u>9.37</u>	<u>10.37</u>	<u>10.20</u>	<u>11.25</u>	<u>12.21</u>	<u>23.89</u>

The 2004A and 2007A Certificates were refunded by the 2017A Certificates.

The 2004A and 2017A debt service payments exclude the portion paid by the District General Fund as this portion of debt service was not payable from benefit assessments (see Flood Control Master Resolution 94-60).

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**Santa Clara Valley Water District
Independent Accountant's Report on Agreed-Upon Procedures
Applied to Treasurer's Reports
*Year Ended June 30, 2024***

**Santa Clara Valley Water District
Independent Accountant's Report on Agreed-Upon Procedures
Applied to Treasurer's Reports
*Year Ended June 30, 2024***



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Independent Accountant's Report on Agreed-Upon Procedures Applied to Treasurer's Reports

**To the Board of Directors
Santa Clara Valley Water District
San Jose, California**

We have performed the procedures enumerated below to the Santa Clara Valley Water District's (the District) Quarterly Treasurer's Reports for the fiscal year ended June 30, 2024. Management of the District is responsible for the preparation of the Quarterly Treasurer's Reports.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the District's compliance with the provisions of the California Government Code, the District's Investment Policy, and the District's Staff Investment Guidelines related to the Quarterly Treasurer's Reports. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and the associated findings were as follows:

1. We obtained the four Quarterly Treasurer's Reports (quarterly reports) for the year ended June 30, 2024. For each of the 4 quarterly reports, we performed the following:
 - a. Compared the investments reported in the Quarterly Treasurer's Report to the investments authorized under California Government Code Sections 53601 and 53646.
 - b. Compared the investments reported in the Quarterly Treasurer's Report to the investments authorized by the District's Investment Policy.
 - c. Compared the investments reported in the Quarterly Treasurer's Report to the investments permitted under the District's Investment Manual Policies and Desk Procedures.

Result

No exceptions were noted as a result of performing these procedures.



We were engaged by the District's management to perform this agreed-upon procedure engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's compliance with the California Government Code and the District's investment policy and guidelines for the year June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Directors and management of the District, and is not intended to be, and should not be, used by anyone other than those specified parties.

Glendale, California
December 20, 2024



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**Santa Clara Valley Water District
Independent Accountant's Report on Agreed-Upon Procedures
Applied to Article XIII B Appropriations Limit Calculation
*Year Ended June 30, 2024***

**Santa Clara Valley Water District
Independent Accountant's Report on Agreed-Upon Procedures
Applied to Article XIII B Appropriations Limit Calculation
*Year Ended June 30, 2024***

**Santa Clara Valley Water District
Article XIII B Appropriations Limit Calculation
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Independent Accountant's Report on Agreed-Upon Procedures Applied to Article XIII B Appropriations Limit Calculation

**To the Board of Directors
Santa Clara Valley Water District
San Jose, California**

We have performed the procedures enumerated below to the accompanying Article XIII B Appropriations Limit Calculation of the Santa Clara Valley Water District (the "District") for the year ended June 30, 2024. The District's management is responsible for the Article XIII B Appropriations Limit Calculation.

The District's management and the League of California Cities (as presented in the League's publication entitled *Agreed-Upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII B of the California Constitution*) have agreed to and acknowledged that the procedures are appropriate and were performed solely to assist the District in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and the associated findings were as follows:

1. We obtained the District's calculation of the Article XIII B Appropriations Limit for the year ended June 30, 2024 and compared the limit and annual adjustment factors included in that calculation to the limit and annual adjustment factors that were adopted by the resolution of the Board of Directors. We also compared the population and inflation options included in the aforementioned calculation to those that were selected by a recorded vote of the Board of Directors.

Result: No exceptions were noted as a result of performing this procedure. The inflation factor used by the District in the calculation of the Article XIII B Appropriations Limit was the percentage change in California per capita personal income of 4.44 percent and the Santa Clara County (County) population percentage change over the prior year of (0.25) percent.

2. For the accompanying Article XIII B Appropriations Limit Calculation, we added last year's limit to the total adjustments, and compared the resulting amount to this year's limit. We also recalculated the adjustment factor and the adjustment for inflation and population and compared the results with the District's calculation.

Result: No exceptions were noted as a result of performing this procedure.



3. We compared the prior year appropriations limit presented in the accompanying Article XIII B Appropriations Limit Calculation to the prior year appropriations limit adopted by the Board of Directors for the prior year.

Result: No exceptions were noted as a result of performing this procedure.

We were engaged by the District's management to perform this agreed-upon procedure engagement and conducted our engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Article XIII B Appropriations Limit Calculation. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriations limit for the base year, as defined by Article XIII B of the California Constitution.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Vaqueria & Company LLP

Glendale, California
December 20, 2024

Santa Clara Valley Water District
Article XIII B Appropriations Limit Calculation
For the year ended June 30, 2024

Appropriations limit for fiscal year ended June 30, 2023 \$ 187,289,721

Adjustments factors for the fiscal year ended June 30, 2024

Inflation Factor (Note 3)	Population Factor (Note 4)	Combined Factor	
1.0444	0.9975	1.0418	0.0418

Adjustment for inflation and population 7,828,710

Other adjustments -

Total adjustments 7,828,710

Appropriations limit for fiscal year ended June 30, 2024 \$ 195,118,431

*Unaudited; see Independent Accountant's Report on Agreed-Upon Procedures applied to
Article XIII B Appropriations Limit Calculation and Accompanying Notes.*

NOTE 1 PURPOSE OF LIMITED PROCEDURES REVIEW

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), California governmental agencies are restricted as to the amount of annual appropriations from proceeds of taxes. Effective for years beginning on or after July 1, 1990, under Section 1.5 of Article XIII B, the annual calculation of the appropriations limit is subject to an agreed-upon procedures review in connection with the annual audit.

NOTE 2 METHOD OF CALCULATION

Under Section 10.5 of Article XIII B, for fiscal years beginning on or after July 1, 1990, the appropriations limit is required to be calculated based on the limit for the fiscal year 1986-87, adjusted for the inflation and population factors discussed in Notes 3 and 4 below.

NOTE 3 INFLATION FACTOR

A California governmental agency may adjust its appropriations limit by either the annual percentage change in the 4th quarter per capita personal income (which percentages are supplied by the State Department of Finance), or the percentage change in the local assessment roll from the preceding year due to the change of local nonresidential construction. The factor adopted by the District for the fiscal year 2023-2024 represents the annual percentage change in the State of California's per capita personal income.

NOTE 4 POPULATION FACTOR

A California governmental agency may adjust its appropriations limit by either the annual percentage change of the jurisdiction's own population or the annual percentage change in population in the County where the jurisdiction is located. The factor adopted by the District for the fiscal year 2023-2024 represents the Santa Clara County population percentage change over the prior year.

NOTE 5 OTHER ADJUSTMENTS

A California government agency may be required to adjust its appropriations limit when certain events occur, such as the transfer of responsibility for municipal services to, or from, another government agency or private entity. The District had no such adjustments for the year ended June 30, 2024.



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**Santa Clara Valley Water District
Report on Compliance with Terms, Covenants, Provisions or
Conditions, as Described in the Flood Control System Master
Resolution, the Trust Agreements and the Installment Purchase
Agreement Related to the Certificates of Participation
2012 Series A and 2017 Series A
*Year Ended June 30, 2024***

**Santa Clara Valley Water District
Report on Compliance with Terms, Covenants, Provisions, or
Conditions, as Described in the Flood Control System Master
Resolution, the Trust Agreements, and the Installment Purchase
Agreement Related to the Certificates of Participation
2012 Series A and 2017 Series A
*Year Ended June 30, 2024***



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Independent Auditor's Report

**To the Board of Directors
of the Santa Clara Valley Water District
San Jose, California**

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Santa Clara Valley Water District (the District) as of and for the year ended June 30, 2024, and have issued our report thereon dated December 20, 2024.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the terms, covenants, provisions or conditions as described in the Flood Control System Master Resolution 94-60 dated June 23, 1994, the Trust Agreements dated November 1, 2012 and March 1, 2017, and the Installment Purchase Agreement dated June 15, 1994, which are summarized in Appendix B of the Certificates of Participation 2012 Series A official statement dated November 13, 2012 and Appendix B of the Certificates of Participation 2017 Series A official statement dated February 14, 2017, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters might have come to our attention regarding the District's noncompliance with the terms, covenants, provisions or conditions of the Flood Control System Master Resolution, the Trust Agreements and the Installment Purchase Agreement as referenced above, insofar as they relate to accounting matters.

On May 12, 2023, the District defeased the Certificates of Participation 2012 Series A through the deposit of \$5,293,600 with the Trustee which was applied to the payment of interest due on August 1, 2023 and principal and interest due on February 1, 2024.

This report is intended solely for the information and use of the Board of Directors of the Santa Clara Valley Water District, the Board of Directors of the District Public Facilities Financing Corporation, and District management and is not intended to be and should not be used by anyone other than these specified parties.

**Glendale, California
December 20, 2024**



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**Santa Clara Valley Water District
Independent Accountant's Report on Agreed-Upon Procedures
Applied to Travel and Subsistence Expenses
*Year Ended June 30, 2024***

**Santa Clara Valley Water District
Independent Accountant's Report on Agreed-Upon Procedures
Applied to Travel and Subsistence Expenses
*Year Ended June 30, 2024***



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Independent Accountant's Report on Agreed-Upon Procedures Applied to Travel and Subsistence Expenses

**To the Board of Directors
Santa Clara Valley Water District
San Jose, California**

We have performed the procedures enumerated below to the Santa Clara Valley Water District's (District) Travel and Subsistence Expenses for the fiscal year ended June 30, 2024. Management of the District is responsible for the Travel and Subsistence Expenses and their compliance with the District's Travel and Subsistence Policy.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining the District's compliance with its Travel and Subsistence Policy. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and the associated findings were as follows:

1. Travel and Subsistence Expenses

We obtained and reviewed the District's Travel and Subsistence Policy.

Result

No exceptions were noted as a result of performing this procedure.



2. Board Member Travel Expenses

We selected a sample of 25 transactions of Board Member travel expenses and reviewed them to ensure compliance with the District's Travel and Subsistence Policy as follows:

- A. We selected 15 significant transactions (greater than \$675) of travel expense reimbursements related to conferences, meetings, and miscellaneous expenses from a report of Directors' expense accounts for the fiscal year ended June 30, 2024 (source report). Additionally, we randomly selected 10 transactions from the source report of various dollar amounts to obtain a representative sample of such reimbursements. For each transaction selected, we agreed the name, dollar amount, date, and description to supporting documentation maintained by the District and noted that the transaction was approved for reimbursement by authorized District personnel. Additionally, based on the nature and dollar amount of the transaction, we ensured that the travel expense reimbursement was in compliance with the District's Travel and Subsistence Policy.

Result

No exceptions were noted as a result of performing this procedure.

3. District Employee Expenses

We selected a sample of 25 transactions of employee travel expense reimbursements and reviewed them to ensure compliance with the District's Travel and Subsistence Policy as follows:

- A. We selected 10 significant transactions (greater than \$2,450) of employee travel expense reimbursements from a report of travel expense accounts for the year ended June 30, 2024 (source report). Additionally, we randomly selected 15 transactions from the source report of various dollar amounts to obtain a representative sample of such reimbursements. For each transaction selected, we agreed the name, dollar amount, date, and description to supporting documentation maintained by the District and noted that the transaction was approved for reimbursement by authorized District personnel. Additionally, based on the nature and dollar amount of the transaction, we ensured that the travel expense reimbursement was in compliance with the District's Travel and Subsistence Policy.

Result

No exceptions were noted as a result of performing this procedure.

We were engaged by the District's management to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's compliance with its Travel and Subsistence Policy. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.



We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than those specified parties.

Vasquez & Company LLP

**Glendale, California
December 20, 2024**



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Santa Clara Valley Water District

File No.: 24-1005

Agenda Date: 1/14/2025

Item No.: 4.4.

BOARD AGENDA MEMORANDUM

Government Code Section 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A)

SUBJECT:

Declaration of November 5, 2024, General Election and Official Results for Board of Directors District 2, and Appointment of Directors to Represent Districts 3 and 5.

RECOMMENDATION:

- A. Accept the County of Santa Clara Registrar of Voters' Certificate of Election Results and Statement of Votes for District 2, declaring the totals to be the final results of the election, and declaring elected the person having received the highest number of votes for this office; and
- B. Accept the Santa Clara County Registrar of Voters' Certificate of Election Facts and Request to Fill Elective Office by Appointment for Districts 3 and District 5.

SUMMARY:

Elections for the seven electoral districts established pursuant to the District Act are conducted in accordance with the California Elections Code, commencing with §10500 et seq. The Election for District 2 took place on November 5, 2024, for a term beginning December 6, 2024, and ending December 2028.

Pursuant to Elections Code §15400, the governing body (Board of Directors) must accept the Statement of Votes and Certificates of Election Results and declare the totals as the final election results.

On November 5, 2024, a general election was held in the County of Santa Clara for the Santa Clara Valley Water District to elect a Director for District 2. Shiloh Ballard was elected to serve as Director for District 2, with a term concluding in December 2028. The Registrar's Certificate of Election Results for District 2, along with the Statement of Votes, is included in Attachment 1.

For the November 5, 2024, general election, Districts 3 and 5 each had only one candidate file a Declaration of Candidacy: current District 3 Director Richard P. Santos and current District 5 Director Nai Hsueh. The Registrar of Voters (Registrar) did not receive any petitions requesting elections for these districts. Accordingly, under California Elections Code §10515, the Registrar submitted a Certificate of Election Facts and a Request to Fill Elective Office by Appointment for Districts 3 and 5 to the County Board of Supervisors as the supervising authority for the elections. The request

recommended appointing Richard P. Santos and Nai Hsueh to their respective positions as Directors for Districts 3 and 5.

On September 24, 2024, the Board of Supervisors accepted the Registrar's Certificate of Election Results, formally appointing Richard P. Santos as Director for District 3 and Nai Hsueh as Director for District 5. No elections were required for these districts. A copy of the Registrar's Certificate of Election Facts and the Request to Fill Elective Office by Appointment is included in Attachment 2.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

There are no environmental justice and equity impacts associated with the November 5, 2024, general election, and official results. This action is unlikely to or will not result in adverse impacts and is not associated with an equity opportunity.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Certificates of Election Results, District 2

Attachment 2: Certificate of Election, Districts 3 and 5

UNCLASSIFIED MANAGER:

Max Overland, 408-630-2749

CERTIFICATE OF ELECTION RESULTS

STATE OF CALIFORNIA)
) ss.
COUNTY OF SANTA CLARA)

I, Matt Moreles, Acting Registrar of Voters of the County of Santa Clara, State of California, hereby declare:

1. A General Election was held in the County of Santa Clara, for the **Director**, on November 5, 2024 for the purpose of electing **one (1) full-term Member, Santa Clara Valley Water District 2** to the Governing Board.
2. The official canvass of the returns of this election was conducted by the Office of the Registrar of Voters in accordance with the appropriate provisions of the Elections Code of the State of California.
3. The Statement of Votes Cast, now on file in my office and attached hereto, shows the number of votes for each candidate for the Governing Board of the **Santa Clara Valley Water District 2** and in each of the precincts and that the total shown for each candidate are true and correct.

WITNESS my hand and Official Seal this 5th day of December 2024.




Matt Moreles, Acting Registrar of Voters

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CERTIFICATE OF ELECTION

STATE OF CALIFORNIA)
) ss.
COUNTY OF SANTA CLARA)

This certifies that, at the General Election held in and for the County of Santa Clara on November 5, 2024

Shiloh Christine Ballard

was elected for the office of

Director, Santa Clara Valley Water District 2

as appears by the official returns of the election and the Statement of Votes Cast now on file in my office.

IN WITNESS WHEREOF, I, Matt Moreles, Acting Registrar of Voters of the County of Santa Clara, hereby issue this official Certificate of Election this 5th day of December 2024.




Matt Moreles, Acting Registrar of Voters

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1 Santa Clara Valley Water, District 2 Director						
		Registered Voters	Voters Cast	Turnout (%)	Bill Roth	Shiloh Christine Ballard
16th Congressional District	In-Person	36073	3188	8.84 %	1238	1292
16th Congressional District	Mail Voting	36073	24211	67.12 %	6886	13070
16th Congressional District	Total	36073	27399	75.95 %	8124	14362
17th Congressional District	In-Person	68706	6834	9.95 %	2557	2732
17th Congressional District	Mail Voting	68706	44305	64.48 %	11845	24075
17th Congressional District	Total	68706	51139	74.43 %	14402	26807
18th Congressional District	In-Person	37301	5164	13.84 %	1591	2526
18th Congressional District	Mail Voting	37301	20098	53.88 %	4766	12012
18th Congressional District	Total	37301	25262	67.72 %	6357	14538
10th Senatorial District	In-Person	47148	4836	10.26 %	1803	1901
10th Senatorial District	Mail Voting	47148	30081	63.80 %	7951	16144
10th Senatorial District	Total	47148	34917	74.06 %	9754	18045
15th Senatorial District	In-Person	94932	10350	10.90 %	3583	4649
15th Senatorial District	Mail Voting	94932	58533	61.66 %	15546	33013
15th Senatorial District	Total	94932	68883	72.56 %	19129	37662
23rd Assembly District	In-Person	3888	396	10.19 %	138	179
23rd Assembly District	Mail Voting	3888	2147	55.22 %	563	1203
23rd Assembly District	Total	3888	2543	65.41 %	701	1382
25th Assembly District	In-Person	34259	4667	13.62 %	1416	2310
25th Assembly District	Mail Voting	34259	19279	56.27 %	4744	11385
25th Assembly District	Total	34259	23946	69.90 %	6160	13695
26th Assembly District	In-Person	87360	8827	10.10 %	3311	3550
26th Assembly District	Mail Voting	87360	54969	62.92 %	14682	29873
26th Assembly District	Total	87360	63796	73.03 %	17993	33423
28th Assembly District	In-Person	16573	1296	7.82 %	521	511
28th Assembly District	Mail Voting	16573	12219	73.73 %	3508	6696
28th Assembly District	Total	16573	13515	81.55 %	4029	7207
State Board of Equalization #2	In-Person	142080	15186	10.69 %	5386	6550
State Board of Equalization #2	Mail Voting	142080	88614	62.37 %	23497	49157
State Board of Equalization #2	Total	142080	103800	73.06 %	28883	55707
County of Santa Clara	In-Person	142080	15186	10.69 %	5386	6550
County of Santa Clara	Mail Voting	142080	88614	62.37 %	23497	49157
County of Santa Clara	Total	142080	103800	73.06 %	28883	55707

1 Santa Clara Valley Water, District 2 Director						
		Registered Voters	Voters Cast	Turnout (%)	Bill Roth	Shiloh Christine Ballard
2nd Supervisorial District	In-Person	32971	4616	14.00 %	1388	2278
2nd Supervisorial District	Mail Voting	32971	18012	54.63 %	4380	10638
2nd Supervisorial District	Total	32971	22628	68.63 %	5768	12916
3rd Supervisorial District	In-Person	4	0	0.00 %		
3rd Supervisorial District	Mail Voting	4	3	75.00 %		2
3rd Supervisorial District	Total	4	3	75.00 %		2
4th Supervisorial District	In-Person	109105	10570	9.69 %	3998	4272
4th Supervisorial District	Mail Voting	109105	70599	64.71 %	19117	38517
4th Supervisorial District	Total	109105	81169	74.40 %	23115	42789
City of Santa Clara	In-Person	47144	4836	10.26 %	1803	1901
City of Santa Clara	Mail Voting	47144	30078	63.80 %	7951	16142
City of Santa Clara	Total	47144	34914	74.06 %	9754	18043
City of San Jose	In-Person	91697	10055	10.97 %	3466	4530
City of San Jose	Mail Voting	91697	56498	61.61 %	14999	31854
City of San Jose	Total	91697	66553	72.58 %	18465	36384
City of Sunnyvale	In-Person	4	0	0.00 %		
City of Sunnyvale	Mail Voting	4	3	75.00 %		2
City of Sunnyvale	Total	4	3	75.00 %		2
Unincorporated - City	In-Person	3235	295	9.12 %	117	119
Unincorporated - City	Mail Voting	3235	2035	62.91 %	547	1159
Unincorporated - City	Total	3235	2330	72.02 %	664	1278
Total - In-Person		142080	15186	10.69 %	5386	6550
Total - Mail Voting		142080	88614	62.37 %	23497	49157
Contest Total		142080	103800	73.06 %	28883	55707

1 Santa Clara Valley Water, District 2 Director						
		Registered Voters	Voters Cast	Turnout (%)	Bill Roth	Shiloh Christine Ballard
0003042	In-Person	4	0	0.00 %		
0003042	Mail Voting	4	3	75.00 %		2
0003042	Total	4	3	75.00 %		2
0005556	In-Person	1813	178	9.82 %	70	75
0005556	Mail Voting	1813	1065	58.74 %	304	606
0005556	Total	1813	1243	68.56 %	374	681
0005557	In-Person	853	67	7.85 %	26	25
0005557	Mail Voting	853	575	67.41 %	135	341
0005557	Total	853	642	75.26 %	161	366
0005567	In-Person	569	50	8.79 %	21	19
0005567	Mail Voting	569	395	69.42 %	108	212
0005567	Total	569	445	78.21 %	129	231
0006529	In-Person	0	0			
0006529	Mail Voting	0	0			
0006529	Total	0	0			
0006689	In-Person	0	0			
0006689	Mail Voting	0	0			
0006689	Total	0	0			
0007006	In-Person	1886	207	10.98 %	62	90
0007006	Mail Voting	1886	1033	54.77 %	260	552
0007006	Total	1886	1240	65.75 %	322	642
0007010	In-Person	1211	139	11.48 %	50	52
0007010	Mail Voting	1211	728	60.12 %	254	355
0007010	Total	1211	867	71.59 %	304	407
0007019	In-Person	2059	219	10.64 %	92	88
0007019	Mail Voting	2059	1155	56.10 %	282	664
0007019	Total	2059	1374	66.73 %	374	752
0007022	In-Person	2122	248	11.69 %	97	91
0007022	Mail Voting	2122	1293	60.93 %	406	627
0007022	Total	2122	1541	72.62 %	503	718
0007025	In-Person	1424	153	10.74 %	58	57
0007025	Mail Voting	1424	901	63.27 %	265	461
0007025	Total	1424	1054	74.02 %	323	518
0007027	In-Person	1062	94	8.85 %	49	30
0007027	Mail Voting	1062	656	61.77 %	185	341
0007027	Total	1062	750	70.62 %	234	371
0007044	In-Person	2590	246	9.50 %	105	87
0007044	Mail Voting	2590	1657	63.98 %	491	870
0007044	Total	2590	1903	73.47 %	596	957
0007048	In-Person	361	25	6.93 %	14	8
0007048	Mail Voting	361	264	73.13 %	97	133
0007048	Total	361	289	80.06 %	111	141
0007069	In-Person	1097	96	8.75 %	36	45
0007069	Mail Voting	1097	701	63.90 %	190	385
0007069	Total	1097	797	72.65 %	226	430
0007070	In-Person	210	13	6.19 %	6	5
0007070	Mail Voting	210	157	74.76 %	52	77
0007070	Total	210	170	80.95 %	58	82
0007073	In-Person	397	27	6.80 %	8	12
0007073	Mail Voting	397	253	63.73 %	65	141

1 Santa Clara Valley Water, District 2 Director						
		Registered Voters	Voters Cast	Turnout (%)	Bill Roth	Shiloh Christine Ballard
0007073	Total	397	280	70.53 %	73	153
0007074	In-Person	1324	176	13.29 %	59	81
0007074	Mail Voting	1324	571	43.13 %	146	332
0007074	Total	1324	747	56.42 %	205	413
0007075	In-Person	860	84	9.77 %	29	36
0007075	Mail Voting	860	465	54.07 %	110	268
0007075	Total	860	549	63.84 %	139	304
0007101	In-Person	1329	154	11.59 %	64	57
0007101	Mail Voting	1329	793	59.67 %	213	427
0007101	Total	1329	947	71.26 %	277	484
0007350	In-Person	2335	310	13.28 %	103	141
0007350	Mail Voting	2335	1259	53.92 %	271	749
0007350	Total	2335	1569	67.19 %	374	890
0007351	In-Person	2358	275	11.66 %	101	128
0007351	Mail Voting	2358	1115	47.29 %	336	578
0007351	Total	2358	1390	58.95 %	437	706
0007414	In-Person	696	78	11.21 %	18	39
0007414	Mail Voting	696	468	67.24 %	124	272
0007414	Total	696	546	78.45 %	142	311
0007433	In-Person	3034	512	16.88 %	138	270
0007433	Mail Voting	3034	1272	41.92 %	313	735
0007433	Total	3034	1784	58.80 %	451	1005
0007434	In-Person	2644	314	11.88 %	103	147
0007434	Mail Voting	2644	1478	55.90 %	361	885
0007434	Total	2644	1792	67.78 %	464	1032
0007436	In-Person	2053	190	9.25 %	76	82
0007436	Mail Voting	2053	1342	65.37 %	336	799
0007436	Total	2053	1532	74.62 %	412	881
0007445	In-Person	997	128	12.84 %	34	57
0007445	Mail Voting	997	531	53.26 %	115	327
0007445	Total	997	659	66.10 %	149	384
0007448	In-Person	1049	135	12.87 %	40	62
0007448	Mail Voting	1049	563	53.67 %	113	329
0007448	Total	1049	698	66.54 %	153	391
0007459	In-Person	1581	276	17.46 %	74	144
0007459	Mail Voting	1581	923	58.38 %	193	568
0007459	Total	1581	1199	75.84 %	267	712
0007462	In-Person	1985	234	11.79 %	56	127
0007462	Mail Voting	1985	1273	64.13 %	238	836
0007462	Total	1985	1507	75.92 %	294	963
0007465	In-Person	1908	799	41.88 %	173	458
0007465	Mail Voting	1908	739	38.73 %	163	443
0007465	Total	1908	1538	80.61 %	336	901
0007471	In-Person	1614	197	12.21 %	69	90
0007471	Mail Voting	1614	792	49.07 %	213	454
0007471	Total	1614	989	61.28 %	282	544
0007475	In-Person	1410	194	13.76 %	48	116
0007475	Mail Voting	1410	781	55.39 %	194	473
0007475	Total	1410	975	69.15 %	242	589
0007479	In-Person	1938	238	12.28 %	89	96

1 Santa Clara Valley Water, District 2 Director						
		Registered Voters	Voters Cast	Turnout (%)	Bill Roth	Shiloh Christine Ballard
0007479	Mail Voting	1938	813	41.95 %	230	480
0007479	Total	1938	1051	54.23 %	319	576
0007520	In-Person	424	44	10.38 %	17	20
0007520	Mail Voting	424	241	56.84 %	58	149
0007520	Total	424	285	67.22 %	75	169
0007738	In-Person	1693	138	8.15 %	57	53
0007738	Mail Voting	1693	1216	71.83 %	300	747
0007738	Total	1693	1354	79.98 %	357	800
0008000	In-Person	1632	189	11.58 %	68	84
0008000	Mail Voting	1632	1120	68.63 %	339	539
0008000	Total	1632	1309	80.21 %	407	623
0008001	In-Person	2323	202	8.70 %	82	84
0008001	Mail Voting	2323	1672	71.98 %	445	955
0008001	Total	2323	1874	80.67 %	527	1039
0008005	In-Person	1634	103	6.30 %	39	48
0008005	Mail Voting	1634	1248	76.38 %	373	695
0008005	Total	1634	1351	82.68 %	412	743
0008006	In-Person	1831	145	7.92 %	53	64
0008006	Mail Voting	1831	1344	73.40 %	317	840
0008006	Total	1831	1489	81.32 %	370	904
0008007	In-Person	2313	295	12.75 %	103	137
0008007	Mail Voting	2313	1303	56.33 %	309	774
0008007	Total	2313	1598	69.09 %	412	911
0008008	In-Person	716	84	11.73 %	41	29
0008008	Mail Voting	716	471	65.78 %	139	247
0008008	Total	716	555	77.51 %	180	276
0008012	In-Person	813	56	6.89 %	21	25
0008012	Mail Voting	813	612	75.28 %	156	383
0008012	Total	813	668	82.16 %	177	408
0008013	In-Person	236	18	7.63 %	4	10
0008013	Mail Voting	236	140	59.32 %	47	63
0008013	Total	236	158	66.95 %	51	73
0008020	In-Person	1714	111	6.48 %	41	56
0008020	Mail Voting	1714	1286	75.03 %	313	786
0008020	Total	1714	1397	81.51 %	354	842
0008022	In-Person	67	7	10.45 %	4	3
0008022	Mail Voting	67	47	70.15 %	14	25
0008022	Total	67	54	80.60 %	18	28
0008023	In-Person	2091	205	9.80 %	51	116
0008023	Mail Voting	2091	1306	62.46 %	229	880
0008023	Total	2091	1511	72.26 %	280	996
0008026	In-Person	3	0	0.00 %		
0008026	Mail Voting	3	2	66.67 %	1	
0008026	Total	3	2	66.67 %	1	
0008033	In-Person	170	13	7.65 %	4	6
0008033	Mail Voting	170	86	50.59 %	29	44
0008033	Total	170	99	58.24 %	33	50
0008036	In-Person	32	7	21.88 %	2	3
0008036	Mail Voting	32	12	37.50 %	5	2
0008036	Total	32	19	59.38 %	7	5

1 Santa Clara Valley Water, District 2 Director						
		Registered Voters	Voters Cast	Turnout (%)	Bill Roth	Shiloh Christine Ballard
0008037	In-Person	272	28	10.29 %	11	8
0008037	Mail Voting	272	117	43.01 %	33	67
0008037	Total	272	145	53.31 %	44	75
0008040	In-Person	1366	141	10.32 %	49	65
0008040	Mail Voting	1366	664	48.61 %	183	373
0008040	Total	1366	805	58.93 %	232	438
0008044	In-Person	2371	324	13.67 %	128	127
0008044	Mail Voting	2371	1404	59.22 %	279	873
0008044	Total	2371	1728	72.88 %	407	1000
0008046	In-Person	107	5	4.67 %	3	2
0008046	Mail Voting	107	60	56.07 %	27	24
0008046	Total	107	65	60.75 %	30	26
0008049	In-Person	74	5	6.76 %	3	1
0008049	Mail Voting	74	36	48.65 %	8	17
0008049	Total	74	41	55.41 %	11	18
0008050	In-Person	2435	256	10.51 %	92	104
0008050	Mail Voting	2435	1315	54.00 %	344	732
0008050	Total	2435	1571	64.52 %	436	836
0008053	In-Person	2580	241	9.34 %	102	97
0008053	Mail Voting	2580	1531	59.34 %	391	867
0008053	Total	2580	1772	68.68 %	493	964
0008054	In-Person	939	92	9.80 %	27	43
0008054	Mail Voting	939	578	61.55 %	141	336
0008054	Total	939	670	71.35 %	168	379
0008056	In-Person	364	37	10.16 %	14	17
0008056	Mail Voting	364	242	66.48 %	57	150
0008056	Total	364	279	76.65 %	71	167
0008059	In-Person	1908	135	7.08 %	51	61
0008059	Mail Voting	1908	1299	68.08 %	383	670
0008059	Total	1908	1434	75.16 %	434	731
0008068	In-Person	1467	125	8.52 %	48	45
0008068	Mail Voting	1467	1084	73.89 %	332	575
0008068	Total	1467	1209	82.41 %	380	620
0008071	In-Person	1750	135	7.71 %	58	48
0008071	Mail Voting	1750	1318	75.31 %	350	760
0008071	Total	1750	1453	83.03 %	408	808
0008075	In-Person	1746	150	8.59 %	44	76
0008075	Mail Voting	1746	1075	61.57 %	307	568
0008075	Total	1746	1225	70.16 %	351	644
0008081	In-Person	2326	170	7.31 %	63	78
0008081	Mail Voting	2326	1781	76.57 %	458	1064
0008081	Total	2326	1951	83.88 %	521	1142
0008085	In-Person	562	41	7.30 %	17	13
0008085	Mail Voting	562	397	70.64 %	112	190
0008085	Total	562	438	77.94 %	129	203
0008086	In-Person	2833	216	7.62 %	93	82
0008086	Mail Voting	2833	2182	77.02 %	719	1115
0008086	Total	2833	2398	84.65 %	812	1197
0008091	In-Person	1090	94	8.62 %	31	36
0008091	Mail Voting	1090	795	72.94 %	191	448

1 Santa Clara Valley Water, District 2 Director						
		Registered Voters	Voters Cast	Turnout (%)	Bill Roth	Shiloh Christine Ballard
0008091	Total	1090	889	81.56 %	222	484
0008096	In-Person	1857	126	6.79 %	58	35
0008096	Mail Voting	1857	1473	79.32 %	489	703
0008096	Total	1857	1599	86.11 %	547	738
0008098	In-Person	2176	157	7.22 %	63	68
0008098	Mail Voting	2176	1697	77.99 %	506	906
0008098	Total	2176	1854	85.20 %	569	974
0008101	In-Person	1498	138	9.21 %	50	61
0008101	Mail Voting	1498	877	58.54 %	268	464
0008101	Total	1498	1015	67.76 %	318	525
0008104	In-Person	368	31	8.42 %	13	14
0008104	Mail Voting	368	235	63.86 %	72	118
0008104	Total	368	266	72.28 %	85	132
0008172	In-Person	233	19	8.15 %	5	11
0008172	Mail Voting	233	163	69.96 %	32	96
0008172	Total	233	182	78.11 %	37	107
0008176	In-Person	34	3	8.82 %	2	1
0008176	Mail Voting	34	27	79.41 %	6	16
0008176	Total	34	30	88.24 %	8	17
0008177	In-Person	115	8	6.96 %	3	3
0008177	Mail Voting	115	66	57.39 %	21	32
0008177	Total	115	74	64.35 %	24	35
0009062	In-Person	1753	201	11.47 %	78	72
0009062	Mail Voting	1753	968	55.22 %	272	512
0009062	Total	1753	1169	66.69 %	350	584
0009063	In-Person	840	75	8.93 %	40	20
0009063	Mail Voting	840	525	62.50 %	125	306
0009063	Total	840	600	71.43 %	165	326
0009064	In-Person	1509	130	8.61 %	42	58
0009064	Mail Voting	1509	986	65.34 %	297	534
0009064	Total	1509	1116	73.96 %	339	592
0009069	In-Person	2317	262	11.31 %	114	101
0009069	Mail Voting	2317	1408	60.77 %	422	741
0009069	Total	2317	1670	72.08 %	536	842
0009101	In-Person	2429	215	8.85 %	70	84
0009101	Mail Voting	2429	1512	62.25 %	422	764
0009101	Total	2429	1727	71.10 %	492	848
0009103	In-Person	1031	91	8.83 %	40	32
0009103	Mail Voting	1031	597	57.90 %	188	259
0009103	Total	1031	688	66.73 %	228	291
0009104	In-Person	2518	204	8.10 %	80	73
0009104	Mail Voting	2518	1676	66.56 %	491	854
0009104	Total	2518	1880	74.66 %	571	927
0009109	In-Person	2060	240	11.65 %	71	93
0009109	Mail Voting	2060	1279	62.09 %	294	710
0009109	Total	2060	1519	73.74 %	365	803
0009113	In-Person	1397	115	8.23 %	45	34
0009113	Mail Voting	1397	894	63.99 %	245	442
0009113	Total	1397	1009	72.23 %	290	476
0009150	In-Person	3123	336	10.76 %	126	135

1 Santa Clara Valley Water, District 2 Director						
		Registered Voters	Voters Cast	Turnout (%)	Bill Roth	Shiloh Christine Ballard
0009150	Mail Voting	3123	1792	57.38 %	434	986
0009150	Total	3123	2128	68.14 %	560	1121
0009152	In-Person	2950	287	9.73 %	119	116
0009152	Mail Voting	2950	1795	60.85 %	464	981
0009152	Total	2950	2082	70.58 %	583	1097
0009153	In-Person	529	38	7.18 %	17	9
0009153	Mail Voting	529	351	66.35 %	75	193
0009153	Total	529	389	73.53 %	92	202
0009154	In-Person	1107	112	10.12 %	51	37
0009154	Mail Voting	1107	710	64.14 %	199	387
0009154	Total	1107	822	74.25 %	250	424
0009163	In-Person	1402	88	6.28 %	28	45
0009163	Mail Voting	1402	976	69.61 %	240	539
0009163	Total	1402	1064	75.89 %	268	584
0009166	In-Person	1407	103	7.32 %	53	25
0009166	Mail Voting	1407	985	70.01 %	294	503
0009166	Total	1407	1088	77.33 %	347	528
0009203	In-Person	1875	184	9.81 %	88	64
0009203	Mail Voting	1875	1303	69.49 %	333	736
0009203	Total	1875	1487	79.31 %	421	800
0009208	In-Person	2258	515	22.81 %	137	238
0009208	Mail Voting	2258	1376	60.94 %	331	788
0009208	Total	2258	1891	83.75 %	468	1026
0009210	In-Person	1669	161	9.65 %	63	67
0009210	Mail Voting	1669	1069	64.05 %	308	574
0009210	Total	1669	1230	73.70 %	371	641
0009219	In-Person	171	22	12.87 %	6	7
0009219	Mail Voting	171	101	59.06 %	23	50
0009219	Total	171	123	71.93 %	29	57
0009220	In-Person	2717	360	13.25 %	118	162
0009220	Mail Voting	2717	1696	62.42 %	366	1051
0009220	Total	2717	2056	75.67 %	484	1213
0009250	In-Person	2163	175	8.09 %	72	63
0009250	Mail Voting	2163	1438	66.48 %	360	803
0009250	Total	2163	1613	74.57 %	432	866
0009251	In-Person	1332	88	6.61 %	38	31
0009251	Mail Voting	1332	996	74.77 %	272	530
0009251	Total	1332	1084	81.38 %	310	561
0009258	In-Person	1908	219	11.48 %	81	93
0009258	Mail Voting	1908	1210	63.42 %	354	639
0009258	Total	1908	1429	74.90 %	435	732
0009262	In-Person	276	20	7.25 %	7	9
0009262	Mail Voting	276	185	67.03 %	50	99
0009262	Total	276	205	74.28 %	57	108
0009264	In-Person	995	90	9.05 %	35	32
0009264	Mail Voting	995	676	67.94 %	163	338
0009264	Total	995	766	76.98 %	198	370
0009267	In-Person	2605	235	9.02 %	89	99
0009267	Mail Voting	2605	1780	68.33 %	447	896
0009267	Total	2605	2015	77.35 %	536	995

1 Santa Clara Valley Water, District
2 Director

		Registered Voters	Voters Cast	Turnout (%)	Bill Roth	Shiloh Christine Ballard
0009272	In-Person	581	43	7.40 %	20	10
0009272	Mail Voting	581	410	70.57 %	120	187
0009272	Total	581	453	77.97 %	140	197
0009275	In-Person	1253	136	10.85 %	38	61
0009275	Mail Voting	1253	760	60.65 %	200	413
0009275	Total	1253	896	71.51 %	238	474
0009279	In-Person	969	91	9.39 %	37	31
0009279	Mail Voting	969	624	64.40 %	162	327
0009279	Total	969	715	73.79 %	199	358
Total - In-Person		142080	15186	10.69 %	5386	6550
Total - Mail Voting		142080	88614	62.37 %	23497	49157
Contest Total		142080	103800	73.06 %	28883	55707

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**CERTIFICATE OF ELECTION FACTS AND REQUEST
TO FILL ELECTIVE OFFICE BY APPOINTMENT**

STATE OF CALIFORNIA)
)ss.
COUNTY OF SANTA CLARA)

I, Matt Moreles, Acting Registrar of Voters of the County of Santa Clara, State of California, pursuant to Elections Code Section 10515, do hereby certify that as of the 83rd day prior to November 5, 2024, the day fixed by law for an election for the **Santa Clara Valley Water District**, Board of Directors, **two (2) persons** had filed Declarations of Candidacy for the **two (2) full-term** elective offices for Director and no petitions requesting that the election be held had been presented to the Registrar of Voters. Under the provision of the Elections Code, it is hereby requested that the Santa Clara County Board of Supervisors, as supervising authority of the district at a regular or special meeting held prior to the Monday before the first Friday in December in which the election is held appoint to the above-referenced office the persons who have filed Declarations of Candidacy:

Richard "Dick" Santos (Full-Term Director, District 3)
Nai Hsueh (Full-Term Director, District 5)

I hereby request that Santa Clara County Board of Supervisors appoints the above-named candidates, being duly qualified, to the offices of **Director, Santa Clara Valley Water District**.



Matt Moreles, Acting Registrar of Voters

August 30, 2024



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Santa Clara Valley Water District

File No.: 25-0072

Agenda Date: 1/14/2025

Item No.: *4.5.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Accept the CEO Bulletins for the Weeks of December 19 through January 9, 2024.

RECOMMENDATION:

Accept the CEO Bulletin.

SUMMARY:

The CEO Bulletin is a weekly communication to the Board of Directors for the CEO, assuring compliance with Executive Limitations Policy EL-7: The BAOs inform and support the Board in its work. Further, a BAO shall 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 report in a timely manner an actual or anticipated noncompliance with any policy of the Board.

CEO Bulletins are produced and distributed to the Board weekly as informational items, and then placed on the bimonthly, regular Board meeting agendas to allow opportunity for Board discussion on any of the matters contained therein.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

There are no environmental justice and equity impacts associated with the CEO Bulletin. This action is unlikely to or will not result in human health or environmental effects and is not associated with an equity opportunity.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

*Attachment 1: 12162024 CEO Bulletin

*Attachment 2: 01092024 CEO Bulletin

File No.: 25-0072

Agenda Date: 1/14/2025
Item No.: *4.5.

UNCLASSIFIED MANAGER:
Rick Callender, 408-630-2017

To: Board of Directors
From: Tina Yoke, Acting CEO

Weeks of December 6, 2024 – December 19, 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.

Item	IN THIS ISSUE
<u>1</u>	San Francisquito Creek Multi-Agency Coordination Tabletop Exercise 12/4/24

1. San Francisquito Creek Multi-Agency Coordination Tabletop Exercise 12/4/24

On December 4, 2024, Valley Water hosted the annual San Francisquito Creek Multi-Agency Coordination (SFC MAC) Tabletop Exercise in Palo Alto. This event provided a no-fault environment for the SFC MAC members to discuss a challenging inclement weather scenario where the storm forecast was uncertain. The scenario included a wide range of potential precipitation, with the exercise forecast provided by the National Weather Service. The forecast included the possibility of extreme rain and significant flooding, which came to fruition within the exercise scenario.

The purpose of the exercise was to focus on the following core areas of emergency response:

- Public Information and Warning
- Planning
- Operational Coordination

Over 50 representatives from the SFC MAC and supporting agencies participated in the exercise, which included:

- City of Palo Alto
- City of Menlo Park
- City of East Palo Alto
- Stanford University
- Santa Clara County
- San Francisquito Creek Joint Powers Authority
- Valley Water
- California Highway Patrol
- National Weather Service

The exercise was a success, given the challenging weather scenario. Without high confidence in the forecast from the National Weather Service, agencies had to make planning and resource decisions based on the potential of significant flooding to occur.

Agencies were able to coordinate on what information is critical, what resources would be deployed to support the emergency response, and key public information strategies. Valley Water shared its expertise regarding flood projections based on the weather forecast scenario, as well updated projections when the actual precipitation occurred during the exercise. Details were also provided on how Valley Water continues to assess potential flood situations, and how its Emergency Operations Center would support the SFC MAC during a similar event.

Emergency exercises are a critical component of any agency's preparedness efforts. Best practices and areas of improvement are identified in these exercises and shared with the participating agencies. Valley Water uses these exercises to validate planning and training efforts for preparedness, and to find ways to improve the agency's capability to respond and support impacted jurisdictions during emergencies.

For further information, please contact Alexander Gordon at (408) 630-2637.

CEO BULLETIN



To: Board of Directors
From: Tina Yoke, Acting CEO

Weeks of December 20, 2024 – January 9, 2025

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>	2025 State Water Project Allocation Update
<u>2</u>	Cost Share Agreement Between Valley Water and City of San Jose for Design of Montague Expressway Bridge Improvements, as part of the Lower Guadalupe Capacity Restoration Project
<u>3</u>	Golden Mussels found in the California Delta
<u>4</u>	<u>Beall</u> Regarding gate replacements on the Coyote-Alamitos canal, Director Beall would like background communication on the trail/public use of the canal and the cost so far on the gate replacements. IBMR-24-0020

1. 2025 State Water Project Allocation Update

On Dec 23, 2024, the California Department of Water Resources (DWR) announced that the State Water Project (SWP) allocation for 2025 will increase from 5% to 15%. This adjustment follows increased precipitation from late November and early December storms which have increased reservoir levels and helped boost statewide precipitation levels to just above average for this time of year. DWR will continue to monitor precipitation and snowpack conditions throughout the winter and update the SWP allocation as additional information becomes available. The next update will likely come in January and will incorporate information from the first snow surveys of the season.

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

2. Cost Share Agreement Between Valley Water and City of San Jose for Design of Montague Expressway Bridge Improvements, as part of the Lower Guadalupe Capacity Restoration Project

The Lower Guadalupe Capacity Restoration Project (Project), which recently entered the design phase, aims to restore 100-year flood capacity to the Lower Guadalupe River between Tasman Drive and Highway 101. As part of the Project, existing headwalls on the Montague Expressway Bridge will be raised.

The City of San Jose (City) is simultaneously working on a plan to incorporate an additional vehicular travel lane on the Montague Expressway bridge and an adjacent bicycle/pedestrian crossing that connects to the Guadalupe River Trail network.

Valley Water and the City have agreed to work together on a cost share agreement for the design of both party's required improvements at the Montague Expressway bridge. Valley Water will lead the design effort and will use the City's financial contributions for design consultant costs, project management labor costs, environmental permitting, and other incidental expenditures required to complete design.

The agreement has been drafted and is currently under review by the City and Valley Water staff. Once both parties complete their reviews and the agreement terms are finalized, the agreement will be routed for approval by Valley Water's CEO per EL.5.5.1. At the City council meeting on 12/17/2024 the City adopted a resolution authorizing the City Manager to negotiate and execute the cost-share agreement. It is anticipated that the agreement will be finalized and executed in early 2025.

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

3. Golden Mussels found in the California Delta

Golden mussel, an invasive mollusk native to China and Southeast Asia, was recently discovered in the Sacramento-San Joaquin Delta. This discovery is the first known occurrence of golden mussels in North America. Like quagga and zebra mussels, golden mussels pose a significant ecological threat to California's native species, ecosystems, and water infrastructure due to their ability to colonize hard surfaces, clogging water intakes, screens, and pipes.

Golden mussels are similar in appearance, biology, and impacts to quagga and zebra mussels, but can establish themselves in waters with significantly lower calcium levels, higher salinity and has a wider temperature tolerance compared to quagga and zebra mussels.

In response to the recent discovery, staff is collaborating closely with the California Department of Fish and Wildlife, California Department of Water Resources, and other local stakeholders to assess the extent of golden mussel infestation and implement measures to mitigate its potential spread. These measures include expanding Valley Water's existing invasive mussel monitoring program to include golden mussels, establishing decontamination protocols for vessels and associated equipment used by Valley Water's staff and contractors before entering Valley Water's reservoirs, exploring exit vessel inspections at Calero and Coyote reservoirs in close coordination with Santa Clara County Parks, and enhancing public education and outreach efforts.

Staff will continue to actively monitor this rapidly evolving issue and collaborate with stakeholders and regulatory agencies to mitigate or eliminate its impact to our ecosystem and infrastructure.

For further information, please contact Sam Bogale at (408) 630-3505.

4. Beall

Regarding gate replacements on the Coyote-Alamitos canal, Director Beall would like background communication on the trail/public use of the canal and the cost so far on the gate replacements

IBMR-24-0020

The Coyote Alamos Canal was used several decades ago to move water from Coyote Valley to the Almaden Lake area along the Santa Teresa Foothills for more than 8 miles. This canal is no longer used to transport water and even though it crosses through lands owned by City of San Jose, County of Santa Clara, and private individuals, Valley Water is still responsible for maintaining and repairing the canal which at times fills with rainwater/runoff. There is a maintenance road along the canal that has multiple gates that are of various styles and in various conditions. Most gates are located at the boundary of a different landowner. Several have been vandalized or are missing. For many years, community members have used this as an unofficial trail, but it is not a public trail and in fact users are trespassing when they hike along it. Valley Water and various agencies have posted no trespassing signs, fences, and gates with limited success.

Recently, Valley Water staff received complaints from several property owners/residents who live right below the canal that trespassers and late-night activities had increased. The complaints about trespassers and illegal use on the Coyote Alamos Canal access road led staff to initiate a project to replace missing or vandalized gates along the canal from Miracle Mile Road to Monterey Road.

Cost for the gate replacements for the two gates built so far are as follows, \$7,638.74 for labor and \$987.04 for materials, for a grand total of \$8,625.78.

For further information, please contact Rachael Gibson at (408) 630-2884.

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Santa Clara Valley Water District

File No.: 25-0068

Agenda Date: 1/14/2025
Item No.: *4.6.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Approval of Minutes.

RECOMMENDATION:

Approve the minutes.

SUMMARY:

In accordance with the Ralph M. Brown Act, a summary of discussions and details of all actions taken by the Santa Clara Valley Water District (Valley Water) Board during open and public Board of Directors meetings are transcribed and submitted to the Board for review and approval.

Once approved by the Board, the minutes transcripts are finalized and added to Valley Water's historical records archive, serving as the official historical record of the Board's meetings.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

There are no environmental justice and equity impacts associated with the approval of the minutes. This action is unlikely to or will not result in human health or environmental effects and is not associated with an equity opportunity.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

*Attachment 1: 11122024 CS and Regular Meeting Minutes

File No.: 25-0068

Agenda Date: 1/14/2025
Item No.: *4.6.

*Attachment 2: 11192024 Special CS Meeting Minutes

*Attachment 3: 11262024 CS and Regular Meeting Minutes

*Attachment 4: 12102024 CS and Regular Meeting Minutes

UNCLASSIFIED MANAGER:

Max Overland, 408-630-2749



BOARD OF DIRECTORS MEETING

MINUTES

**CLOSED SESSION AND REGULAR MEETING
TUESDAY, NOVEMBER 12, 2024
11:00 AM**

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER/ROLL CALL:

A Closed Session and Regular Meeting of the Santa Clara Valley Water District (Valley Water) Board of Directors was called to order in the Valley Water Headquarters Building Boardroom at 5700 Almaden Expressway, San Jose, California, and by Zoom teleconference at 11:00 a.m.

1.1. Roll Call.

Board members in attendance were Jim Beall, Rebecca Eisenberg, Barbara F. Keegan, Richard P. Santos, and Nai Hsueh, Chairperson presiding, constituting a quorum of the Board.

Directors Tony Estremera and John L. Varela were absent.

Staff members in attendance were R. Callender, Chief Executive Officer, C. Orellana, District Counsel, M. King, Clerk, Board of Directors, E. Aryee, L. Bankosh, M. Bilski, J. Bourgeois, B. Broome, R. Chan, J. Codianne, A. Garcia, R. Gibson, A. Gordon, A. Gschwind, C. Hakes, C. Kwok-Smith, C. Lawson, M. Lugo, R. McCarter, P. McElroy, T. Ndah, L. Penilla, K. Struve, D. Taylor, B. Yerrapotu, and T. Yoke. Deputy Operating Officer Gregory Williams represented Chief Operating Officer Aaron Baker.

2. 11:00 AM - CLOSED SESSION:

Chairperson Hsueh confirmed that the Board would adjourn to Closed Session to consider Items 2.1 and 2.2.

- 2.1. CLOSED SESSION**
CONFERENCE WITH LEGAL COUNSEL - Existing Litigation
Government Code Section 54956.9(d)(1)
Santa Clara Valley Water District v. EFuel Investments San Jose LLC, et al.
(Santa Clara County Superior Court, Case No. 23CV416095)

- 2.2. CLOSED SESSION
CONFERENCE WITH LEGAL COUNSEL - Existing Litigation
Government Code Section 54956.9(d)(1)
Santa Clara Valley Water District v. 1354 E. Taylor Street LLC, et al.
(Santa Clara County Superior Court, Case No. 23CV418411)

- 2.3. District Counsel Report on Closed Session.

Upon return from Closed Session, the same Board members, excluding Directors Estremera and Varela, and staff were present.

Carlos Orellana, District Counsel, reported that in regard to Items 2.1 and 2.2, the Board met in Closed Session with all members participating, excluding Directors Estremera and Varela, and, by consensus with Director Eisenberg dissenting, gave direction to staff.

3. 1:00 PM - TIME CERTAIN:

- 3.1. Pledge of Allegiance/National Anthem.

Vice Chair Santos led all present in reciting the Pledge of Allegiance.

- 3.2. Orders of the Day.

Chairperson Hsueh confirmed that Item 4.7 would be continued to the November 26, 2024, meeting.

- 3.3. Time Open for Public Comment on any Item not on the Agenda.

Chairperson Hsueh declared time open for public comment on any Item not on the agenda. There was no one present who wished to speak.

- 3.4. Receive the Winter Preparedness Briefing.

Recommendation: Receive information on the Santa Clara Valley Water District's preparedness for winter operations.

Alexander Gordon, Assistant Officer, reviewed the information on this Item, per the attached Board Agenda Memo, and the corresponding presentation materials contained in Attachment 1 were reviewed by staff as follows: Alexander Gordon, Assistant Officer, reviewed Slides 1 through 6; Paola Reyes, Public Information Representative III, reviewed Slides 7 through 11; and Alexander Gordon reviewed Slides 12 through 17.

Director Keegan requested that staff determine who has the responsibility of cleaning up McKelvey Baseball Park if it is used as a flood detention basin (Board Member Request No. R-24-0012).

The Board noted the information, without formal action.

- 3.5. Receive an Overview of the Initially Validated and Currently Unfunded Capital Projects, and the Capital Improvement Program Fiscal Years 2025-29 Five-Year Plan Capital Projects by Fund and Funding Categories.

- Recommendation:
- A. Review list of Initially Validated and Currently Unfunded Capital Projects;
 - B. Review the Capital Improvement Program Fiscal Years 2025-29 Five-Year Plan capital projects by Fund and Funding Categories; and
 - C. Provide feedback as necessary.

Jessica Collins, Business Planning and Analysis Manager, reviewed the information on this Item, per the attached Board Agenda Memo, and per the information contained in Handout 3.5-A.

Peter Van Dyke, Loma Prieta Resource Conservation District Board of Director's President, expressed concern regarding the anticipated expenses for the Capital projects.

The Board noted the information, without formal action.

- 3.6. Receive an Overview of the Fiscal Year 2025-26 Groundwater Production Charge, Treated Surface Water Charge, Raw Surface Water Charge, and Recycled Water Charge Rate Setting Processes; Review Assumptions for the 10-Year Water Rate Projection and Potential State Water Project Tax Levy; and Provide Feedback.

- Recommendation:
- A. Receive an overview of the Fiscal Year 2025-26 rate-setting processes for groundwater production charges, treated surface water charges, raw surface water charges, and recycled water charges;
 - B. Review assumptions for the 10-year water rate projection and potential State Water Project tax levy; and
 - C. Provide feedback to staff.

Carmen Narayanan, Financial Planning and Revenue Manager, reviewed the information on this Item, per the attached Board Agenda Memo, and per the information contained in Attachment 1.

Peter Van Dyke, Loma Prieta Resource Conservation District Board of Director's President, expressed concern regarding the anticipated expenses for the Pacheco Reservoir Project.

The Board noted the information, without formal action.

Director Keegan left the meeting and returned as noted below.

REGULAR AGENDA:

4. CONSENT CALENDAR: (4.1 - 4.9)

Chairperson Hsueh removed Items 4.2 and 4.3 from the Consent Calendar for individual consideration, continued Item 4.7 to the November 26, 2024, meeting, and confirmed the Board would consider Items 4.1, 4.4 through 4.6, 4.8 and 4.9 under one motion.

- 4.1. Approve the Request for Sponsorship of the Bay Area Council Foundation's California Resilience Challenge 2024 Program.

Attachment 1
Page 3 of 11

Recommendation: A. Receive information on the Bay Area Council Foundation's California Resilience Challenge; and
B. Approve the request for sponsorship in the amount of \$25,000.

- 4.4. Approve Amendment No. 5 to the Agreement for Possession and Use by and Between Santa Clara Valley Water District and the County of Santa Clara for Anderson Dam Tunnel Project, Coyote Percolation Dam Replacement Project, and Cross Valley Pipeline Extension Project as Parts of the Federal Energy Regulatory Commission Order Compliance Project, Project No. 91864005, APN: 728-34-020, 728-35-001, 729-36-001, 678-02-031 & -034, and 725-06-008; Real Estate File Nos. 9186-35, 9186-39, 9188-17, 9232-52, and 9186-59, Providing a No-Cost Time Extension to the Agreement (Unincorporated Santa Clara County, District 1).

Recommendation: Approve Amendment No. 5 to Agreement for Possession and Use by and Between Santa Clara Valley Water District and the County of Santa Clara for the Anderson Dam Tunnel Project, Coyote Percolation Dam Replacement Project, and Cross Valley Pipeline Extension Project, Providing a No-Cost Time Extension to the Agreement.

- 4.5. Accept the Work as Complete and Direct the Clerk to File the Notice of Completion of Contract and Acceptance of Work for the Rinconada Water Treatment Plant Residuals Remediation Project, Kiewit Infrastructure West Company, Contractor, Project No. 93294058, Contract No. C0671 (Los Gatos, District 7).

Recommendation: A. Accept the work on the Rinconada Water Treatment Plant Residuals Remediation Project, Project No. 93294058, Contract No. C0671 as complete; and
B. Direct the Clerk of the Board to sign the Notice of Completion of Contract and Acceptance of Work and submit for recording to the Santa Clara County Clerk-Recorder.

- 4.6. Receive the Audit Report of the Water Utility Enterprise Funds for the Fiscal Year Ended June 30, 2023.

Recommendation: Receive the audit report of the Water Utility Enterprise funds for the Fiscal Year ended June 30, 2023.

- 4.8. Approval of Minutes.

Recommendation: Approve the minutes.

- 4.9. Accept the CEO Bulletin for the Weeks of October 18 Through November 7, 2024.

Recommendation: Accept the CEO Bulletin.

Motion: Approve Consent Calendar Items 4.1, 4.4 through 4.6, 4.8 and 4.9, under one motion, as follows: approve the request for sponsorship of the Bay Area Council Foundation's

California Resilience Challenge 2024 Program, as contained in Item 4.1; approve Amendment No. 5 to the Agreement for Possession and Use by and Between Santa Clara Valley Water District and the County of Santa Clara for Anderson Dam Tunnel Project, Coyote Percolation Dam Replacement Project, and Cross Valley Pipeline Extension Project as parts of the Federal Energy Regulatory Commission Order Compliance Project, Project No. 91864005, APN: 728-34-020, 728-35-001, 729-36-001, 678-02-031 & -034, and 725-06-008; Real Estate File Nos. 9186-35, 9186-39, 9188-17, 9232-52, and 9186-59, providing a no-cost time extension to the Agreement, as contained in Item 4.4; accept the work as complete and direct the Clerk to file the Notice of Completion of Contract and Acceptance of Work for the Rinconada Water Treatment Plant Residuals Remediation Project, Kiewit Infrastructure West Company, Contractor, Project No. 93294058, Contract No. C0671, as contained in Item 4.5; receive the Audit Report of the Water Utility Enterprise Funds for the Fiscal Year Ended June 30, 2023, as contained in Item 4.6; approve the Minutes, as contained in Item 4.8; and accept the CEO Bulletin, as contained in Item 4.9.

Move to Approve:	Richard Santos
Second:	Jim Beall
Yeas:	Jim Beall, Rebecca Eisenberg, Richard Santos, Nai Hsueh
Nays:	None
Abstains:	None
Recuses:	None
Absent:	Tony Estremera, Barbara F. Keegan, John L. Varela
Summary:	4 Yeas; 0 Nays; 0 Abstains; 3 Absent.

The Yeas have it, and the motion passed.

Director Keegan returned to the meeting.

4.7. Denial of Claim of Robert Liu.

Recommendation: Deny the claim.

The Board continued the Item to the November 26, 2024, meeting.

The Board considered Items 4.2 and 4.3, under one motion.

4.2. Approve the Fiscal Year 2023-24 Safe, Clean Water and Natural Flood Protection Program Annual Report with Proposed Text Adjustments and Authorize Submission to the Independent Monitoring Committee for Review.

Recommendation:

- A. Approve the Fiscal Year 2023-24 Safe, Clean Water and Natural Flood Protection Program Annual Report (Annual Report) with text adjustments;
- B. Authorize staff to submit the Annual Report to the Independent Monitoring Committee for its review; and

- C. Authorize staff to update the Annual Report with audited financials, as necessary.

Meenakshi Ganjoo, Program Administrator, reviewed the information on this Item, per the attached Board Agenda Memo.

4.3. Approve the Revised Fiscal Years 2025 and 2026 Federal Funding Requests.

Recommendation: Approve the revised recommended funding requests for federal Fiscal Years 2025 and 2026 for Santa Clara Valley Water District-sponsored and Santa Clara Valley Water District-supported projects and priorities.

Motion: Approve the Fiscal Year 2023-24 Safe, Clean Water and Natural Flood Protection Program Annual Report (Annual Report) with text adjustments; authorize staff to submit the Annual Report to the Independent Monitoring Committee for its review; and authorize staff to update the Annual Report with audited financials, as contained in Item 4.2; and approve the revised recommended funding requests for federal Fiscal Years 2025 and 2026 for Santa Clara Valley Water District-sponsored and Santa Clara Valley Water District-supported projects and priorities, as contained in Item 4.3.

Move to Approve: Jim Beall
Second: Richard Santos
Yeas: Jim Beall, Rebecca Eisenberg, Barbara F. Keegan, Richard Santos, Nai Hsueh
Nays: None
Abstains: None
Recuses: None
Absent: Tony Estremera, John L. Varela
Summary: 5 Yeas; 0 Nays; 0 Abstains; 2 Absent.

The Yeas have it, and the motion passed.

5. BOARD OF DIRECTORS:

5.1. Approve the Appointment of a Santa Clara Valley Water District Voting Representative to Vote on the Proposed Amended and Restated Bylaws of the Association of California Water and Provide Direction to Approve the Amended and Restated Bylaws.

Recommendation: A. Appoint a delegate as the Santa Clara Valley Water District voting representative to vote on the Proposed Amended and Restated Bylaws of the Association of California Water Agencies; and
B. Provide direction to the voting representative to approve the proposed Amended and Restated Bylaws.

Motion: Appoint Director John L. Varela as a delegate to the Santa Clara Valley Water District voting representative to vote on

Attachment 1
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the Proposed Amended and Restated Bylaws of the Association of California Water Agencies.

Move to Approve: Nai Hsueh
Second: Richard Santos
Yeas: Jim Beall, Rebecca Eisenberg, Barbara F. Keegan, Richard Santos, Nai Hsueh
Nays: None
Abstains: None
Recuses: None
Absent: Tony Estremera, John L. Varela
Summary: 5 Yeas; 0 Nays; 0 Abstains; 2 Absent.

Motion: Provide direction to the voting representative to approve the proposed Amended and Restated Bylaws.

Move to Approve: Jim Beall
Second: Richard Santos
Yeas: Jim Beall, Rebecca Eisenberg, Barbara F. Keegan, Richard Santos, Nai Hsueh
Nays: None
Abstains: None
Recuses: None
Absent: Tony Estremera, John L. Varela
Summary: 5 Yeas; 0 Nays; 0 Abstains; 2 Absent.

The Yeas have it, and the motion passed.

5.2. Approve the Fiscal Year 2025 Santa Clara Valley Water District Youth Commission Work Plan Including the October 16, 2024, Youth Commission's Project Recommendations.

Recommendation: Consider and approve the Fiscal Year 2025 Santa Clara Valley Water District Youth Commission Work Plan with recommendations resulting from the October 16, 2024, Youth Commission's meeting to:

- A. Creekside Community Care Initiative: Project aims to reduce waste in creeks, promote responsible waste management, and raise awareness about the environmental impact of trash;
- B. Youth Commission Education Outreach Program: Project aims to promote Valley Water programs among students, such as purified water, refill station grants, and environment-related policies; and
- C. Creek Stewardship and Water Quality Outreach: Project aims to collect water quality data and promote the Access Valley Water app and cleanup events.

Kristen Yasukawa, Civic Engagement Manager, reviewed the information on this Item, per the attached Board Agenda Memo.

Move to Approve: Richard Santos
Second: Nai Hsueh
Yeas: Jim Beall, Rebecca Eisenberg, Barbara F. Keegan, Richard Santos, Nai Hsueh

Nays:	None
Abstains:	None
Recuses:	None
Absent:	Tony Estremera, John L. Varela
Summary:	5 Yeas; 0 Nays; 0 Abstains; 2 Absent.

The Yeas have it, and the motion passed.

5.3. Board Committee Reports.

The Board reviewed the information on the July 15, 2024, Environmental and Water Resources Committee, September 16, 2024, Capital Improvement Program Committee, and October 7, 2024, Agricultural Water Advisory Committee meeting summaries and agendas contained in Handouts 5.3-A through 5.3-C, respectively, and noted the information without formal action. Copies of the Handouts were distributed to the Board and made available to the public.

6. **WATER UTILITY ENTERPRISE:**

None.

7. **WATERSHEDS:**

None.

8. **ASSISTANT CHIEF EXECUTIVE OFFICER:**

- 8.1. Approve Amendment No. 11 to Agreement No. A3555A with Black and Veatch Corporation for Project Management Services for the Anderson Dam Seismic Retrofit Project No. 91864005, the Calero Dam Seismic Retrofit Project No. 91874004, the Guadalupe Dam Seismic Retrofit Project No. 91894002, and the Almaden Dam Improvements Project No. 91854001, Increasing the Not-to-Exceed Fee by \$6,715,358 for a Revised Total of Not-to Exceed Fee of \$35,547,362, and Extending the Agreement Term to April 30, 2026 (Morgan Hill, District 1).

Recommendation:	Approve Amendment No. 11 to Agreement No. A3555A (Agreement) with Black and Veatch Corporation for project management services for the Anderson Dam Seismic Retrofit Project No. 91864005, the Calero Dam Seismic Retrofit Project No. 91874004, the Guadalupe Dam Seismic Retrofit Project No. 91894002, and the Almaden Dam Improvements Project No. 91854001, increasing the not-to-exceed fee by \$6,715,358 for a revised total of not-to-exceed fee of \$35,547,362, and extending the Agreement term to April 30, 2026.
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Ryan McCarter, Deputy Operating Officer, reviewed the information on this Item, per the attached Board Agenda Memo.

Move to Approve:	Jim Beall
Second:	Richard Santos
Yeas:	Jim Beall, Rebecca Eisenberg, Barbara F. Keegan, Richard Santos, Nai Hsueh
Nays:	None
Abstains:	None
Recuses:	None
Absent:	Tony Estremera, John L. Varela

Summary: 5 Yeas; 0 Nays; 0 Abstains; 2 Absent.

The Yeas have it, and the motion passed.

9. EXTERNAL AFFAIRS:

None.

10. CHIEF EXECUTIVE OFFICER:

10.1. CEO and Chiefs' Reports.

The Board noted the information without any formal action.

11. ADMINISTRATION:

None.

12. DISTRICT COUNSEL:

None.

13. BOARD POLICY PLANNING CALENDAR/PROPOSED FUTURE BOARD AGENDA ITEMS:

13.1. Review the Fiscal Year 2024-2025 Board Policy Planning Calendar.

Recommendation: Review the Fiscal Year 2024-2025 Board Policy Planning Calendar.

The Board noted the information without any formal action.

14. BOARD MEMBER REPORTS/ANNOUNCEMENTS:

Director Keegan reported attending a Special Audit meeting; a special Water Supply and Conservation Demand Management (WSCDM) meeting; and an Anderson Dam Tour.

Chairperson Hsueh reported attending the aforementioned WSCDM meeting; a Board Policy and Monitoring, and Capital Improvement Committee meetings; a San Francisquito Joint Powers Authority meeting; a Santa Clara Valley Water (Valley Water) Veterans Day event; and various meetings with staff.

Vice Chairperson Santos reported attending the aforementioned Valley Water Veterans Day event and a Homeowners Association meeting.

Director Beall reported attending a Communications Briefing and a Valley Water Breast Cancer Awareness event.

15. CLERK REVIEW AND CLARIFICATION OF BOARD REQUESTS:

Michele King, Clerk, Board of Directors, read the new Board Member Request into the record.

16. ADJOURN:

- 16.1 Adjourn to the 11:00 a.m. Closed Session and Regular Meeting on November 26, 2024, in the Santa Clara Valley Water District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California, and via Zoom teleconference.

Chairperson Hsueh adjourned the meeting in recognition of National Native American Heritage and Military Families Month, at 3:40 p.m., to the 11:00 a.m. Closed Session and 1:00 p.m. Regular Meeting on November 26, 2024, in the Santa Clara Valley Water District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California, and via Zoom teleconference.

Michele L. King, CMC
Clerk, Board of Directors

Approved:

Date: Month DD, YYYY

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BOARD OF DIRECTORS MEETING

MINUTES

**SPECIAL CLOSED SESSION BOARD MEETING
TUESDAY, NOVEMBER 19, 2024
10:00 AM**

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER/ROLL CALL:

A Special Closed Session Meeting of the Santa Clara Valley Water District (Valley Water) Board of Directors was called to order in the Valley Water Headquarters Building Boardroom at 5700 Almaden Expressway, San Jose, California, and by Zoom teleconference at 10:00 a.m.

1.1. Roll Call.

Board members in attendance were Jim Beall, Rebecca Eisenberg, Barbara F. Keegan, Richard P. Santos, and Nai Hsueh, Chairperson presiding, constituting a quorum of the Board.

Directors Tony Estremera and John Varela arrived as noted below.

The staff member in attendance for the roll call was M. King, Clerk, Board of Directors.

2. 10:00 AM - CLOSED SESSION:

Chairperson Hsueh confirmed that the Board would adjourn to Closed Session to consider Item 2.1.

Directors Estremera and Varela arrived.

**2.1. CLOSED SESSION
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Government Code Section 54957(b)(1)
Title: CEO**

Director Keegan left the meeting and did not return.

Upon return from the Closed Session, the same Board members were present, including Directors Estremera and Varela, and excluding Director Keegan.

2.2 District Counsel Report on Closed Session.

Chairperson Hsueh reported that in regard to Item 2.1, the Board met in Closed Session with all members participating, including Directors Estremera and Varela, and excluding Direct Keegan, and took no reportable action.

3. ADJOURN:

- 3.1 Adjourn to the 11:00 a.m. Closed Session and 1:00 p.m. Regular meeting on Tuesday, November 26, 2024, in the Santa Clara Valley Water District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California, and via Zoom teleconference.

Chairperson Hsueh adjourned the meeting at 11:45 a.m. to the 11:00 a.m. Closed Session and 1:00 p.m. Regular meeting on November 26, 2024, in the Santa Clara Valley Water District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California, and via Zoom teleconference.

Michele L. King, CMC
Clerk, Board of Directors

Approved:

Date:



BOARD OF DIRECTORS MEETING

MINUTES

**CLOSED SESSION AND REGULAR MEETING
TUESDAY, NOVEMBER 26, 2024
11:00 AM**

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER/ROLL CALL:

A Closed Session and Regular Meeting of the Santa Clara Valley Water District (Valley Water) Board of Directors was called to order in the Valley Water Headquarters Building Boardroom at 5700 Almaden Expressway, San Jose, California, and by Zoom teleconference at 11:00 a.m.

1.1. Roll Call.

Board members in attendance were Tony Estremera, Richard P. Santos, John L. Varela, and Nai Hsueh, Chairperson presiding, constituting a quorum of the Board.

Directors Jim Beall, Rebecca Eisenberg and Barbara F. Keegan arrived as noted below.

Staff members in attendance were R. Callender, Chief Executive Officer, C. Orellana, District Counsel, M. King, Clerk, Board of Directors, E. Aryee, A. Baker, L. Bankosh, M. Bilski, S. Bogale, R. Chan, J. Codianne, R. Gibson, C. Hakes, C. Lawson, M. Lugo, R. McCarter, P. McElroy, T. Ndah, K. Struve, D. Taylor, B. Yerrapotu, and T. Yoke.

2. 11:00 AM - CLOSED SESSION:

Chairperson Hsueh confirmed that the Board would adjourn to Closed Session to consider Items 2.1.

Directors Jim Beall, Rebecca Eisenberg and Barbara F. Keegan arrived.

**2.1. CLOSED SESSION
PUBLIC EMPLOYEE APPOINTMENT
Pursuant to Government Code Section 54957(b)(1)
Title: Clerk of the Board**

2.2. District Counsel Report on Closed Session.

Upon return from Closed Session, the same Board members, including Director Beall, Director Eisenberg and Director Keegan, and staff were present.

Carlos Orellana, District Counsel, reported that in regard to Item 2.1, the Board met in Closed Session with all members participating, including Director Beall, Director Eisenberg and Director Keegan, and took no reportable action.

3. 1:00 PM - TIME CERTAIN:

3.1. Pledge of Allegiance/National Anthem.

Director Jim Beall led all present in reciting the Pledge of Allegiance.

3.2. Orders of the Day.

Chairperson Hsueh confirmed that there were no changes to the Orders of the Day.

3.3. Time Open for Public Comment on any Item not on the Agenda.

Chairperson Hsueh declared time open for public comment on any subject not on the agenda.

Abdul Johnson, AFSCME Union representative, expressed concern over the perceived lack of action regarding an investigation into actions by a senior staff member against a union member.

3.4. Receive an Overview of the Fiscal Year 2025-26 Rolling Biennial Budget Process.

Recommendation: Receive an overview of the Fiscal Year 2025-26 Rolling Biennial Budget process to provide an opportunity for Board input.

Enrique De Anda, Budget Manager, reviewed the information on this item, per the attached Board Agenda Memo, and per the information contained in Attachment 1.

The Board noted the information, without formal action.

3.5. Consider the August 29, 2024, Environmental Creek Cleanup Committee Recommendation to Adopt the Proposed Water Resources Protection Zones Ordinance.

Recommendation: A. Consider the recommendation resulting from the August 29, 2024, Environmental Creek Cleanup Committee meeting to:

- i. Adopt the proposed Water Resources Protection Zones Ordinance; and
- ii. Provide feedback and direction as necessary.

B. Consider the Chair's recommendation to refer to the Environmental Creek Cleanup Committee a review of current Unhoused Related Agreements with the County of Santa Clara and City of San Jose.

Mark Bilski, Assistant Officer, reviewed the information on this item, per the attached Board Agenda Memo, and per the information contained in Attachment 5.

Chairperson Hsueh declared time open for public comment on this Item.

Seven (7) statements expressing opposition for the Environmental Creek Cleanup Committee's recommendation to adopt the proposed Water Resources Protection Zones Ordinance were received from: James Campbell, undisclosed residency;

Ryan Mee, undisclosed residency; Gail Osmer, undisclosed residency; Shaunn, undisclosed residency; Debra Townley, undisclosed residency; Kathryn Hedges, undisclosed residency; Mis Rayn, Amigos de Guadalupe representative; Rose, undisclosed residency and Todd P. Langton, undisclosed residency.

Three (3) statements expressing support for the Environmental Creek Cleanup Committee's recommendation to adopt the proposed Water Resources Protection Zones Ordinance with revisions were received from: David Low, Destination Home representative; Jeremy Barouse, Amigo de Guadalupe representative; and Alex Senegal, undisclosed residency.

Sixteen (16) statements expressing support for the Environmental Creek Cleanup Committee's recommendation to adopt the proposed Water Resources Protection Zones Ordinance were received from: Robert Ewing, Employees' Association; Katie Muller, Engineer's Society; Jeffrey Shore, Palo Alto resident; Daniel Hansen, San Jose resident; Daniel Costa, S.O.S. representative; Michael Morand, S.O.S. representative; Sam, Hamilton Place Neighborhood Association representative; Hope, undisclosed residency; Jeff Holmbeck, undisclosed residency; Shani Kleinhaus, undisclosed residency; Katja Irvin, Sierra Club Loma Prieta Chapter; Tom Wilson, undisclosed residency; Sharon Luna, San Martin resident; Wendy Li, undisclosed residency; Elva Wilson, undisclosed residency; and Petea, undisclosed residency.

Chairperson Hsueh acknowledged receipt of the attached public comments, identified as Handouts 3.5-A through 3.5-K, respectively herein. Copies of the Handouts were distributed to the Board and made available to the public.

- Motion:
- A. Consider the recommendation resulting from the August 29, 2024, Environmental Creek Cleanup Committee meeting to:
 - i. Adopt the proposed Water Resources Protection Zones Ordinance; and
 - ii. Refer to the Environmental Creek Cleanup Committee a review of current Unhoused Related Agreements with the County of Santa Clara and City of San Jose and Director Beall's collaboration requests.
 - iii. Send Letters to Santa Clara County and the City requesting the opening of cold weather shelters
 - iv. Send a formal request to the San Francisquito Creek Joint Powers Authority (SFCJPA) requesting that they consider adopting a similar Ordinance.

Move to Adopt: Tony Estremera
Second: Barbara F. Keegan
Yeas: Jim Beall, Tony Estremera, Barbara F. Keegan, Richard Santos, John L. Varela, Nai Hsueh
Nays: Rebecca Eisenberg
Abstains: None
Recuses: None
Absent: None
Summary: 6 Yeas; 1 Nays; 0 Abstains; 0 Absent.

The Yeas have it, and the motion passed.

REGULAR AGENDA:

4. CONSENT CALENDAR: (4.1 - 4.4)

Chairperson Hsueh removed Item 4.3 from the Consent Calendar for individual consideration, and the Board considered Consent Calendar Items 4.1 through 4.2, and Item 4.4, under one motion.

- 4.1. Approve Amendment No. 1 to Agreement No. A4536R, with Grassroots Ecology for the Santa Clara Valley Water District, Safe, Clean Water and Natural Flood Protection Program, FY 2020 Safe, Clean Water Project B3 Grant, Extending the Term of the Agreement for One Year and Modifying the Scope and Budget.

Recommendation: Approve Amendment No. 1 to Agreement No. A4536R with Grassroots Ecology for the Santa Clara Valley Water District, Safe, Clean Water and Natural Flood Protection Program, FY 2020 Safe, Clean Water Project B3 Grant, Extending the Term of the Agreement for One Year and modifying the scope and budget.

- 4.2. Accept the Work as Complete and Direct the Clerk to File the Notice of Completion of Contract and Acceptance of Work for the Calabazas Creek Rehabilitation Project, Stage 1-Civil Work (Milestones 1-3) and Stage 2 - Plant Establishment (Milestones 3A, 4, & 5), Under the Watersheds Asset Rehabilitation Program, Granite Construction Company, Contractor, Project No. 62084001, Contract No. C0683, (Cupertino, District 5).

Recommendation: A. Accept the work on the Calabazas Creek Rehabilitation Project, Stage 1 - Civil Work (Milestones 1-3) and Stage 2 - Plant Establishment (Milestones 3A, 4, & 5), Project No. 62084001, Contract No. C0683 as complete; and
B. Direct the Clerk of the Board to sign the Notice of Completion of Contract and Acceptance of Work and submit for recording to the Santa Clara County Clerk-Recorder.

- 4.4. Accept the CEO Bulletin for the Weeks of November 8, 2024 - November 21, 2024.

Recommendation: Accept the CEO Bulletin.

Motion: Approve Consent Calendar Items 4.1 through 4.2 and Item 4.4, under one motion, as follows: approve Amendment No. 1 to agreement No. A4536R with Grassroots Ecology for the Santa Clara Valley Water District, Safe, Clean Water and Natural Flood Protection Program, FY 2020 Safe, Clean Water Project B3 Grant, extending the term of the agreement for one year and modifying the scope and budget, as contained in Item 4.1; accept the work on the Calabazas Creek Rehabilitation Project, Stage 1 - Civil Work (Milestones 1-3) and Stage 2 - Plant Establishment (Milestones 3A, 4, & 5), project no. 62084001, contract no. C0683 as complete;

and direct the clerk of the board to sign the notice of completion of contract and acceptance of work and submit for recording to the Santa Clara County Clerk-Recorder, as contained in Item 4.2; and accept the CEO Bulletin, as contained in Item 4.4.

Move to Approve: Richard Santos
Second: John L. Varela
Yeas: Jim Beall, Rebecca Eisenberg, Tony Estremera, Barbara F. Keegan, Richard Santos, John L. Varela, Nai Hsueh
Nays: None
Abstains: None
Recuses: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

The Yeas have it, and the motion passed.

4.3. Denial of Claim of Robert Liu.

Recommendation: Deny the claim.

Robert Liu, Los Altos resident, expressed disappointment regarding recommended denial of his claim, and requested that the Board reconsider the recommendation.

Move to Deny Claim: Tony Estremera
Second: Nai Hsueh
Yeas: Jim Beall, Tony Estremera, Barbara F. Keegan, Richard Santos, John L. Varela, Nai Hsueh
Nays: Rebecca Eisenberg
Abstains: None
Recuses: None
Absent: None
Summary: 6 Yeas; 1 Nays; 0 Abstains; 0 Absent.

The Yeas have it, and the motion passed.

5. BOARD OF DIRECTORS:

5.1. Consider the September 30, 2024, Board Policy and Monitoring Committee Recommendation to Adopt the Proposed Changes to Board Governance Policy 5 (GP-5) to Add Language on the Timing of the Election of the Board Chairperson and Vice Chairperson.

Recommendation: Consider recommendations resulting from the September 30, 2024, Board Policy and Monitoring Committee to:

- A. Adopt the proposed changes to Board Governance Policy GP-5 to add language on the Timing of the Election of the Board Chairperson and Vice Chairperson; and
- B. Provide feedback and recommendations to staff as necessary.

The Board considered Item 5.1 without a staff presentation.

Move to Adopt: Richard Santos
Second: Nai Hsueh
Yeas: Jim Beall, Tony Estremera, Richard Santos,
John L. Varela, Nai Hsueh
Nays: Rebecca Eisenberg, Barbara F. Keegan
Abstains: None
Recuses: None
Absent: None
Summary: 5 Yeas; 2 Nays; 0 Abstains; 0 Absent.

The Yeas have it, and the motion passed.

5.2. Board Committee Reports.

The Board reviewed the information on the August 21, 2024, Youth Commission; October 16, 2024, Youth Commission; October 25, 2024, Board Audit Committee; and October 31, 2024, Board Policy and Monitoring Committee meeting summaries and agendas contained in Handouts 5.1-A through 5.1-D, respectively herein, and noted the information without formal action. Copies of the Handouts were distributed to the Board and made available to the public.

6. WATER UTILITY ENTERPRISE:

None.

7. WATERSHEDS:

- 7.1. Approve a Budget Adjustment in the Amount of \$121,000 for the Construction Contract Contingency Increase of \$121,000 for the Lower Calera Creek Flood Protection Project, Project No. 40174005, Contract No. CO666-1 (Milpitas, District 3).

Recommendation: A. Approve a budget adjustment in the amount of \$121,000 from the Lower Berryessa Creek Phase 1 Flood Protection Project to the Fiscal Year 2025 Lower Berryessa Creek Phase 2 Flood Protection Project; and
B. Approve an increase of \$121,000 to the construction contract contingency sum for the Lower Calera Creek Flood Protection Project for a new running contingency sum of \$380,816.59 and overall contingency sum of \$4,210,571.50.

The Board considered Item 7.1 without a staff presentation.

Move to Approve: John L. Varela
Second: Richard Santos
Yeas: Jim Beall, Rebecca Eisenberg, Tony Estremera,
Barbara F. Keegan, Richard Santos, John L. Varela,
Nai Hsueh
Nays: None
Abstains: None
Recuses: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

The Yeas have it, and the motion passed.

8. ASSISTANT CHIEF EXECUTIVE OFFICER:

None.

9. EXTERNAL AFFAIRS:

None.

10. CHIEF EXECUTIVE OFFICER:

*10.1. CEO and Chiefs' Reports.

Rick Callender, Chief Executive Officer, reviewed the attached Communications Summary, REDI Summary and Storm Report, identified as Handouts 10.1-A through 10.1-C respectively herein. Copies of the Handouts were distributed to the Board and made available to the public.

11. ADMINISTRATION:

None.

12. DISTRICT COUNSEL:

None.

13. BOARD POLICY PLANNING CALENDAR/PROPOSED FUTURE BOARD AGENDA ITEMS:

13.1. Review the Fiscal Year 2024-2025 Board Policy Planning Calendar.

Recommendation: Review the Fiscal Year 2024-2025 Board Policy Planning Calendar.

The Board noted the information, without formal action.

14. BOARD MEMBER REPORTS/ANNOUNCEMENTS:

Director Keegan reflected on her twelve years as a Board Director and thanked Valley Water staff for their hard work and dedication. Director Keegan also thanked Graham Bradner, Executive Director of the Delta Conveyance Authority and Edmund Sullivan, Executive Officer for the Santa Clara Valley Habitat Agency for their acknowledgement of her contributions to the Agency. Director Keegan reported attending regular Committee meetings and various meetings with staff.

Director Varela reported attending the Special Board Meeting, Los Vaqueros Joint Power Authority, Association of California Water Agencies (ACWA) and the Annual Public Facilities Finance Corporation (PFFC) meetings; and reported participating in various meetings with staff.

Director Estremera reported attending aforementioned Special Meeting; and reported participating in various meetings with staff.

Chair Hsueh reported attending the aforementioned Special Board Meeting, Annual PFFC meeting, San Francisquito Creek Joint Powers Authority, and Youth Commission Committee meetings; and reported participating in a Storm Preparedness Media event, and various meetings with staff.

Vice-Chair Santos reported attending the Emergency Operational Area Council (EOAC) Meeting; the Our City Forest Tree Planting event; and reported participating in various meetings with staff.

Director Eisenberg reported auditing the Board Audit Committee (BAC) and Capital Improvement Program (CIP) Committee meetings; and reported participating in meetings with her constituents.

Director Beall reported attending the aforementioned YC and Public Policy Institute on Climate Chance (PPIC), and Santa Clara Valley Habitat Agency meetings; a Central Labor Council meeting; the workshop on rain water capture; and reported participating in various meetings with staff.

15. CLERK REVIEW AND CLARIFICATION OF BOARD REQUESTS:

Michele King, Clerk, Board of Directors, confirmed that there were no new Board Member Requests.

16. ADJOURN:

16.1 Adjourn to the 1:00 p.m. Regular meeting on December 10, 2024, in the Santa Clara Valley Water District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California, and via Zoom teleconference.

Chairperson Hsueh adjourned the meeting at 4:50 p.m., to the 1:00 p.m. Regular meeting on December 10, 2024, in the Santa Clara Valley Water District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California, and via Zoom teleconference.

Michele L. King, CMC
Clerk, Board of Directors

Approved:
Date: Month DD, YYYY



BOARD OF DIRECTORS MEETING

MINUTES

**CLOSED SESSION AND REGULAR MEETING
TUESDAY, DECEMBER 10, 2024
10:00 AM**

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER/ROLL CALL:

A Closed Session and Regular Meeting of the Santa Clara Valley Water District (Valley Water) Board of Directors was called to order in the Valley Water Headquarters Building Boardroom at 5700 Almaden Expressway, San Jose, California, and by Zoom teleconference at 10:00 a.m.

1.1. Roll Call.

Board members in attendance were Shiloh Ballard, Jim Beall, Rebecca Eisenberg, Tony Estremera, Richard P. Santos, John L. Varela, and Nai Hsueh, Chairperson presiding, constituting a quorum of the Board.

Staff members in attendance were R. Callender, Chief Executive Officer, C. Orellana, District Counsel, M. King, Clerk, Board of Directors, A. Alfaro, E. Aryee, A. Baker, L. Bankosh, M. Bilski, J. Bourgeois, R. Chan, A. Garcia, R. Gibson, V. Gin, A. Gschwind, C. Hakes, C. Kwok-Smith, A. Lee, M. Lugo, R. McCarter, P. McElroy, T. Ndah, D. Rocha, K. Struve, D. Taylor, B. Yerrapotu, and T. Yoke.

2. 10:00 AM - CLOSED SESSION:

Chairperson Hsueh confirmed that the Board would adjourn to Closed Session to consider Items 2.1, 2.2, 2.3, 2.4, and 2.5. Carlos Orellana reported that in regard to Item 2.2, the existing facts and circumstances that might give rise to litigation are the County of Santa Clara's requests for changes to the Anderson Dam Seismic Retrofit Project.

2.1. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL

Conference with Real Property Negotiators Pursuant to Government Code Section 54956.8 Setting Negotiation Parameters for Price and Terms of Payment for Purchase, Sale, or Exchange of Property Interest in APNs 728-34-020, 728-34-021, 728-35-001, 729-36-001, 678-02-031, 678-02-034, 725-06-008, 729-46-001, 725-08-001, 725-06-008, 725-05-002, and 725-04-003 Agency Negotiators: Rick Callender, Rita Chan, Ryan McCarter, John Bourgeois
Negotiating Parties: County of Santa Clara

- 2.2. CLOSED SESSION
CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2) One Potential Case
- 2.3. CLOSED SESSION
CONFERENCE WITH LEGAL COUNSEL
Initiation of Litigation Pursuant to Government Code Section 54956.9(d)(4)
One Potential Case
- 2.4. CLOSED SESSION
CONFERENCE WITH LEGAL COUNSEL
Anticipated Litigation - Significant Exposure to Litigation Government Code Section 54956.9(d)(2) (Stanford University Claims for Refund of Groundwater Charges) One Potential Case
- 2.5. CLOSED SESSION
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Government Code Section 54957(b)(1)
Title: CEO and District Counsel

- 2.6. District Counsel Report on Closed Session.

Upon return from Closed Session, the same Board members and staff, were present.

Carlos Orellana reported that in regard to Items 2.1, 2.2, 2.3 and 2.4, the Board met in Closed Session with all members participating and gave direction to staff.

Chairperson Hsueh reported that in regard to Item 2.5, the Board met in Closed Session with all members participating and took no reportable action.

3. 1:00 PM - TIME CERTAIN:

- 3.1. Pledge of Allegiance/National Anthem.

Aaron Baker, Chief Operating Officer, led all present in reciting the Pledge of Allegiance.

- 3.2. Orders of the Day.

Chairperson Hsueh confirmed that there were no changes to the Orders of the Day.

- 3.3. Time Open for Public Comment on any Item not on the Agenda.

Chairperson Hsueh declared time open for public comment on any Item not on the agenda.

Salam Baqleh, Employees Association Vice President, reiterated the public comment made by Abdul Johnson at the November 26, 2024, Santa Clara Valley Water Districts Board of Directors meeting.

Katja Irvin, Sierra Club Loma Prieta Chapter Chairperson, expressed appreciation and commended Director Barbara Keegan for representing District 2 during her tenure, and welcomed Director Shiloh Ballard to the Board.

- 3.4. Administer Ceremonial Oaths of Office to Directors Elected at the November 2024 Election.

Michele King, Clerk, Board of Directors, administered the ceremonial Oaths of Office for District 2, Shiloh Ballard; District 5, Nai Hsueh; and District 3, Richard Santos.

REGULAR AGENDA:

4. CONSENT CALENDAR: (4.1 - 4.8)

The Board considered Consent Calendar Items 4.1 through 4.8 under one motion.

- 4.1. Adopt a Resolution Expressing Appreciation to the Honorable Dan McCorquodale for his Dedicated Years of Public Service to Santa Clara County and the State of California.

Recommendation: Adopt the Resolution EXPRESSING APPRECIATION TO DAN MCCORQUODALE for his dedicated years of public service to Santa Clara County, the State of California, and his distinguished career.

- 4.2. Adopt a Resolution Expressing Appreciation to the Honorable Dave Pine for his Dedicated Years of Public Service to the People of San Mateo County, the San Francisco Bay Area, and the State of California.

Recommendation: Adopt the Resolution EXPRESSING APPRECIATION TO DAVE PINE San Mateo County Supervisor for his dedicated years of public service to the San Francisco Bay Area, the State of California, and his distinguished career.

- 4.3. Adopt a Resolution Declaring Santa Clara Valley Water District's 2025 Monthly Cultural Observances.

Recommendation: Adopt a Resolution DECLARING SANTA CLARA VALLEY WATER DISTRICT'S 2025 CULTURALLY SIGNIFICANT OBSERVANCES MONTHLY CALENDAR.

- 4.4. Approve the Re-Appointment of Committee Members for an Additional Two-Year Term to the Environmental and Water Resources Committee.

Recommendation: Consider and approve the re-appointment of committee members for an additional two-year term to the Environmental and Water Resources Committee.

- 4.5. Approve the Re-Appointment of Committee Members for an Additional Two-Year Term to the Agricultural Water Advisory Committee.

Recommendation: Consider and approve the re-appointment of committee members for an additional two-year term to the Agricultural Water Advisory Committee.

- 4.6. Approve Agreement No. A5283X with Google, LLC. for the West Channel Enhancement Project Completion and Google Conveyance and Santa Clara Valley Water District Acceptance of the Specified Project Improvements for a Portion of Santa Clara Valley Water District's Sunnyvale East and Sunnyvale West Channels Flood Protection Project, Project No. 26074002 (Sunnyvale, District 3).

Recommendation: Approve Agreement No. A5283X with Google, LLC. for the West Channel Enhancement Project Completion and Google Conveyance and Santa Clara Valley Water District Acceptance of the Specified Project Improvements for a portion of Santa Clara Valley Water District's Sunnyvale East and Sunnyvale West Channels Flood Protection Project, Project No. 26074002.

- 4.7. Accept the CEO Bulletin for the Weeks of November 22, 2024, through December 5, 2024.

Recommendation: Accept the CEO Bulletin.

- 4.8. Approval of Minutes.

Recommendation: Approve the minutes.

Motion: Approve Consent Calendar Items 4.1 through 4.8, under one motion, as follows: adopt Resolution No. 24-51 EXPRESSING APPRECIATION TO THE HONORABLE DAN MCCORQUODALE, by roll call vote, as contained in Item 4.1; adopt Resolution No. 24-52 EXPRESSING APPRECIATION TO THE HONORABLE DAVE PINE, by roll call vote, as contained in Item 4.2; adopt Resolution No. 24-53 DECLARING SANTA CLARA VALLEY WATER DISTRICT'S 2025 CULTURALLY SIGNIFICANT OBSERVANCES MONTHLY CALENDAR, by roll call vote as contained in Item 4.3; approve the Re-Appointment of Committee members for an additional two-year term to the Environmental and Water Resources Committee, as contained in Item 4.4; approve the re-appointment of committee members for an additional two-year term to the Agricultural Water Advisory Committee, as contained in Item 4.5; approve Agreement No. A5283X with Google, LLC. for the West Channel Enhancement Project Completion and Google Conveyance and Santa Clara Valley Water District Acceptance of the Specified Project Improvements for a portion of Santa Clara Valley Water District's Sunnyvale East and Sunnyvale West Channels Flood Protection Project, Project No. 26074002, as

contained in Item 4.6; accept the CEO Bulletin, as contained in Item 4.7; and approve the minutes, as contained in Item 4.8.

Move to Approve: Richard Santos
Second: Tony Estremera
Yeas: Shiloh Ballard, Jim Beall, Rebecca Eisenberg, Tony Estremera, Richard Santos, John L. Varela, Nai Hsueh
Nays: None
Abstains: None
Recuses: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

The Yeas have it, and the motion passed.

5. BOARD OF DIRECTORS:

- 5.1. Receive an Update on the Development of Santa Clara Valley Water District's Water Supply Master Plan 2050; and Approve the August 28, 2024, Recycled Water Committee Recommendation to set Potable Reuse Goal of 24,000 Acre-Feet per Year by 2035 and a Long-Term Vision to Maximize Water Reuse in the County up to 32,000 Acre-Feet per Year.

Recommendation: A. Receive an update on the development of Santa Clara Valley Water District's Water Supply Master Plan 2050 and provide feedback;
B. Consider and approve the August 28, 2024, recommendation of the Recycled Water Committee to set a potable reuse goal of 24,000 acre-feet per year by 2035, as well as a long-term vision to maximize water reuse in the County up to 32,000 acre-feet per year in the Water Supply Master Plan 2050, including additional potable and non-potable reuse, desalination, stormwater capture, and other alternative water sources; and
C. Provide additional feedback and direction on refined adaptive management framework.

Kirsten Struve, Assistant Officer, reviewed the information on this Item, per the attached Board Agenda Memo, and per the information contained in Attachment 3.

Katja Irvin expressed urgency regarding the importance of recycled potable and non-potable water.

Motion: The Board approved Recommendation B with the long-term vision to maximize water reuse in the County at 32,000 acre-feet per year in the Water Supply Master Plan 2050.

Move to Approve: Jim Beall
Second: Tony Estremera
Yeas: Shiloh Ballard, Jim Beall, Tony Estremera, Richard Santos,
John L. Varela, Nai Hsueh
Nays: Rebecca Eisenberg
Abstains: None
Recuses: None
Absent: None
Summary: 6 Yeas; 1 Nays; 0 Abstains; 0 Absent.

The Yeas have it, and the motion passed.

- 5.2. Set a new Salary Range for the Clerk of the Board Classification Effective January 4, 2025, and Adopt Resolutions Providing for the Appointment and Compensation of the Interim Clerk of the Board.

Recommendation: A. Approve a new salary range of \$244,121.51 to \$307,926.00 for the Clerk of the Board classification effective January 4, 2025;
B. Adopt a Resolution APPOINTING AND PROVIDING FOR THE COMPENSATION OF THE INTERIM CLERK OF THE BOARD, for January 4, 2025, through February 28, 2025; and
C. Adopt a Resolution APPOINTING AND PROVIDING FOR THE COMPENSATION OF THE INTERIM CLERK OF THE BOARD, for March 1, 2025, through April 30, 2025.

The Board considered Item 5.2 without a staff presentation.

Move to Adopt: Tony Estremera
Second: John L. Varela
Yeas: Shiloh Ballard, Jim Beall, Rebecca Eisenberg, Tony Estremera, Richard Santos, John L. Varela, Nai Hsueh
Nays: None
Abstains: None
Recuses: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

The Yeas have it, and the motion passed.

- 5.3. Board Committee Reports.

The Board reviewed the information on the October 30, 2024, and December 13, 2024, Recycled Water Committee meeting summaries and agendas contained in Handouts 5.3-A and 5.3-B, respectively, and noted the information without formal action. Copies of the Handouts were distributed to the Board and made available to the public.

Director Varela left the meeting and returned as noted below.

- 5.4. Consider the October 31, 2024, Board Policy and Monitoring Committee Recommendation to Adopt the Proposed Changes to Board Governance Policy: Governance Process 6 (GP-6).

Recommendation: Consider the recommendation resulting from the October 31, 2024, Board Policy and Monitoring Committee to:

- A. Adopt the Proposed Changes to Board Governance Policy: Governance Process 6 (GP-6); and
- B. Provide feedback and recommendations to staff as necessary.

Brian Hopper, Senior Assistant District Counsel, reviewed the information on this Item, per the attached Board Agenda Memo, and per the information contained in Attachment 2.

Move to Adopt: Richard Santos
Second: Tony Estremera
Yeas: Shiloh Ballard, Jim Beall, Rebecca Eisenberg, Tony Estremera, Richard Santos, Nai Hsueh
Nays: None
Abstains: None
Recuses: None
Absent: John Varela
Summary: 7 Yeas; 0 Nays; 0 Abstains; 1 Absent.

The Yeas have it, and the motion passed.

Director Varela returned to the meeting.

6. WATER UTILITY ENTERPRISE:

- 6.1. Approve Staff's Recommendation to Support Dissolution of the Los Vaqueros Expansion Joint Powers Authority.

Recommendation: A. Receive an Update on the Los Vaqueros Reservoir Expansion Project;
B. Consider and Approve Staff's recommendation to support dissolution of the Los Vaqueros Expansion Joint Powers Authority; and
C. Provide direction to Santa Clara Valley Water District's Los Vaqueros Expansion Joint Powers Authority representative

Katherine Maher, Senior Engineer, reviewed the information on this Item, per the attached Board Agenda Memo, and per the information contained in Attachment 2.

Peter Van Dyke, Loma Prieta Resource Conservation District President, expressed concern over the perceived insurmountable regulations around building the Pacheco Reservoir and requested the Board re-evaluate other expansion projects.

Move to Approve: Richard Santos
Second: Tony Estremera
Yeas: Shiloh Ballard, Jim Beall, Rebecca Eisenberg, Tony Estremera, Richard Santos, John L. Varela, Nai Hsueh
Nays: None
Abstains: None
Recuses: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

The Yeas have it, and the motion passed.

- 6.2. Receive Report of Bids, Ratify Addenda, Approve the Contingency Fund, and Award the Construction Contract to Con-Quest Contractors, Inc., for the West Pipeline Inspection and Rehabilitation Project - Phase 1, as Part of the 10-Year Pipeline Inspection and Rehabilitation Project, Project No. 95084002, Contract No. C0705 (Town of Los Gatos, City of Campbell, City of Saratoga, City of Cupertino, City of Los Altos, and City of Santa Clara, Districts 4, 5, and 7).

Recommendation: A. Ratify Addenda No. 1,2, and 3 to the contract documents for the West Pipeline Inspection and Rehabilitation Project - Phase 1;
B. Award the Construction Contract to ConQuest Contractors, Inc., located in Burlingame, California in the sum of \$12,488,800; and
C. Approve a contingency of 10% in the amount of \$1,248,880 and authorize the Chief Executive Officer or designee to approve individual change orders up to the designated amount.

Emmanuel Aryee, Deputy Operating Officer, reviewed the information on this Item, per the attached Board Agenda Memo.

Move to Approve: John L. Varela
Second: Richard Santos
Yeas: Shiloh Ballard, Jim Beall, Rebecca Eisenberg, Tony Estremera, Richard Santos, John L. Varela, Nai Hsueh
Nays: None
Abstains: None
Recuses: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

The Yeas have it, and the motion passed.

7. WATERSHEDS:

- 7.1. Approve Agreement No. A5240A with Dudek, and Agreement No. A5241A with Wood Rodgers, Inc. for Technical Support Services for Watershed Capital

Projects, PlanetBids File No. VW0428, for a Combined Total Not-to-Exceed fee of \$1,000,000.

Recommendation: A. Approve Agreement No. A5240A with Dudek for technical support services for Watershed Capital Projects, PlanetBids File No. VW0428, for a not-to-exceed fee of \$500,000; and
 B. Approve Agreement No. A5241A with Wood Rodgers, Inc. for technical support services for Watershed Capital Projects, PlanetBids File No. VW0428, for a not-to-exceed fee of \$500,000.

Bhavanni Yerrapotu, Deputy Operating Officer, reviewed the information on this Item, per the attached Board Agenda Memo.

Move to Approve: Richard Santos
Second: Tony Estremera
Yeas: Shiloh Ballard, Jim Beall, Rebecca Eisenberg, Tony Estremera, Richard Santos, John L. Varela, Nai Hsueh
Nays: None
Abstains: None
Recuses: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

The Yeas have it, and the motion passed.

8. ASSISTANT CHIEF EXECUTIVE OFFICER:

- 8.1. Approve Amendment No. 2 to Agreement No. A4504A with Kayuga Solution, Inc. to Provide On-Call Asset Management Services, CAS File No. 5175, Increasing the Not-to-Exceed fee by \$300,000 for a Revised Total Not-to-Exceed fee of \$1,400,000.

Recommendation: Approve Amendment No. 2 to the Standard On-Call Consultant Agreement A4504A, with Kayuga Solution, Inc. to provide on-call asset management services, CAS File No. 5175, increasing the not-to-exceed fee by \$300,000 for a revised total of not-to-exceed fee of \$1,400,000.

Elizabeth Mercado, Senior Engineer, reviewed the information on this Item, per the attached Board Agenda Memo.

Move to Approve: John L. Varela
 Second: Richard Santos
 Yeas: Shiloh Ballard, Jim Beall, Rebecca Eisenberg, Tony Estremera, Richard Santos, John L. Varela, Nai Hsueh
 Nays: None
 Abstains: None
 Recuses: None
 Absent: None
 Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

The Yeas have it, and the motion passed.

9. **EXTERNAL AFFAIRS:**

9.1. Approve Recommended 2025 Legislative Policy Proposals and Guiding Principles.

Recommendation: Approve recommended 2025 Legislative Policy Proposals and Guiding Principles for the first year of the two-year session in both the California State Legislature and the 119th Congress; and for local and regional legislative efforts.

Marta Lugo, Deputy Administrative Officer, reviewed the information on this Item, per the attached Board Agenda Memo, and per the information contained in Attachment 2.

Move to Adopt: John L. Varela
 Second: Richard Santos
 Yeas: Shiloh Ballard, Jim Beall, Tony Estremera, Richard Santos, John L. Varela, Nai Hsueh
 Nays: Rebecca Eisenberg
 Abstains: None
 Recuses: None
 Absent: None
 Summary: 6 Yeas; 1 Nays; 0 Abstains; 0 Absent.

The Yeas have it, and the motion passed.

10. **CHIEF EXECUTIVE OFFICER:**

10.1 CEO and Chiefs' Reports.

The Board reviewed the information on the November 2024, Office of Government Relations Summary, and the November 2024, Office of Civic Engagement Monthly Update contained in Handouts 10.1-A and 10.1-B, respectively, and noted the information without formal action. Copies of the Handouts were distributed to the Board and made available to the public.

11. **ADMINISTRATION:**

11.1. Approve a Budget Adjustment, Receive Report of Bids, Ratify Addenda, Approve the Contingency Fund and Award of Construction Contract to Swinerton Builders in the sum of \$2,194,000.29 for the Security Upgrades and Enhancements

Project, Project No. 60204022, Contract No. C0713 for Coyote Pumping Plant (Morgan Hill, District 1), Santa Teresa Water Treatment Plant (San Jose, District 7), Winfield Complex (San Jose, District 4), Headquarters Corporate Yard (San Jose, District 4), and Silicon Valley Advanced Water Purification Center (San Jose, District 3).

- Recommendation:
- A. Approve a Fiscal Year 2025 budget adjustment in the amount of \$4,287,130 for the Security Upgrades and Enhancements Project (Project);
 - B. Ratify Addenda Nos. 1 and 2 to the contract documents for the Project;
 - C. Award the construction Contract to Swinerton Builders, located in Santa Clara, California, in the sum of \$2,194,000.29, which includes Supplemental Work identified in Addenda No. 2; and
 - D. Approve a contingency sum of \$329,100 and authorize Chief Executive Officer or designee to approve individual change orders up to the designated amount.

Tony Ndah, Deputy Administrative Officer, reviewed the information on this Item, per the attached Board Agenda Memo.

Move to Approve: Richard Santos
Second: Jim Beall
Yeas: Shiloh Ballard, Jim Beall, Tony Estremera, Richard Santos, John L. Varela, Nai Hsueh
Nays: Rebecca Eisenberg
Abstains: None
Recuses: None
Absent: None
Summary: 6 Yeas; 1 Nays; 0 Abstains; 0 Absent.

The Yeas have it, and the motion passed.

12. DISTRICT COUNSEL:

None.

13. BOARD POLICY PLANNING CALENDAR/PROPOSED FUTURE BOARD AGENDA ITEMS:

13.1. Review the Fiscal Year 2024-2025 Board Policy Planning Calendar.

Recommendation: Review the Fiscal Year 2024-2025 Board Policy Planning Calendar.

The Board noted the information, without formal action.

13.2. Election of Board Chairperson and Vice Chairperson for Calendar Year 2025.

Recommendation: Nominate and elect a new Chairperson and Vice Chairperson for Calendar Year 2025.

Motion: Elect Tony Estremera as Chairperson and Richard Santos as Vice Chairperson for Calendar Year 2025.

Move to Approve: John L. Varela
Second: Richard Santos

Substitute Motion: Elect Richard Santos as Chairperson for Calendar Year 2025.

Move to Approve: Rebecca Eisenberg

The motion failed for lack of a second.

Chairperson Hsueh returned to the original motion.

Motion: Elect Tony Estremera as Chairperson and Richard Santos as Vice Chairperson for Calendar Year 2025.

Move to Approve: John L. Varela
Second: Richard Santos
Yeas: Shiloh Ballard, Jim Beall, Rebecca Eisenberg, Tony Estremera, Richard Santos, John L. Varela, Nai Hsueh
Nays: None
Abstains: None
Recuses: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

The Yeas have it, and the motion passed.

14. BOARD MEMBER REPORTS/ANNOUNCEMENTS:

Director Estremera reported attending a Board Policy and Monitoring Committee (BPMC) meeting; and various meetings with staff.

Chairperson Hsueh reported attending the aforementioned BPMC meeting; a Landscape Committee meeting; and various meetings with staff.

Vice Chair Santos reported attending the aforementioned Landscape Committee meeting; and various meetings with staff.

Director Beall reported attending a Local Agency Formation Commission meeting; and gave a presentation for Waterpalooza.

15. CLERK REVIEW AND CLARIFICATION OF BOARD REQUESTS:

None.

16. ADJOURN:

16.1 Adjourn to the 11:00 a.m. Special meeting on December 17, 2024, in the Santa Clara Valley Water District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California, and via Zoom teleconference.

Chairperson Hsueh adjourned the meeting at 4:22 p.m., to the 11:00 a.m. Special meeting on December 17, 2024, in the Santa Clara Valley Water District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California, and via Zoom teleconference.

Michele L. King, CMC
Clerk, Board of Directors

Approved:

Date:

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Santa Clara Valley Water District

File No.: 24-1042

Agenda Date: 1/14/2025

Item No.: 5.1.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Adopt a Resolution Setting the Time and Place of Regular Meetings of the Santa Clara Valley Water District Board of Directors.

RECOMMENDATION:

- A. Consider the schedule for the regular meetings of the Board, currently held on the second and fourth Tuesday of each month, beginning at 1:00 p.m. respectively, or as designated by the Clerk of the Board to accommodate closed session subject matter;
- B. Discuss and identify, if necessary, 2025 Board meeting recess dates; and
- C. If a new regular Board meeting schedule is approved, adopt the Resolution SETTING THE TIME AND PLACE OF MEETINGS OF THE BOARD OF DIRECTORS OF THE SANTA CLARA VALLEY WATER DISTRICT AND RESCINDING RESOLUTION NO. 24-02.

SUMMARY:

At the January 9, 2024, regular meeting, the Board adopted Resolution No. 24-02 (Attachment 1), setting the schedule for the regular meetings of the Board currently held on the second and fourth Tuesday of each month, beginning at 1:00 p.m. respectively, or as designated by the Clerk of the Board to accommodate closed session subject matter.

This item allows the Board to discuss the current regular meeting schedule. If the Board wishes to change the regular meeting schedule, it can provide direction to staff on the new schedule's effective date and adopt the new resolution setting the time and place of meetings of the Board of Directors.

This item also allows the Board to discuss if a 2025 recess period is necessary and identify dates that Board and Committee meetings would not be scheduled. Having this discussion and selecting dates at the beginning of the year will allow the Board and staff to plan agenda item presentations accordingly.

ENVIRONMENTAL JUSTICE IMPACT:

There are no Environmental Justice impacts associated with this item.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: SCVWD Resolution No. 24-02

Attachment 2: Draft Resolution

UNCLASSIFIED MANAGER:

Max Overland, 408-630-2749

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 24-02

**SETTING THE TIME AND PLACE OF MEETINGS OF THE BOARD OF DIRECTORS
OF THE SANTA CLARA VALLEY WATER DISTRICT AND
RESCINDING RESOLUTION NO. 23-02**

BE IT RESOLVED, by the Board of Directors of Santa Clara Valley Water District (Valley Water), as follows:

Effective January 9, 2024, regular meetings of the Board of Directors of Valley Water shall be held on the 2nd and 4th Tuesday of each month, commencing at 1:00 p.m.

All regular meetings shall be held in the chambers of said Board, 5700 Almaden Expressway (Headquarters Building), San Jose, California 95118, or at such other place as the Board may direct; provided that, a notice of such other meeting place shall be conspicuously posted at least 72 hours prior to such meeting at the location where Board agendas are posted.

When required, Closed Session meetings of the Board of Directors of Santa Clara Valley Water District shall be held on regularly scheduled meeting dates, at a time designated by the Clerk of the Board to accommodate discussion of identified subject matter.

Special meetings of the Board must be called and held as provided by pertinent general law.

Regular and special meetings of the Board may be adjourned to a time and place certain as specified in the announced action of the Board.

Resolution No. 23-02 of this Board is hereby rescinded.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on January 9, 2024.

AYES: Directors Estremera, Eisenberg, Beall, Hsueh, Santos, Varela

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors Keegan

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:

Nai-Hsueh Hsueh

74DF7C772804475...

NAI HSUEH

Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by:

Michele L. King

7E1632DBD93E40C...

Clerk, Board of Directors

RL15112

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**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 2025-

**SETTING THE TIME AND PLACE OF MEETINGS OF THE BOARD OF DIRECTORS
OF THE SANTA CLARA VALLEY WATER DISTRICT
AND RESCINDING RESOLUTION NO. 24-02**

BE IT RESOLVED, by the Board of Directors of Santa Clara Valley Water District (Valley Water), as follows:

Effective _____, 2025, regular meetings of the Board of Directors of Valley Water shall be held on the _____ and _____ of each month, commencing at _____.

All regular meetings shall be held in the chambers of said Board, 5700 Almaden Expressway (Headquarters Building), San Jose, California 95118, or at such other place as the Board may direct; provided that, a notice of such other meeting place shall be conspicuously posted at least 72 hours prior to such meeting at the location where Board agendas are posted.

When required, Closed Session meetings of the Board of Directors of Valley Water shall be held on regularly scheduled meeting dates, at a time designated by the Clerk of the Board to accommodate discussion of identified subject matter.

Special meetings of the Board must be called and held as provided by pertinent general law.

Regular and special meetings of the Board may be adjourned to a time and place certain as specified in the announced action of the Board.

Resolution No. 24-02 of this Board is hereby rescinded.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on January 14, 2025.

AYES: Directors

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

TONY ESTREMER
Chair, Board of Directors

ATTEST: MAXIMILLION OVERLAND, CMC

Interim Clerk, Board of Directors

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Santa Clara Valley Water District

File No.: 25-0060

Agenda Date: 1/14/2025

Item No.: 5.2.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Adopt a Resolution Amending Santa Clara Valley Water District's Conflict of Interest Code.

RECOMMENDATION:

Adopt the Resolution AMENDING THE SANTA CLARA VALLEY WATER DISTRICT CONFLICT OF INTEREST CODE.

SUMMARY:

Staff requests that the Board review the proposed revisions to Santa Clara Valley Water District's (Valley Water) Conflict of Interest Code (Code) and adopt the attached Resolution amending the Code as shown (Attachment 1).

The Political Reform Act of 1974 (Government Code § 81000 *et seq.*) requires every local government agency to adopt a conflict-of-interest code, listing positions generally involved in agency decision-making or purchasing, and to periodically review and revise its code as necessary (§ 87306), including biennial reviews.

Pursuant to Government Code Section 87303, "No conflict of interest code shall be effective until it has been approved by the code reviewing body." The County of Santa Clara Board of Supervisors is the code-reviewing body for any local agency whose jurisdiction is solely within the County, including Valley Water.

Human Resources Staff, in consultation with Valley Water management reviewed the Valley Water's Conflict of Interest Code and are recommending changes that include updates of class specifications and the inclusion of five additional Valley Water Committees. Of the Valley Water Committees, the Safe, Clean Water Program's Independent Monitoring Committee was added following a recent audit recommendation. Four additional committees were added in the same spirit of transparency. All updates were reviewed and approved by the Santa Clara County Clerk's Office, as Filing Officer overseeing and managing Form 700 filings for agencies within the county, including Valley Water. The following are additional details of the proposed updates

Proposed Revisions

Proposed revisions to the Code include:

- The deletion or removal of three classifications that no longer exist.
- Addition of six new classifications.
- Addition of five committees; and
- Updating nineteen classification titles.

A red-lined version of the proposed amended Code, showing all proposed changes, and a clean copy of the proposed amended Code is in Attachment 1.

Next Steps:

If the Board adopts the attached Resolution, the Clerk's office will submit the amended Conflict of Interest Code to the Office of County Counsel and County Clerk for final approval by the County Board of Supervisors.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

There is no environmental justice and equity impact relevant to this item.

FINANCIAL IMPACT:

There is no financial impact relevant to this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably, foreseeable indirect physical changes in the environment.

ATTACHMENTS:

Attachment 1: Resolution

UNCLASSIFIED MANAGER:

Anna Lee, 408-630-3634

Patrice McElroy, 408-630-3286

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 2025-

**AMENDING THE SANTA CLARA VALLEY WATER DISTRICT
CONFLICT OF INTEREST CODE**

WHEREAS, under the Political Reform Act of 1974, the Santa Clara Valley Water District (Valley Water) is required to adopt a Conflict-of-Interest Code (Code) designating individuals subject to conflict-of-interest reporting requirements and to periodically review and update it as necessary, including but not limited to, a biennial review; and

WHEREAS, if a change is necessary, Valley Water is required to submit an amended Code to its code-reviewing body for approval; and

WHEREAS, the County of Santa Clara Board of Supervisors is the code-reviewing body for all local agencies whose jurisdiction is solely within the County, including Valley Water; and

WHEREAS, revisions to Valley Water's Code are appropriate or necessary to: (a) remove positions that are not involved in making or participating in making governmental decisions due to over-listing of positions in the prior Code and/or changes in positions or responsibilities; (b) add new positions to the Code which are involved in making or participation in making government decisions which may have a material financial effect on their financial interests; (c) add Valley Water advisory committees and their members in the interest of transparency; and (d) update disclosure categories.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Santa Clara Valley Water District does hereby declare that the attached Santa Clara Valley Water District Amended Conflict of Interest Code with exhibits (redlined version showing changes is attached hereto as Exhibit A; clean/final version is attached hereto as Exhibit B) is adopted effective January 14, 2025, and shall be submitted for approval by the County of Santa Clara Board of Supervisors, and upon such date of approval, shall become effective and in force for Valley Water.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on January 14, 2025:

AYES: Directors

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

TONY ESTREMER
Chair, Board of Directors

ATTEST: MAXIMILLION OVERLAND, CMC

Interim Clerk, Board of Directors

EXHIBIT A COVERSHEET

SANTA CLARA VALLEY WATER DISTRICT [PROPOSED] AMENDED CONFLICT OF INTEREST CODE (REDLINED VERSION)

No. of Pages: 10

Exhibit Attachments: None

|

SANTA CLARA VALLEY WATER DISTRICT CONFLICT OF INTEREST CODE

SANTA CLARA VALLEY WATER DISTRICT

AMENDED

CONFLICT OF INTEREST CODE

Approval Date:

TBD - Revisions to the Code to be Passed by

Resolution of Board of Directors on [January 14, 2025](#)

and

Approved by Board of Supervisors on

Board of Supervisors
County of Santa Clara
70 West Hedding Street
San Jose, CA 95110

The Santa Clara Valley Water District hereby submits the appended Conflict of Interest Code for approval or other action pursuant to law. The Code is in standard form and Exhibit "A" has been modified to remove three classifications that no longer exist, add six new classifications, add five committees, and updating nineteen classification titles.

Tony Estremera
Chair, Board of Directors

Received on behalf of the Board of Supervisors of the County of Santa Clara this _____, day of _____, 2025.

~~Tiffany Lennear~~ Curtis Boone
Acting Clerk of the Board of Supervisors

The appended Conflict of Interest Code, having been submitted by Santa Clara Valley Water District, was approved by order of the Board of Supervisors on

Other action (if any):

Curtis Boone ~~Tiffany Lennear~~
Acting Clerk of the Board of Supervisors

CONFLICT OF INTEREST CODE
FOR
SANTA CLARA VALLEY WATER DISTRICT

The Political Reform Act, Government Code Sections 81000, *et seq.*, requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation, 2 California Code of Regulations Section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission, along with the Exhibits "A", "B" and "C" in which officials and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the Conflict of Interest Code of the Santa Clara Valley Water District. The complete text of 2 California Code of Regulations Section 18730 can be viewed on the Fair Political Practices Commission web page at: <http://www.fppc.ca.gov/content/dam/fppc/NS-Documents/LegalDiv/Regulations/Index/Chapter7/Article2/18730.pdf>www.fppc.ca.gov.

Persons holding designated positions shall file Statements of Economic Interests with Valley Water's filing official. If statements are received in signed paper format, Valley Water's filing official shall make and retain a copy and forward the original statements to the filing officer, the County of Santa Clara Clerk of the Board of Supervisors. If Statements are electronically filed using the County of Santa Clara's Form 700 e-filing system, both Valley Water's filing official and the County of Santa Clara Clerk of the Board of Supervisors will receive access to the e-filed Statements simultaneously. Valley Water shall retain Statements of Economic Interests as public records available for public inspection and reproduction pursuant to Government Code section 81008.

EXHIBIT "A"

Designated Positions

- I. Persons occupying the following positions are designated employees and must disclose financial interests defined in Category 1 of Exhibit B.

[Agricultural Water Advisory Committee Member \(board committee added\)](#)
~~ASM – Capital Program Planning & Analysis Manager~~ [\(classification removed\)](#)
ASM - Civic Engagement Manager
ASM - Communications Manager
ASM - Construction [Procurement & Contracts Manager](#) [Support \(classification title updated\)](#)
~~ASM – Emergency & Security Manager~~ [\(classification title updated to SSM - Security Manager\)](#)
ASM - Environmental Health and Safety Manager
ASM - Purchasing & Contracts Manager
ASM - Real Estate Services Manager
ASM - Risk Manager
~~ASM – Watersheds Business Planning and Analysis Manager~~ [\(classification title updated to FSM – Watersheds Business Planning & Analysis\)](#)
Assistant Chief Executive Officer
Assistant District Counsel
Assistant Officer
~~Board Support Officer~~ [\(classification removed\)](#)
Chief Executive Officer
Chief Operating Officer
Chief of External Affairs
Chief of Staff
Clerk of the Board
Deputy Administrative Officer
Deputy Clerk of the Board
Deputy Operating Officer
District Counsel
EGM/[EWRM](#) - Asset Management Manager [\(classification title updated\)](#)
~~EGM – Capital Engineering Manager~~ [\(classification title updated to EWRM – Capital Engineering Manager\)](#)
EGM/[EWRM](#) - Community Projects Review Manager [\(classification title updated\)](#)
~~EGM – Construction Manager~~ [\(classification title updated to EWRM – Construction Manager\)](#)
EGM/[EWRM](#) - Hydrology, Hydraulics & Geomorphology Manager [\(classification title updated\)](#)
EGM/[EWRM](#) - Operations & Maintenance Engineering Support Manager [\(classification title updated\)](#)
EGM/[EWRM](#) - Water Policy & Planning Manager [\(classification title updated\)](#)
[Environmental and Water Resources Committee Member \(board committee added\)](#)
ESM - Environmental Mitigation & Monitoring Manager
~~ESM – Environmental Services Manager – Water Utility~~ [\(classification removed\)](#)
ESM - Environmental Services Manager – Watershed
[ESSM – Construction Inspection Manager \(classification added\)](#)
ESSM - Land Surveying & Mapping Manager
[EWRM - Capital Engineering Manager \(classification title updated from EGM – Capital Engineering Manager\)](#)

[EWRM – Construction Manager \(classification title updated from EGM – Construction Manager\)](#)

FSM - Accounting Manager

FSM - Budget Manager

FSM - Financial Planning & Revenue Manager

FSM - Revenue Manager

FSM - Treasury & Debt Manager

[FSM - Watersheds Business Planning & Analysis Manager \(classification title updated from ASM – Watersheds Business Planning & Analysis Manager\)](#)

GSM - Facilities & Fleet Manager

IWM - Imported Water Manager

[Large Construction Manager \(classification added\)](#)

[Safe, Clean Water Independent Monitoring Committee Member \(board committee added\)](#)

[Santa Clara Valley Water Commission Alternate \(board committee added\)](#)

[Santa Clara Valley Water Commission Member \(board committee added\)](#)

Senior Assistant District Counsel

Senior Project Manager - Water Utility

Senior Project Manager - Watersheds

[SSM – Security Manager \(classification title updated from ASM – Emergency & Security Manager\)](#)

Supervising Land Surveyor

Supervising Well Ordinance Compliance Inspector

WRM/[EWRM](#) - Groundwater Management Manager [\(classification title updated\)](#)

WUOM/[EWRM](#) - Utility Operations & Maintenance Manager [\(classification title updated\)](#)

WUOM/[EWRM](#) - Water Treatment Manager [\(classification title updated\)](#)

WSOMM - Integrated Vegetation Manager

WSOMM - Watershed Field Operations Manager

WUOMM - Well & Water Measurement Manager

- II. Persons occupying the following positions are designated employees and must disclose financial interests defined in Category 2 of Exhibit B.

ASM - Employment Services Manager

ASM - Labor Relations Manager

ASM - Racial Equity Diversity & Inclusion Manager

Assistant Procurement Specialist

[Community Benefits Manager \(classification added\)](#)

Contracts Administrator I

Contracts Administrator II

Deferred Compensation Committee Alternate

Deferred Compensation Committee Member

[EGM – Dam Safety Program Manager \(classification title updated to EWRM – Dam Safety Program Manager\)](#)

EGM/[EWRM](#) - Electrical & Control Systems Engineering Manager- [\(classification title updated\)](#)

[EGM/EWRM – Engineering CADD Manager \(classification added\)](#)

EGM/[EWRM](#) - Utility Maintenance Engineering Manager [\(classification title updated\)](#)

[EGM/EWRM – Water Supply Operations Manager -\(classification title updated from WUOM – Water Supply Operations Manager\)](#)

[EWRM – Dam Safety Program Manager \(classification title updated from EGM\)](#)

[EWRM – Pacheco Project Manager \(classification added\)](#)

[FSM – Grants and Claims Manager -\(classification added\)](#)

Government Relations Advocate
 GSM - Business ~~Support, -&-~~ Customer ~~Service & Warehouse~~ Support Manager
(classification title updated)
 GSM - Engineering Support Manager
 GSM - Records & Library Manager
 ISM - Information Technology Manager
 ISM - Information Technology Projects & Business Operations Manager
 ISM - Systems Development & Support Manager
 Management Analyst I, Purchasing & Consultant Contracts Services
 Management Analyst II, Purchasing & Consultant Contracts Services
 Principal Construction Contracts Administrator
 Procurement Specialist
 Program Administrator, Purchasing & Consultant Contracts Services
 Senior Construction Contracts Administrator
 Senior Management Analyst, Purchasing & Consultant Contracts Services
 Senior Procurement Specialist
 Senior Procurement Technician
 Senior Project Manager - Administration
 WRM - Laboratory Services Manager
 WRM - Recycled & Purified Water Manager
 WRM - Water Supply Planning & Conservation Manager
 WRM/EWRM - Water Quality Manager (classification title updated)
~~WUOM - Water Supply Operations Manager~~ (classification title updated to EGM/EWRM
- Water Supply Operations Manager)
 WUOMM - Utility Maintenance Manager - Distribution
 WUOMM - Utility Maintenance Manager - Treatment

- III. Persons occupying the following positions are designated employees and must disclose financial interests defined in Category 3 of Exhibit B.

Associate Real Estate Agent
 Senior Real Estate Agent

- IV. Persons occupying the following positions are designated employees and must disclose financial interests defined in Category 4 of Exhibit B.

None

- V. Persons occupying the following positions are designated employees and must disclose financial interests defined in Category 5 of Exhibit B.

Consultant

- VI. Newly Created Positions

A newly created position that makes or participates in the making of decisions that may foreseeably have a material effect on any financial interest of the position- holder, and which specific position title is not yet listed in Valley Water's conflict of interest code is included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitation: The Chief Executive Officer (or Chief Executive Officer's designee) may determine in writing that a particular newly created position, although a "designated position," is hired to perform a range of duties that are limited in scope and thus is not required to fully comply with the broadest

| disclosure requirements, but instead must comply with more tailored disclosure requirements specific to that newly created position. Such written determination shall include a description of the newly created position's duties ~~and~~and based upon that description, a statement of the extent of the disclosure requirements. The Chief Executive Officer's (or Chief Executive Officer's designee's) determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code (Gov. Code Section 81008.)

As soon as Valley Water has a newly created position that must file statements of economic interests, Valley Water's filing official shall contact the County of Santa Clara Clerk of the Board of Supervisors Form 700 division to notify it of the new position title to be added in the County's electronic Form 700 record management system, known as eDisclosure. Upon this notification, the Clerk's office shall enter the actual position title of the newly created position into eDisclosure and Valley Water's filing official shall ensure that the name of any individual(s) holding the newly created position is entered under that position title in eDisclosure.

Additionally, within 90 days of the creation of a newly created position that must file statements of economic interests, Valley Water shall update this conflict of interest code to add the actual position title in its list of designated positions, and submit the amended conflict of interest code to the County of Santa Clara Office of the County Counsel for code-reviewing body approval by the County Board of Supervisors. (Gov. Code Sec. 87306.)

EXHIBIT “B”

Disclosure Categories

Category 1

Designated persons in this category must report all interests in real property located entirely or partly within the boundaries of Valley Water, or within two miles of Valley Water boundaries, or of any land owned or used by Valley Water, as well as investments, business positions and sources of income, including gifts, loans and travel payments.

Category 2

Designated persons in this category must report all investments, business positions and sources of income, including gifts, loans and travel payments from sources that provide leased facilities, goods, equipment, vehicles, machinery, or services, including training or consulting services, of the type utilized by Valley Water.

Category 3

Designated persons in this category must report all interests in real property located entirely or partly within the boundaries of Valley Water, or within two miles of Valley Water boundaries, or of any land owned or used by Valley Water, as well as investments in, business positions with, and income (including gifts, loans, and travel payments) from all sources that are engaged in any real estate activity including, but not limited to, real estate appraisal, development, construction, planning/architectural design, engineering, sales, brokerage, leasing, lending, insurance, rights of way, and/or studies; and/or property or facilities management/maintenance/custodial and utility services as used by Valley Water or provides capital for the purchase of property used or sold by Valley Water.

Category 4

Designated persons in this category must report all investments in, business positions with, and income (including gifts, loans, and travel payments, and income from a nonprofit organization) from sources of the type to receive grants or other monies from or through Valley Water.

Category 5

Consultants, as defined for purposes of the Political Reform Act, shall disclose pursuant to the broadest disclosure category in Valley Water’s conflict of interest code (Category 1) subject to the following limitation: The Chief Executive Officer (or Chief Executive Officer’s designee) may determine in writing that a particular consultant, although a “designated position,” is hired to perform a range of duties that are limited in scope and thus is not required to comply fully with the disclosure requirement of the broadest disclosure category, but instead must comply with more tailored disclosure requirements specific to that consultant. Such written determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of disclosure requirements. The Chief Executive Officer’s (or Chief Executive Officer’s designee’s) determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

EXHIBIT "C"
GOVERNMENT CODE SECTION 87200 FILERS

Pursuant to Government Code section 87200, officials who manage public investments as defined by 2 California Code of Regulations section 18700.3(b) are subject to the disclosure and disqualification provisions set forth in the Political Reform Act (Government Code Title 9, Chapter 7, Article 2) and are required to file full Statements of Economic Interests.

Valley Water has determined that the holders of the positions listed below are officials who manage public investments. These positions are not subject to Valley Water's code but are listed here for informational purposes only.

- (1) Member, Board of Directors
- (2) Chief Financial Officer

Government Code section 87200 filers shall file Statements of Economic Interests with Valley Water's filing official. If statements are received in signed paper format, Valley Water's filing official shall make and retain a copy and forward the original statements to the filing officer, the County of Santa Clara Clerk of the Board of Supervisors. If Statements are electronically filed using the County of Santa Clara's Form 700 e-filing system, both Valley Water's filing official and the County of Santa Clara Clerk of the Board of Supervisors will receive access to the e-filed Statements simultaneously. Valley Water shall retain Statements of Economic Interests as public records available for public inspection and reproduction pursuant to Government Code section 81008.

EXHIBIT B COVERSHEET

SANTA CLARA VALLEY WATER DISTRICT [PROPOSED] AMENDED CONFLICT OF INTEREST CODE (CLEAN/FINAL)

No. of Pages: 9

Exhibit Attachments: None

SANTA CLARA VALLEY WATER DISTRICT CONFLICT OF INTEREST CODE

SANTA CLARA VALLEY WATER DISTRICT

AMENDED

CONFLICT OF INTEREST CODE

Approval Date:

TBD - Revisions to the Code to be Passed by
Resolution of Board of Directors on January 14, 2025

and

Approved by Board of Supervisors on

Board of Supervisors
County of Santa Clara
70 West Hedding Street
San Jose, CA 95110

The Santa Clara Valley Water District hereby submits the appended Conflict of Interest Code for approval or other action pursuant to law. The Code is in standard form and Exhibit "A" has been modified to remove three classifications that no longer exist, add six new classifications, add five committees, and updating nineteen classification titles.

Tony Estremera
Chair, Board of Directors

Received on behalf of the Board of Supervisors of the County of Santa Clara this _____,
day of _____, 2025.

Curtis Boone
Acting Clerk of the Board of Supervisors

The appended Conflict of Interest Code, having been submitted by Santa Clara Valley Water District, was approved by order of the Board of Supervisors on _____
_____.

Other action (if any):

Curtis Boone
Acting Clerk of the Board of Supervisors

CONFLICT OF INTEREST CODE
FOR
SANTA CLARA VALLEY WATER DISTRICT

The Political Reform Act, Government Code Sections 81000, *et seq.*, requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation, 2 California Code of Regulations Section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission, along with the Exhibits "A", "B" and "C" in which officials and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the Conflict of Interest Code of the Santa Clara Valley Water District. The complete text of 2 California Code of Regulations Section 18730 can be viewed on the Fair Political Practices Commission web page at: www.fppc.ca.gov.

Persons holding designated positions shall file Statements of Economic Interests with Valley Water's filing official. If statements are received in signed paper format, Valley Water's filing official shall make and retain a copy and forward the original statements to the filing officer, the County of Santa Clara Clerk of the Board of Supervisors. If Statements are electronically filed using the County of Santa Clara's Form 700 e-filing system, both Valley Water's filing official and the County of Santa Clara Clerk of the Board of Supervisors will receive access to the e-filed Statements simultaneously. Valley Water shall retain Statements of Economic Interests as public records available for public inspection and reproduction pursuant to Government Code section 81008.

EXHIBIT “A”
Designated Positions

- I. Persons occupying the following positions are designated employees and must disclose financial interests defined in Category 1 of Exhibit B.

Agricultural Water Advisory Committee Member
ASM - Civic Engagement Manager
ASM - Communications Manager
ASM - Construction Procurement & Contracts Manager
ASM - Environmental Health and Safety Manager
ASM - Purchasing & Contracts Manager
ASM - Real Estate Services Manager
ASM - Risk Manager
Assistant Chief Executive Officer
Assistant District Counsel
Assistant Officer
Chief Executive Officer
Chief Operating Officer
Chief of External Affairs
Chief of Staff
Clerk of the Board
Deputy Administrative Officer
Deputy Clerk of the Board
Deputy Operating Officer
District Counsel
EGM/EWRM - Asset Management Manager
EGM/EWRM - Community Projects Review Manager
EGM/EWRM - Hydrology, Hydraulics & Geomorphology Manager
EGM/EWRM - Operations & Maintenance Engineering Support Manager
EGM/EWRM - Water Policy & Planning Manager
Environmental and Water Resources Committee Member
ESM - Environmental Mitigation & Monitoring Manager
ESM - Environmental Services Manager – Watershed
ESSM – Construction Inspection Manager
ESSM - Land Surveying & Mapping Manager
EWRM - Capital Engineering Manager
EWRM – Construction Manager
FSM - Accounting Manager
FSM - Budget Manager
FSM - Financial Planning & Revenue Manager
FSM - Revenue Manager
FSM - Treasury & Debt Manager
FSM - Watersheds Business Planning & Analysis Manager
GSM - Facilities & Fleet Manager
IWM - Imported Water Manager
Large Construction Manager
Safe, Clean Water Independent Monitoring Committee Member
Santa Clara Valley Water Commission Alternate
Santa Clara Valley Water Commission Member
Senior Assistant District Counsel
Senior Project Manager - Water Utility

Senior Project Manager - Watersheds
SSM – Security Manager
Supervising Land Surveyor
Supervising Well Ordinance Compliance Inspector
WRM/EWRM - Groundwater Management Manager
WUOM/EWRM - Utility Operations & Maintenance Manager
WUOM/EWRM - Water Treatment Manager
WSOMM - Integrated Vegetation Manager
WSOMM - Watershed Field Operations Manager
WUOMM - Well & Water Measurement Manager

II. Persons occupying the following positions are designated employees and must disclose financial interests defined in Category 2 of Exhibit B.

ASM - Employment Services Manager
ASM - Labor Relations Manager
ASM - Racial Equity Diversity & Inclusion Manager
Assistant Procurement Specialist
Community Benefits Manager Contracts Administrator I
Contracts Administrator II
Deferred Compensation Committee Alternate
Deferred Compensation Committee Member
EGM/EWRM - Electrical & Control Systems Engineering Manager
EGM/EWRM – Engineering CADD Manager
EGM/EWRM - Utility Maintenance Engineering Manager
EGM/EWRM – Water Supply Operations Manager
EWRM – Dam Safety Program Manager
EWRM – Pacheco Project Manager
FSM – Grants and Claims Manager
Government Relations Advocate
GSM - Business Support, Customer Service & Warehouse Manager
GSM - Engineering Support Manager
GSM - Records & Library Manager
ISM - Information Technology Manager
ISM - Information Technology Projects & Business Operations Manager
ISM - Systems Development & Support Manager
Management Analyst I, Purchasing & Consultant Contracts Services
Management Analyst II, Purchasing & Consultant Contracts Services
Principal Construction Contracts Administrator
Procurement Specialist
Program Administrator, Purchasing & Consultant Contracts Services
Senior Construction Contracts Administrator
Senior Management Analyst, Purchasing & Consultant Contracts Services
Senior Procurement Specialist
Senior Procurement Technician
Senior Project Manager - Administration
WRM - Laboratory Services Manager
WRM - Recycled & Purified Water Manager
WRM - Water Supply Planning & Conservation Manager
WRM/EWRM - Water Quality Manager
WUOMM - Utility Maintenance Manager - Distribution
WUOMM - Utility Maintenance Manager - Treatment

- III. Persons occupying the following positions are designated employees and must disclose financial interests defined in Category 3 of Exhibit B.

Associate Real Estate Agent
Senior Real Estate Agent

- IV. Persons occupying the following positions are designated employees and must disclose financial interests defined in Category 4 of Exhibit B.

None

- V. Persons occupying the following positions are designated employees and must disclose financial interests defined in Category 5 of Exhibit B.

Consultant

- VI. Newly Created Positions

A newly created position that makes or participates in the making of decisions that may foreseeably have a material effect on any financial interest of the position- holder, and which specific position title is not yet listed in Valley Water's conflict of interest code is included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitation: The Chief Executive Officer (or Chief Executive Officer's designee) may determine in writing that a particular newly created position, although a "designated position," is hired to perform a range of duties that are limited in scope and thus is not required to fully comply with the broadest disclosure requirements, but instead must comply with more tailored disclosure requirements specific to that newly created position. Such written determination shall include a description of the newly created position's duties and based upon that description, a statement of the extent of the disclosure requirements. The Chief Executive Officer's (or Chief Executive Officer's designee's) determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code (Gov. Code Section 81008.)

As soon as Valley Water has a newly created position that must file statements of economic interests, Valley Water's filing official shall contact the County of Santa Clara Clerk of the Board of Supervisors Form 700 division to notify it of the new position title to be added in the County's electronic Form 700 record management system, known as eDisclosure. Upon this notification, the Clerk's office shall enter the actual position title of the newly created position into eDisclosure and Valley Water's filing official shall ensure that the name of any individual(s) holding the newly created position is entered under that position title in eDisclosure.

Additionally, within 90 days of the creation of a newly created position that must file statements of economic interests, Valley Water shall update this conflict of interest code to add the actual position title in its list of designated positions, and submit the amended conflict of interest code to the County of Santa Clara Office of the County Counsel for code-reviewing body approval by the County Board of Supervisors. (Gov. Code Sec. 87306.)

EXHIBIT “B”

Disclosure Categories

Category 1

Designated persons in this category must report all interests in real property located entirely or partly within the boundaries of Valley Water, or within two miles of Valley Water boundaries, or of any land owned or used by Valley Water, as well as investments, business positions and sources of income, including gifts, loans and travel payments.

Category 2

Designated persons in this category must report all investments, business positions and sources of income, including gifts, loans and travel payments from sources that provide leased facilities, goods, equipment, vehicles, machinery, or services, including training or consulting services, of the type utilized by Valley Water.

Category 3

Designated persons in this category must report all interests in real property located entirely or partly within the boundaries of Valley Water, or within two miles of Valley Water boundaries, or of any land owned or used by Valley Water, as well as investments in, business positions with, and income (including gifts, loans, and travel payments) from all sources that are engaged in any real estate activity including, but not limited to, real estate appraisal, development, construction, planning/architectural design, engineering, sales, brokerage, leasing, lending, insurance, rights of way, and/or studies; and/or property or facilities management/maintenance/custodial and utility services as used by Valley Water or provides capital for the purchase of property used or sold by Valley Water.

Category 4

Designated persons in this category must report all investments in, business positions with, and income (including gifts, loans, and travel payments, and income from a nonprofit organization) from sources of the type to receive grants or other monies from or through Valley Water.

Category 5

Consultants, as defined for purposes of the Political Reform Act, shall disclose pursuant to the broadest disclosure category in Valley Water’s conflict of interest code (Category 1) subject to the following limitation: The Chief Executive Officer (or Chief Executive Officer’s designee) may determine in writing that a particular consultant, although a “designated position,” is hired to perform a range of duties that are limited in scope and thus is not required to comply fully with the disclosure requirement of the broadest disclosure category, but instead must comply with more tailored disclosure requirements specific to that consultant. Such written determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of disclosure requirements. The Chief Executive Officer’s (or Chief Executive Officer’s designee’s) determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

EXHIBIT "C"
GOVERNMENT CODE SECTION 87200 FILERS

Pursuant to Government Code section 87200, officials who manage public investments as defined by 2 California Code of Regulations section 18700.3(b) are subject to the disclosure and disqualification provisions set forth in the Political Reform Act (Government Code Title 9, Chapter 7, Article 2) and are required to file full Statements of Economic Interests.

Valley Water has determined that the holders of the positions listed below are officials who manage public investments. These positions are not subject to Valley Water's code but are listed here for informational purposes only.

- (1) Member, Board of Directors
- (2) Chief Financial Officer

Government Code section 87200 filers shall file Statements of Economic Interests with Valley Water's filing official. If statements are received in signed paper format, Valley Water's filing official shall make and retain a copy and forward the original statements to the filing officer, the County of Santa Clara Clerk of the Board of Supervisors. If Statements are electronically filed using the County of Santa Clara's Form 700 e-filing system, both Valley Water's filing official and the County of Santa Clara Clerk of the Board of Supervisors will receive access to the e-filed Statements simultaneously. Valley Water shall retain Statements of Economic Interests as public records available for public inspection and reproduction pursuant to Government Code section 81008.



Santa Clara Valley Water District

File No.: 25-0076

Agenda Date: 1/14/2025

Item No.: 5.3.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Authorize Executive-Level Discussion of the San Francisquito Creek Flood Protection Project Funding Guiding Principles.

RECOMMENDATION:

Authorize the Chief Executive Officer, or their designee, to discuss guiding principles for funding the San Francisquito Creek Flood Protection Project with executive staff from the San Francisquito Creek Joint Powers Authority Member Agencies.

SUMMARY:

At the December 6, 2024, Board Policy and Monitoring Committee (Committee) Meeting, Staff provided an update on San Francisquito Creek Flood Protection Project (Project) status, and issues related to Valley Water's participation in the San Francisquito Creek Joint Powers Authority (SFCJPA). The Committee discussed the issues and provided feedback to staff. The Committee Agenda Memo is included as Attachment 1.

The Committee discussion focused on the concern of the Project not meeting the Safe, Clean Water Program KPI for the Project to provide 70-year flood protection, and the need for additional funding to construct the Project. Following flooding on San Francisquito Creek in 2022, it became evident that the Project as designed would no longer provide 70-year flood protection. Therefore, the SFCJPA is re-evaluating the Project and determining an updated level of protection. Funding needs are uncertain until a new level of protection and Project are defined, however additional funding is needed.

The Committee provided feedback that the Project needs to be defined, Project beneficiaries need to be determined, and that a plan for Project implementation, including funding, needs to be developed. Identifying funding for the Project should include negotiating principles for how to fund the Project based on benefits received and would be similar to Valley Waters' participation in large storage projects which often have master funding agreements. As a first step, the committee specifically provided feedback to staff to bring forward a recommendation to the full Board's consideration for Valley Water executive staff to begin discussing guiding principles for funding the Project with executive staff from the other four SFCJPA agencies (City of Palo Alto, City of East Palo Alto, City of

Menlo Park, and One Shoreline). Should the Board approve this item, Valley Water executive staff will begin negotiating funding principles for the Project with executive staff from SFCJPA member agencies listed above.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

There are no environmental justice and equity impacts associated with this item. This action will not result in adverse impacts and is not associated with an equity opportunity.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Item 4.1, BPMC

UNCLASSIFIED MANAGER:

Bhavani Yerrapotu, 408-630-2735



Santa Clara Valley Water District

File No.: 24-1039

Agenda Date: 12/6/2024

Item No.: 4.1.

COMMITTEE AGENDA MEMORANDUM Board Policy and Monitoring Committee

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Discuss San Francisquito Creek Flood Protection Project (Project) and Issues Related to Santa Clara Valley Water District's Participation in the San Francisquito Creek Joint Powers Authority (SFCJPA) and Provide Feedback.

RECOMMENDATION:

- A. Receive an update on Project status and issues related to Santa Clara Valley Water District's participation in the SFCJPA; and
- B. Discuss and identify opportunities for improvement to help resolve these issues and provide feedback to staff on next steps.

SUMMARY:

At Santa Clara Valley Water District's (Valley Water) September 24, 2024, Board meeting, the Board approved payment of Valley Water's annual member contribution to the SFCJPA Operating Budget. At that time, the Board referred recently encountered policy issues associated with the SFCJPA and the Project to the Board Policy and Monitoring Committee (Committee) for further discussion. The summary below provides the background on the SFCJPA and the Project, a Project status update, and a summary of policy issues to be discussed by the Committee.

Background

San Francisquito Creek forms the boundary between San Mateo and Santa Clara Counties, with the cities of Menlo Park and East Palo Alto to the north and the City of Palo Alto to the south. The creek has overtopped and caused flooding in the surrounding communities several times in the past. The largest flood on record occurred in 1998 and was considered a once in 70-year flood event. The most recent flood event occurred on December 31, 2022, and was the second-largest flood on record.

The SFCJPA was formed in 1999 following the 1998 flood event and consists of five member agencies: Valley Water, the City of East Palo Alto, the City of Menlo Park, the City of Palo Alto, and the San Mateo County Flood and Sea Level Rise Resiliency District (One Shoreline). Each of the member agencies designate their own elected representative to the SFCJPA Board. Since its formation in 1999, the SFCJPA has been working to implement the San Francisquito Creek Flood

Protection Project (Project).

The Project is part of Valley Water's Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) that voters renewed in November 2020. Each project in the Safe, Clean Water Program has established key performance indicators (KPIs) that are used to monitor the progress and completion of the project. Flood protection projects reliant on federal funding have two KPIs; one for the preferred project with federal funding and another for a local-funding-only project. This approach allows progress on local KPIs while pursuing additional federal funding sources. Valley Water is currently aiming to achieve the local funding KPI listed below for this Project:

"With state and local funding only: Protect approximately 3,000 parcels by providing 1% (100-year) flood protection downstream of Highway 101, and approximately 1.4% (70-year) protection upstream of Highway 101."

The Project consists of two reaches: The downstream reach from San Francisco Bay to US Highway 101 and the upstream reach from US Highway 101 to Middlefield Road. The downstream reach of the Project was completed in 2018 and provides 100-year flood protection, thus meeting the Safe, Clean Water KPI for the downstream reach. The project included sediment removal, channel widening, levee improvements, and floodwalls. Valley Water took a lead role in implementing the downstream reach of the Project and managed the design and construction. There was no formal agreement for Valley Water to lead the project; rather, it was an informal arrangement between the SFCJPA Executive Director, Valley Water executive management, and other member agencies at the time. Valley Water contributed \$51.2 million, or over 70% of the total cost of the downstream reach. Approximately \$46.8 million was funded by the Safe, Clean Water Program, with the remainder funded by Valley Water's Watershed Stream Stewardship Fund.

The upstream reach of the Project is in progress. An EIR was approved in September 2019, and the preferred alternative included four project elements that would protect from a 70-year flood event. These four elements moved forward into design and have reached various levels of completion, listed below:

1. Pope-Chaucer Bridge Replacement - 90% design (by Valley Water)
2. Channel Widening (4 separate sites) - 90% design (by Valley Water)
3. Newell Road Bridge Replacement - design complete (by City of Palo Alto)
4. Top-of-Bank Improvements (floodwalls) - 60% design (by Valley Water)

Current Project Status

As a result of the December 31, 2022 flooding, Valley Water staff determined that the existing creek capacity was less than estimated in previous models. Consequently, the four above-mentioned project elements would no longer convey the 70-year design flow. The Project, as designed, does not meet the Safe, Clean Water KPI for the upstream reach to provide 70-year flood protection.

Valley Water continued to lead the design of the four upstream project elements until February 2023, when at the SFCJPA's request, Valley Water turned over project design to the SFCJPA to lead. In spring 2024, the SFCJPA hired a consultant to re-evaluate the project alternatives and reaffirm the

preferred alternative (the four elements). Currently, the Pope Chaucer Bridge replacement, channel widening, and top-of-bank improvements are on hold until that analysis is complete.

The City of Palo Alto completed the Newell Road Bridge replacement design and is now proceeding to project construction since it has been determined that the bridge replacement will provide flood protection benefits without transferring risk downstream, and the project has grant funding. This project is being funded by a Caltrans Highway Bridge Program grant, with Valley Water contributing the local match funds for the grant of approximately 11% through a cost-share agreement with the City of Palo Alto.

Summary of Issues

The issues related to Valley Water's participation in the SFCJPA fall into three categories:

1. Valley Water's role in the SFCJPA
2. Project direction
3. Financial concerns

Valley Water's Role in the SFCJPA

Valley Water has limited authority over the Project outcome. Valley Water has limited voting rights as one of five member agencies, each having one vote. Furthermore, while San Mateo County has three member agencies and three votes (One Shoreline, City of East Palo Alto, and City of Menlo Park), Santa Clara County has only two member agencies and two votes (Valley Water and City of Palo Alto). This creates some inequity in representation on the SFCJPA Board between the two counties. In addition, Valley Water is no longer leading the project and SFCJPA staff has taken over the lead role.

Despite this limited authority over the Project outcome, Valley Water has committed a total of \$81.5 million, which is the majority of funding for the Project. As of Fiscal Year 2024, Valley Water has expended approximately \$60.4 million (which includes both Safe, Clean Water and Watershed Stream Stewardship funding), and approximately \$21.1 million remains in Safe Clean Water funding.

For the downstream reach, Valley Water contributed \$51.2 million (which includes both Safe, Clean Water and Watershed Stream Stewardship funding), while the four other member agencies contributed a combined total of \$4.5 million, as outlined in the First Amended Construction Funding Agreement for the downstream reach. The SFCJPA also received \$8.8 million in Department of Water Resources Proposition 1E and Proposition 84 grant funding for the downstream reach, with Valley Water leading pursuit of the Proposition 84 grant.

For the upstream reach, the City of Palo Alto is currently securing a \$12.5 million Caltrans Highway Bridge Program grant for Newell Bridge Construction. The SFCJPA has executed an agreement for Proposition 1 grant funds in the amount of \$5 million and is pursuing approximately \$8.2 million in U.S. Army Corps of Engineers (USACE) CAP 205 funding.

While other member agency contributions and grant funding have been important to the Project's success, Valley Water's funding has been substantial in comparison.

Additionally, although Valley Water has limited authority over the Project outcome, the Safe, Clean Water Program KPI implies that Valley Water is responsible for project delivery. The Project's KPI calls for delivering 70-year flood protection for the upstream reach. However, Valley Water's altered role more closely aligns with a 'funding contribution' KPI. Several projects in the Safe, Clean Water Program are measured by funding contribution KPIs. One such example is Project F8: Sustainable Creek Infrastructure for Continued Public Safety, with the KPI to *"Provide up to \$7.5 million in the first 15-year period to plan, design and construct projects identified through Watershed Asset Management Plans."*

Lastly, the Project is included in Valley Water's Capital Improvement Program (CIP) Fiscal Years 2025-29 Five-Year Plan. Aside from USACE partnership projects, this is the only project in Valley Water's CIP that is being led by another agency. Other similar projects where Valley Water is not the project owner and only contributing funds through partnership agreements are included in operating budgets rather than the CIP. Examples of these types of projects include the Los Vaqueros Reservoir Expansion Project, the Delta Conveyance Project, and the B.F. Sisk Dam Raise and Reservoir Expansion Project. Valley Water has limited authority over the delivery of these projects, and therefore, they are included in operating budgets rather than the CIP.

Project Direction

The next issue, which is also discussed above under 'Project Status,' is that the current project does not meet the Safe, Clean Water KPI to provide 70-year flood protection. Following the December 2022 flood event, it became evident that the Project as designed would no longer provide 70-year flood protection, and the SFCJPA hired a consultant to re-evaluate the preferred project alternative. SFCJPA staff is currently working with its consultant and the JPA Board to reaffirm the preferred alternative and select an updated level of flood protection. It is uncertain what level of protection the SFCJPA will pursue. If the SFCJPA proceeds with the current design, it will not meet Valley Water's KPI. If the SFCJPA proceeds with 70-year flood protection, additional flood protection elements will need to be added to the design.

Financial Concerns

Until the updated level of protection for the upstream reach of the Project is determined, the total project costs are unknown. Even with the remaining Safe, Clean Water funding applied to the Project as currently designed, which does not provide 70-year flood protection, there is an approximate \$25 million funding gap. Valley Water estimates that 70-year flood protection would require additional infrastructure, and \$50 to \$100 million or more in funding.

Other financial concerns are related to SFCJPA operations. The SFCJPA Agreement requires annual financial audits, but these have not been completed for the past five (5) years. Financial audits are required by law at least bi-annually.

Additionally, there is no clear delineation of operations expenses between the two projects that the SFCJPA leads: the San Francisquito Creek Flood Protection Project and the SAFER Bay Project. The SAFER Bay Project provides coastal and sea level rise flood protection along the San Mateo County Shoreline. The SAFER Bay Project is located in and fully benefits San Mateo County. At a

2022 SFCJPA Board meeting, Valley Water and the City of Palo Alto raised concerns about continuing to contribute toward operating costs unless there was a clear separation of funding between the two projects. The purpose of separating expenses is to ensure that no portion of Valley Water or the City of Palo Alto's annual member contribution (approximately \$350,000) is funding SAFER Bay project operations expenses, which benefits San Mateo County.

Next Steps

Some potential next steps for the Committee's consideration are provided below.

1. *Investigate options for Valley Water's long-term participation in the SFCJPA:* Valley Water staff could investigate options for Valley Water's continued participation in the SFCJPA, how the San Francisquito Creek Flood Protection Project would proceed under each option, and the pros and cons associated with each option. Options include withdrawing from the SFCJPA, taking a lead role in the SFCJPA, or continuing in the current limited role. The SFCJPA Agreement includes a clause for withdrawal, which would need to occur by May 1st to avoid payment of the following year's annual member contribution.
2. *Take steps to improve the existing SFCJPA and SFCJPA Agreement:* If Valley Water wishes to continue to participate in the SFCJPA, there are actions that may help resolve some of the identified issues, including:
 - a. *Request to amend the Agreement to include weighted voting rights:* Weighted voting rights would provide Valley Water with more authority over project direction and could be based on funding contribution and/or equal weighting between Santa Clara and San Mateo Counties. Some other JPAs that Valley Water participates in include weighted voting based on funding contribution.
 - b. *Request to amend the Agreement so member contribution is contingent upon financial audits and clear separation of SAFER Bay expenses:* The Agreement could be amended so that payment of member contributions is contingent on the SFCJPA conducting annual financial audits and demonstrating clear separation of expenses between the San Francisquito Creek and SAFER Bay projects. This would provide more transparency regarding how Valley Water funds are being used by the SFCJPA.
 - c. *Confirm and advocate for Valley Water's preferred level of protection:* Valley Water may wish to confirm the level of protection it desires for the project to provide (70-year or other). Confirming the level of protection may include an abbreviated planning effort or other cost-benefit analysis. Once determined, Valley Water's representative on the SFCJPA Board could advocate for Valley Water's preferred level of protection.
 - d. *Advocate for additional funding from other members or outside sources:* It's clear that no matter which level of protection is selected or how Valley Water chooses to continue to participate, additional funding will benefit the Project and the SFCJPA. Valley Water may wish to advocate for additional funding from other SFCJPA members or other local, state, or federal sources.

3. *Consider modifications to the Safe, Clean Water Program:* Depending on how Valley Water chooses to participate in the SFCJPA and the level of protection offered by the Project, Valley Water will need to modify the Safe, Clean Water Program, specifically the Project KPI. If Valley Water continues its current role, a funding contribution KPI more accurately reflects that role. Additionally, the Project level of protection will need to be modified once determined by the SFCJPA unless it remains at the 70-year level.
4. *Consider Changing the Project from a capital to an operations project:* Unless Valley Water becomes the project owner, consider removing the Project from the Capital Improvement Program (CIP) to be more consistent with other similar projects where Valley Water is not the project owner or lead agency.

Staff is requesting feedback from the Committee on proceeding with any of the above listed or other next steps that the Committee recommends.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

This action is unlikely to or will not result in adverse impacts and is not associated with an equity opportunity.

ATTACHMENTS:

Attachment 1: PowerPoint

UNCLASSIFIED MANAGER:

Bhavani Yerrapotu, 408-630-2735



San Francisquito Creek Project and JPA

Board Policy and Monitoring Committee Update
December 6, 2024

Overview

- Background and History
- Project Status
- Summary of Issues
 - Valley Water's Role in the SFCJPA
 - Project Direction
 - Financial Concerns
- Committee Discussion
 - Recommendations and Next Steps

Flooding History

- **1998:** Highest flow on record, a once in 70-year flood event
- **2022:** Most recent and second highest event on record

HISTORIC PEAK STREAMFLOW RATES SAN FRANCISQUITO CREEK AT USGS GAGE 11164500 1930 - 1941; 1950 - 2023

	<u>DATE</u>	<u>PEAK FLOW RATE (CFS)</u>
1.	FEBRUARY 3, 1998	7200
2.	DECEMBER 31, 2022	5880
3.	DECEMBER 22, 1955	5560
4.	DECEMBER 23, 2012	5400
5.	JANUARY 4, 1982	5220
6.	JANUARY 1, 2005	4840
7.	FEBRUARY 7, 2017	4820
8.	APRIL 2, 1958	4460
9.	JANUARY 21, 1967	4000
10.	FEBRUARY 13, 2000	3930

San Francisquito Creek Joint Powers Authority (SFCJPA)

4

- Formed following the 1998 flood event to lead projects that mitigate the risk of flooding along San Francisquito Creek and San Francisco Bay
- Five Member Agencies:



San Francisquito Creek Project

5

- Downstream Project (Reach 1)
 - Hwy 101 to Bay
 - Complete
- Upstream Project (Reach 2)
 - Middlefield Rd to Hwy 101
 - In progress



Safe Clean Water Key Performance Indicator (KPI)

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Project E5: San Francisquito Creek Flood Protection

With state and local funding only: Protect approximately 3,000 parcels by providing 1% (100-year) flood protection downstream of Highway 101, and approximately 1.4% (70-year) protection upstream of Highway 101.

- ✓ **Downstream Project KPI (complete):**
Provide 100 Year protection
- **Upstream Project KPI (in progress):**
Provide 70 Year protection

Downstream Project: 100-year Protection

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- Construction complete in 2018
 - Sediment removal, channel widening, levee improvements, and floodwalls
- Valley Water informally led the project as a member of the JPA
- Valley Water contributed approximately 70% of total funding (\$51.2 million¹)

Upstream Project: 70-year protection



Four Project Elements:

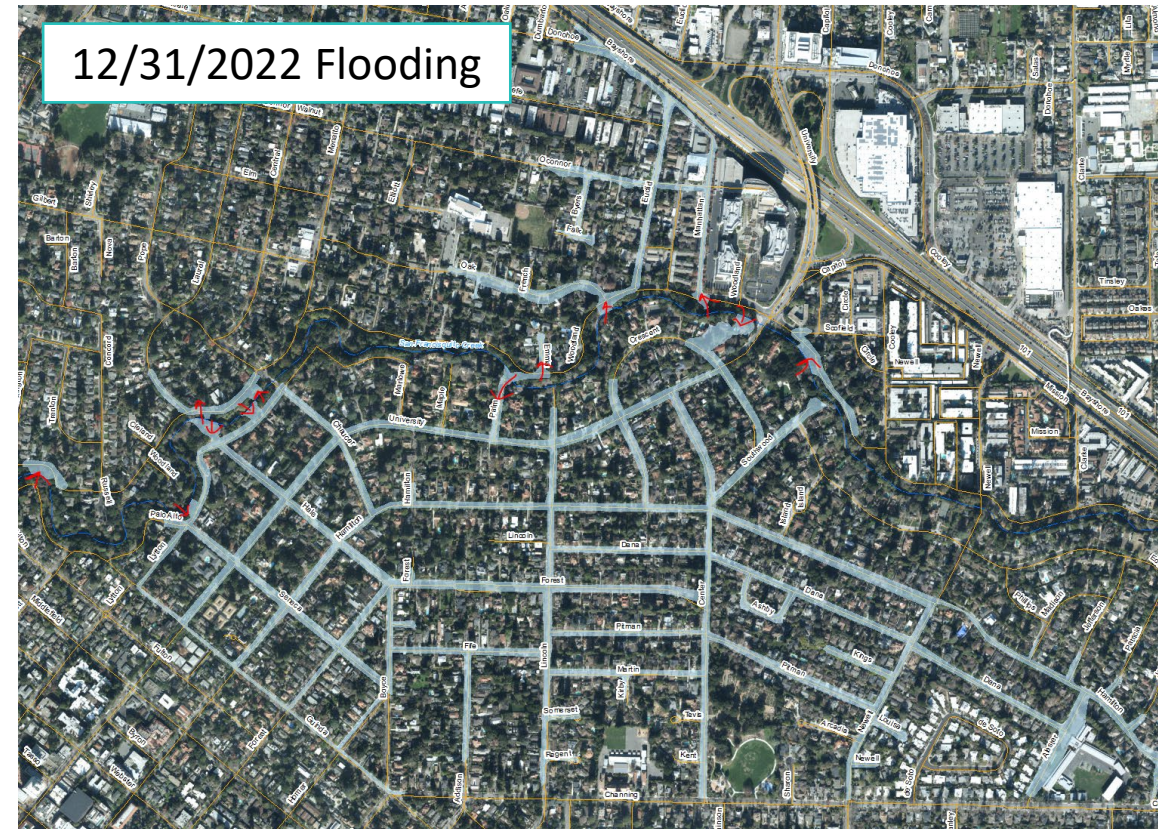
1. Pope Chaucer Bridge (90% design – Valley Water)
2. Channel Widening (90% design – Valley Water)
3. Newell Bridge (Design Complete – City of Palo Alto)
4. Top of Bank (60% design – Valley Water)

Upstream Project Status

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- After flooding on December 31, 2022, staff found that existing creek capacity is lower than estimated
- Proposed project (four elements) will not convey 70-year design flow

Current design does not meet the SCW KPI to provide 70-year flood protection upstream of Hwy 101



Upstream Project Status (continued)

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- In February 2023 at SFCJPA request, Valley Water turned over design to SFCJPA to lead
- In Spring 2024, SFCJPA executed a consultant agreement to re-evaluate EIR alternatives and reaffirm the preferred alternative
- Channel Widening, Top of Bank, and Pope-Chaucer Bridge designs are **on-hold** pending updated consultant analysis
- Newell Bridge construction planned for 2025
 - City of Palo Alto leads, with grant funding from Caltrans

Summary of Issues

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1. **Valley Water's Role:** Valley Water has limited authority over Project outcome, yet:
 - a) Has contributed the majority of Project funding
 - b) The Safe Clean Water KPI indicates Valley Water is responsible for Project delivery
 - c) The Project is included in Valley Water's CIP
2. **Project Direction:** The Project does not provide 70-year protection to meet the Safe Clean Water KPI
3. **Financial Concerns:**
 - a) The Project does not have enough funding for construction
 - b) SFCJPA annual financial audits have not been completed in five years
 - c) No clear delineation of SAFER Bay Project operations expenses

Issue #1: Limited Authority Over Project Outcome

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- Valley Water is one of five member agencies with equal voting rights
- Two member agencies represent Santa Clara County while three represent San Mateo County
 - Unequal representation between counties
- Historically, Valley Water led project design and construction, but this changed in 2023
 - Currently SFCJPA staff are leading the project

Issue #1.a: Valley Water has Contributed the Majority of Project Funding

Total Contributions (millions) Upstream and Downstream Reaches Combined	
Valley Water ¹	\$81.5
Other JPA Members ²	\$4.5
Grants ^{3, 4}	\$26.3
¹ \$60.4 expended as of July 1, 2024; \$21.1 remaining	
² For downstream project construction	
³ Includes \$12.5 pending Caltrans Highway Bridge Program Grant for Newell Bridge	
⁴ Does not include \$8.2 potential USACE CAP 205 funding	

Issue #1.b: The Safe Clean Water KPI Indicates Valley Water is Responsible for Project Delivery

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- Valley Water is contributing funds with limited authority for project delivery
- This role more closely aligns with a 'funding contribution' KPI

CURRENT KPI:

Project E5: San Francisquito Creek Flood Protection

With state and local funding only: Protect approximately 3,000 parcels by providing 1% (100-year) flood protection downstream of Highway 101, and approximately 1.4% (70-year) protection upstream of Highway 101.

EXAMPLE OF FUNDING CONTRIBUTION KPI:

Project F8: Sustainable Creek Infrastructure for Continued Public Safety

Provide up to \$7.5 million in the first 15-year period to plan, design and construct projects identified through Watershed asset management plans.

Issue #1.c: The Project is Included in Valley Water's CIP

- Aside from USACE partnership projects, this is the only project in Valley Water's CIP being led by another agency
- Similar projects led by other agencies where Valley Water is contributing funds are included in VW's operations budget

Capital Investments Not Included in the CIP

Valley Water is currently engaged in planning for the future water supply needs of the county. This effort includes updating the Water Supply Master Plan 2040, which was approved by the Board on November 20, 2019. Development of the Water Supply Master Plan 2050 was initiated in 2023 and is expected to conclude in 2024, with updated recommendations on water supply projects and portfolios.

The following capital water supply projects are being led by other agencies, with Valley Water's participation being evaluated in the Water Supply Master Plan 2050. As Valley Water is not the project owner and only contributing funds through partnership agreements, these projects are not included in the CIP Five-Year Plan, but rather are included in Valley Water's operating budget forecasts:

- Los Vaqueros Reservoir Expansion Project
- Delta Conveyance Project
- B.F. Sisk Dam Raise and Reservoir Expansion Project

Excerpt from Page II-3 of Valley Water's 2025-2029 Capital Improvement Program Five Year Plan

Issue #2: The Project Does Not Provide 70-year Protection to Meet the Safe Clean Water KPI

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- Current design does not provide 70-year protection
- SFCJPA is re-assessing the current design and level of protection
 - Uncertain what level of protection the SFCJPA Board will select
- 70-year protection would require additional improvements



valleywater.org

Issue #3.a: The Project Does Not Have Enough Funding for Construction

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- Upstream Project funding needs are uncertain until an updated level of protection is determined, and design completed
- Even with Safe Clean Water funding, there was an approximate \$25 million funding gap for the current project which does not provide 70-year protection
- 70-year protection would require an estimated additional \$50-100 million or more

Issue #3.b: SFCJPA Annual Financial Audits Have Not Been Completed in Five Years

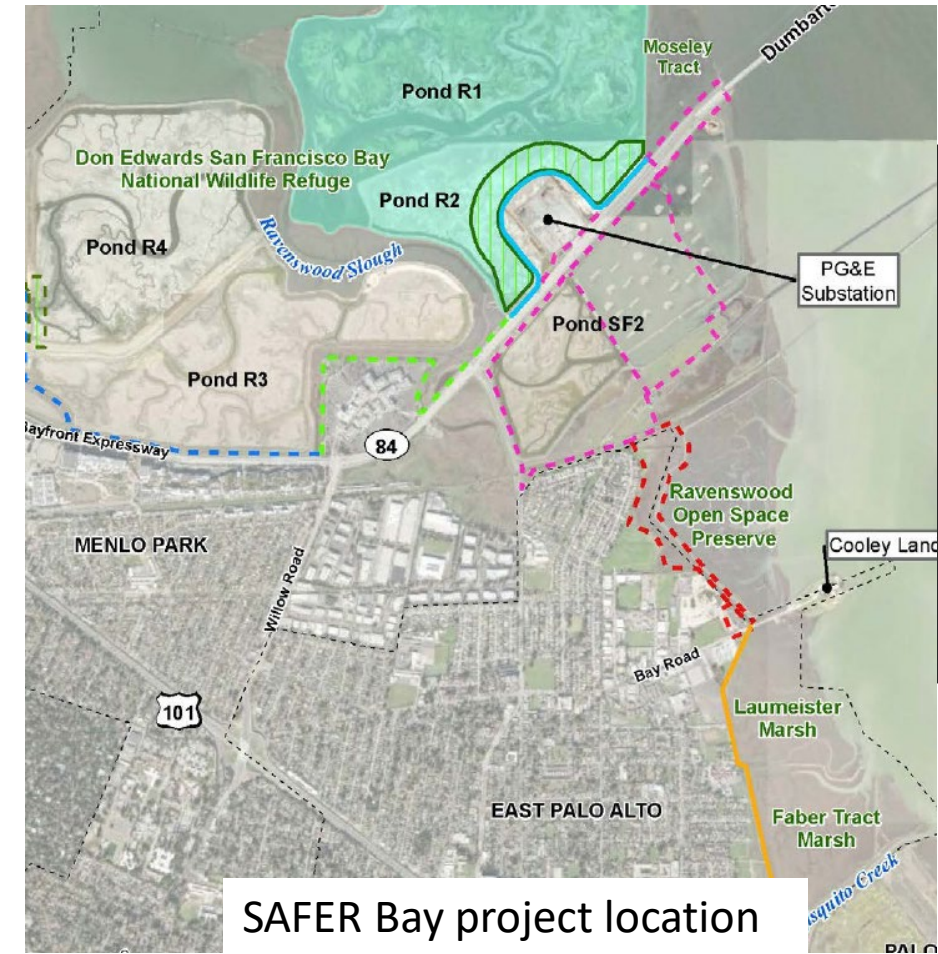
18

- SFCJPA Agreement requires annual financial audits
 - Also required at a minimum of biannually by law
- Last audit was completed in 2019

Issue #3.c: No Clear Delineation of SAFER Bay Project Operations Expenses

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- In addition to the San Francisquito Creek Project, the SFCJPA leads the SAFER Bay Project
- The SAFER Bay Project provides coastal and sea level rise flood protection along the San Mateo County shoreline
 - The project is located outside of Santa Clara County
- In 2022, Valley Water and City of Palo Alto raised concerns about contributing toward the SFCJPA's operating costs unless a clear separation of funds is in place



SAFER Bay project location

Potential Next Steps

20

- Investigate options for Valley Water's long-term participation in the SFCJPA
 - Withdraw, take a lead role, continue current role
- Take steps to improve the existing SFCJPA and JPA Agreement
 - Weighted voting based on funds contribution and/or equal weighting between counties
 - Payment of member contribution contingent on financial audits and clear separation of SAFER Bay expenses
 - Confirm and advocate for Valley Water's preferred level of protection (70 year, other?)
 - Advocate for additional funding from other members or outside sources
- Consider modifications to the Safe, Clean Water Program
- Consider changing the Project from a capital to an operations project

Committee Discussion

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- Opportunities for improvement and resolution of issues
- Recommended next steps



Valley Water

Clean Water • Healthy Environment • Flood Protection



Santa Clara Valley Water District

File No.: 25-0110

Agenda Date: 1/14/2025
Item No.: *5.4.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Review the Board Committees and Approve the 2025 Board Committee Appointments.

RECOMMENDATION:

- A. Review, revise if necessary, and approve individual Board Committee purpose descriptions;
- B. Create or disband Board Committee(s), as necessary;
- C. Review and approve the proposed 2025 Board Committee appointments as submitted by the 2025 Board Chair; and
- D. Appoint new Board Committee Representatives, as necessary.

SUMMARY:

This item enables the 2025 Board Chair to nominate Board Members to committees for consideration and approval in accordance with the Board Governance Policy, Governance Process 9-Board Committee Structure.

Board Governance Policies

The Board's Governance Policies Governance Process 8 - Board Committee Principles states:

The Board may establish the following type of Board Committees to assist it with policy advice, District Mission implementation, respective expertise, and, very importantly, to help produce the link between the District and the community:

Board Standing Committee - A Committee created by ordinance, resolution, or formal action of the Board comprised of less than a quorum of the Board and/or external members having continued subject matter jurisdiction, or a meeting schedule fixed by ordinance, resolution, or formal action. Annually, the purpose of an established Standing Committee will be reviewed to determine its relevance.

Board Ad Hoc Committee - A Committee comprised of less than a quorum of the Board and/or

external members having a limited term to accomplish a specific task is established in accordance with the Board Ad Hoc Committee Procedure (Procedure No. W723S01) and will be used sparingly. Annually, the purpose of an established Ad Hoc Committee will be reviewed to determine its relevance.

In keeping with the Board's broader focus, Board Committees will not direct the implementation of District programs and projects, other than to receive information and provide advice and comment.

Accordingly:

8.1. When used, Board Standing Committees and Board Ad Hoc Committees will be established to reinforce the wholeness of the Board's job and to never interfere with delegation from the Board to the BAOs.

8.1.1. Board Standing Committees and Board Ad Hoc Committees are established for a specific purpose as defined by the Board. The committees' purpose may also include a definition in authority and limitation in duration. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the BAOs.

8.1.2. Board Standing Committees and Board Ad Hoc Committees will communicate directly with the Board and will not exercise authority over employees. Therefore, because the BAOs work for the full Board, they will not be required to obtain approval of a Board Standing Committees or Board Ad Hoc Committee before an executive action.

The 2025 Board Chair's proposed Committee appointments will be presented in a supplemental memorandum on Friday, January 10, 2025.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

There are no environmental justice and equity impacts associated with the 2025 Board Committee Appointments. This action is unlikely to or will not result in human health or environmental effects and is not associated with an equity opportunity.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

File No.: 25-0110

Agenda Date: 1/14/2025
Item No.: *5.4.

ATTACHMENTS:

*Supplemental Board Agenda Memo

*Supplemental Attachment 1: 2025 Board Committee Appointments

UNCLASSIFIED MANAGER:

Max Overland, 408-630-2749

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Santa Clara Valley Water District

File No.: 25-0075

Agenda Date: 1/14/2025

Item No.: 5.4.

SUPPLEMENTAL BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Review the Board Committees and Approve the 2025 Board Committee Appointments.

REASON FOR SUPPLEMENTAL MEMORANDUM:

To communicate the 2025 Board Chair's proposed Committee appointments in a supplemental memorandum on Friday, January 10, 2025, as it was not finalized for inclusion in the January 3, 2025, agenda publication.

RECOMMENDATION:

- A. Review, revise if necessary, and approve individual Board Committee purpose descriptions;
- B. Create or disband Board Committee(s), as necessary;
- C. Review and approve the proposed 2025 Board Committee appointments as submitted by the 2025 Board Chair; and
- D. Appoint new Board Committee Representatives, as necessary.

SUMMARY:

No change from original memo.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

No change from original memo.

FINANCIAL IMPACT:

No change from original memo

CEQA:

No change from original memo

ATTACHMENTS:

*Supplemental Attachment 1: 2025 Board Committee Appointments

UNCLASSIFIED MANAGER:

Max Overland, 408-630-2749

PROPOSED 2025 SANTA CLARA VALLEY WATER DISTRICT BOARD COMMITTEE APPOINTMENTS

BOARD COMMITTEES

Board Committees	Member(s)	Alternate	Role	Purpose	Meeting Frequency	COB Support	Staff Support
Board Audit Committee (BAC)	J. Beall S. Ballard T. Estremera	N/A	Advisory to the SCVWD Board	Assist the Board, consistent with direction from the full Board, to identify potential areas for audit and audit priorities, and to review, update, plan and coordinate execution of Board audits.	Monthly, or as called by Committee Chair	N. Merritt	D. Taylor T. Yoke B. Hopper
Board Policy and Monitoring Committee (BPMC)	T. Estremera N. Hsueh J. Varela	N/A	Advisory to the SCVWD Board	Provide support to the Board in areas of: 1. Board planning process; 2. Board Committees' principles and structures; 3. Board and organization performance monitoring and 4. Other tasks as assigned by the Board Work on Board and Director identified issues related to Diversity & Inclusion	Monthly, or as called by Committee Chair	S. Simunic	COB R. Callender B. Hopper
Capital Improvement Program (CIP) Committee	J. Beall T. Estremera N. Hsueh	N/A	Advisory to the SCVWD Board	Provide a venue for more detailed discussions regarding capital project validation, including recommendations on prioritizing, deleting, and/or adding projects to the CIP, as well as monitoring implementation progress of key projects in the CIP.	Monthly, or as called by Committee Chair	D. Leon	L. Penilla C. Hakes L. Orta

PROPOSED 2025 SANTA CLARA VALLEY WATER DISTRICT BOARD COMMITTEE APPOINTMENTS

Board Committees	Member(s)	Alternate	Role	Purpose	Meeting Frequency	COB Support	Staff Support
Environmental Creek Cleanup Committee (ECCC)	J. Beall N. Hsueh R. Santos	N/A	Advisory to the SCVWD Board	Discuss homelessness and encampment issues and bring discussion and recommendations back to the Board.	As called by Committee Chair	D. Leon	J. Codianne M. Bilski A. Beaman
Recycled Water Committee (RWC)	J. Beall T. Estremera R. Santos	N/A	Advisory to the SCVWD Board	Develop a long-term proposal for how the District can work together with other local agencies on recycled water opportunities within the district boundaries, to establish a collaborative process to facilitate policy discussion and sharing of technical information on recycled water issues.	As called by Committee Chair	N. Merritt	K. Struve B. Hopper
Stream Planning and Operations Committee (SPOC)	T. Estremera S. Ballard J. Varela	N/A	Advisory to the SCVWD Board	Track progress of Initialing Parties of the FAHCE Settlement Agmt in completing requirements enabling dismissal of water rights complaint and commencement of restoration program. Identify/recommend Board actions to ensure expeditious completion of requirements defined in Purpose 1, including engagement with appointed boards and senior officials of other Initialing Parties. Identify/track progress of District and non-District activities that may affect the FAHCE Settlement Agreement and implementation.	Bimonthly, or as called by Committee Chair	S. Simunic	J. Bourgeois G. Williams A. Gschwind

PROPOSED 2025 SANTA CLARA VALLEY WATER DISTRICT BOARD COMMITTEE APPOINTMENTS

Board Committees	Member(s)	Alternate	Role	Purpose	Meeting Frequency	COB Support	Staff Support
Water Supply and Demand Management (WSDM)	S. Ballard R. Santos N. Hsueh	N/A	Advisory to the SCVWD Board	-Support the Board in achieving its policy to provide reliable water supply to meet current and future water usage; -Make policy recommendations and receiving and discussing information related to demand management, including water conservation, SGMA/groundwater management and additional water storage options; and -Assist their respective Directors on policies and actions related to these matters.	Monthly, or as called by Committee Chair	S. Simunic	V. Gin K. Struve R. McCarter A. Gschwind

PROPOSED 2025 SANTA CLARA VALLEY WATER DISTRICT BOARD COMMITTEE APPOINTMENTS

BOARD ADVISORY COMMITTEES

Board Advisory Committees	Representative(s)	Alternate	Role	Purpose	Meeting Frequency	COB Support	Staff Support
Agricultural Water Advisory Committee	R. Santos J. Varela J. Beall	N/A	Advisory to the SCVWD Board	To assist the Board with policies and issues pertaining to agricultural water supply and use, as well as in the annual review of groundwater production charges	Quarterly in January, April, July and October	N. Merritt	V. Gin D. Taylor
Environmental and Water Resources Committee	T. Estremera S. Ballard N. Hsueh	N/A	Advisory to the SCVWD Board	To assist the Board with policies and issues pertaining to water supply, flood protection and environmental stewardship.	Quarterly in January, April, July and October	D. Leon	J. Bourgeois V. Gin
Santa Clara Valley Water Commission	H. Hsueh (Chair 2024) R. Santos (V. Chair 2025) T. Estremera (Chair 2025)	N/A	Advisory to the SCVWD Board	To assist the board with policies and issues pertaining to water supply, flood protection and environmental stewardship.	Quarterly in January, April, July and October	S. Simunic	R. Chan R. Gibson
Santa Clara Valley Water District Youth Commission	N. Hsueh S. Ballard J. Varela	N/A	Advisory to the SCVWD Board	Assist the Board with policy review and development, provide comment on activities in the implementation of the District's mission for Board consideration, and to identify Board-related issues pertaining to public policy education, outreach, and all matters impacting the Santa Clara County youth and the District.	Four times per year or more often, as authorized by the Board.	D. Leon	R. Gibson

PROPOSED 2025 SANTA CLARA VALLEY WATER DISTRICT BOARD COMMITTEE APPOINTMENTS

JOINT COMMITTEES

Joint Committees	Member(s)	Alternate	Role	Purpose	Meeting Frequency	COB Support	Staff Support
Joint Recycled Water Advisory Committee with the City of Sunnyvale	J. Beall T. Estremera R. Santos	N/A	Advisory to the SCVWD Board Membership includes three (3) District Board members and two (2) Sunnyvale City Council members	Develop a long-term proposal for how the District and City of Sunnyvale can work together on recycled water opportunities, to establish a collaborative process to facilitate policy discussion and sharing of technical information on recycled water issues.	As called by Committee Chair	S. Simunic	K. Struve C. Orellana
Joint Recycled Water Policy Advisory Committee with the City of San Jose/Santa Clara-TPAC	J. Beall T. Estremera R. Santos	N/A	Advisory to the SCVWD Board and San José City Council Membership includes (3) District Board members, (2) CSJ Council members, and (2) CSC Council members.	Required per a term in the City– District 40-year Integration Agreement. The Committee shall tender its advice to the District's Board of Directors and the City Council of the City of San José with respect to policy matters relating to the production, distribution and use of recycled water from facilities under administration by these agencies.	Regular meetings annually, on the third Thursday of April, at 10:00 a.m.	N. Merritt	K. Struve B. Hopper

PROPOSED 2025 SANTA CLARA VALLEY WATER DISTRICT BOARD COMMITTEE APPOINTMENTS

Joint Committees	Member(s)	Alternate	Role	Purpose	Meeting Frequency	COB Support	Staff Support
Joint Recycled Water Policy Committee with the City of Palo Alto, East Palo Alto and Mountain View	J. Beall T. Estremera R. Santos	N/A	Advisory to the SCVWD Board- Membership includes (3) District Board members, (2) Palo Alto Council members, (1) rep from East Palo Alto City Council, and (1) rep from Mountain View City Council.	Develop a long-term proposal for how the District and the Palo Alto Regional Water Quality Control Plant (RWQCP) partner agencies, other stakeholders, and interested parties, can work together on recycled water opportunities, to advance common interest, and to establish a collaborative process to facilitate policy discussion and sharing of technical information on recycled water issues.	As called by Committee Chair.	D. Leon	K. Struve C. Orellana

PROPOSED 2025 SANTA CLARA VALLEY WATER DISTRICT BOARD COMMITTEE APPOINTMENTS

Joint Committees	Member(s)	Alternate	Role	Purpose	Meeting Frequency	COB Support	Staff Support
Joint Water Resources Committee with Cities of Morgan Hill and Gilroy	J. Varela R. Santos N. Hsueh	N/A	Advisory to the SCVWD Board – Membership includes (2) District Board members; (2) Morgan Hill Council Members (one must be a SCRWA representative) ; (2) Gilroy Council Members (one must be a SCRWA representative)	Advance common South County water interests and receive input from stakeholders and interested parties when undertaking the following: 1. Reviewing current practices and future needs for groundwater management in the Llagas groundwater sub-basin; 2. Facilitating policy discussion and sharing of technical information on water supply planning for South County; 3. Identifying the current and future demand for recycled water as well as jointly identifying funding sources for implementation of the So. Co. Recycled Water Master Plan; 4. Facilitating policy discussion and sharing of technical information on furthering development and use of recycled water in So Co.; and 5. Facilitating policy discussion and sharing of socio-economic info on homelessness in So. Co.	Bimonthly, or as called by Committee Chair	N. Merritt	K. Struve A. Gschwind

PROPOSED 2025 SANTA CLARA VALLEY WATER DISTRICT BOARD COMMITTEE APPOINTMENTS

Joint Committees	Member(s)	Alternate	Role	Purpose	Meeting Frequency	COB Support	Staff Support
San Felipe Division Reach One	J. Varela R. Santos	N/A	Voting member Membership includes (2) SBCWD representatives, in accordance with SCVWD Agreement No. A3080/File No. 3160	Discuss the Initial Asset Evaluation Report, attempt to reach a joint recommendation for a Condition Level, and discuss policy issues.	Meet at least every five Years, in accordance with agreement.	TBD	G. Williams A. Gschwind

BOARD WORK GROUPS

Board Work Groups	Member(s)	Alternate	Role	Purpose	Meeting Frequency	COB Support	Staff Support
DCA Group	T. Estremera N. Hsueh S. Ballard	N/A	Information Sharing		As requested by Staff	N/A	V. Gin R. Callender M. Lugo D. Taylor
Environmental Stakeholder Group	T. Estremera S. Ballard	N/A	Information Sharing		Tri-annually	N/A	J. Bourgeois M. Lugo

PROPOSED 2025 SANTA CLARA VALLEY WATER DISTRICT BOARD COMMITTEE APPOINTMENTS

STAFF COMMITTEES

Staff Committees	Representative(s)	Alternate	Role	Purpose	Meeting Frequency	COB Support	Staff Support
Landscape Committee	R. Santos S. Ballard	Nai Hsueh	Liaisons	Exchange information and ideas with the goal of conserving water.	First Tuesday of the Month at 9:00 a.m.	N/A	K. Struve
Santa Clara County Water Retailers	T. Estremera (Chair) R. Santos (V. Chair)	N/A	Liaisons	Allows communication and coordination between the District and the water retailers on a variety of topics, including water supply outlook, water service charge setting, operational issues, and status on special programs.	Third Wednesday of January, March, July & October.	N/A	S. Bogale

PROPOSED 2025 SANTA CLARA VALLEY WATER DISTRICT BOARD COMMITTEE APPOINTMENTS

EXTERNAL COMMITTEES

External Committees (w/ Voting Authority)	Member(s)	Alternate	Director Role	Purpose	Meeting Frequency	COB Support	Staff Support
Delta Conveyance Design and Construction Joint Powers Authority	T. Estremera	S. Ballard	Voting Member of DCA JPA.	Actively participate with DWR in the design and construction of the Conveyance Project in Coordination with DWR, and under the control and supervision of DWR.	Monthly	N/A	V. Gin
Delta Conveyance Finance Authority	N. Hsueh	T. Estremera	Voting Member of DCFA Board of Directors	Provide financing for planning, design and construction of the Delta Conveyance Project and serves as an issuer of bonds for the benefit of a member or members in implementing the Conveyance Project in the public interest.	Monthly	N/A	D. Taylor
Joint Venture Silicon Valley Board of Directors	J. Varela	N/A	Review and act on Joint Venture's initiatives and programs.	Provides analysis and action on issues affecting our region's economy and quality of life. The organization brings together established and emerging leaders—from business, government, academia, labor and the broader community—to spotlight issues and work toward innovative solutions.	Board meets quarterly.	N/A	N/A

PROPOSED 2025 SANTA CLARA VALLEY WATER DISTRICT BOARD COMMITTEE APPOINTMENTS

External Committees (w/ Voting Authority)	Member(s)	Alternate	Director Role	Purpose	Meeting Frequency	COB Support	Staff Support
Pajaro River Watershed Flood Protection Authority	J. Varela	R. Santos	Each member organization participates and contributes in finding a method to provide flood protection in the watershed and promote general watershed interests.	Identify, evaluate, fund and implement environmentally sound flood prevention and control strategies in the Pajaro River Watershed, on an intergovernmental, cooperative basis as required by the Pajaro River Watershed Flood Prevention Authority Act.	First Friday of every other month (Feb, April, June, Sept, Nov)	N/A	M. Lugo B. Yerrapotu
Redevelopment Dissolution Countywide Oversight Board of Santa Clara County	T. Estremera	N/A	Voting Member of Oversight Board	Single countywide oversight board relating to redevelopment dissolution effective 7/1/18.	Quarterly, when needed.	N/A	M. Lugo
San Francisquito Creek Joint Powers Authority	N. Hsueh	R. Santos	Voting Board Member.	An independent regional government agency founded by three cities and two countywide agencies divided by San Francisquito Creek and united by its watershed and floodplain. Leads projects along the creek and S.F. Bay that reduce a proven flood threat, enhance ecosystems and recreational opportunities, and connects communities.	4th Thursday of Each Month	N/A	B. Yerrapotu

PROPOSED 2025 SANTA CLARA VALLEY WATER DISTRICT BOARD COMMITTEE APPOINTMENTS

External Committees (w/ Voting Authority)	Member(s)	Alternate	Director Role	Purpose	Meeting Frequency	COB Support	Staff Support
San Luis & Delta Mendota Water Authority Board - Division 4	R. Santos J. Varela	J. Beall	Voting member of Governing Body - Division 4	One of the primary purposes of establishing the Authority was to assume the operation and maintenance (O&M) responsibilities of certain United States Bureau of Reclamation (USBR) Central Valley Project facilities and do so at an optimum level and at a lower cost than the USBR.	Monthly – 1st Thursday following the 1st Monday	N/A	V. Gin A. Baker
San Luis & Delta Mendota Water Authority – Delta Habitat Conservation and Conveyance Plan Steering Committee (DHCCP) – Division 4	R. Santos	J. Beall	Voting member of Committee	Conduct the business of the Delta Habitat Conservation and Conveyance Activity Agreement (Agreement).	As needed.	N/A	V. Gin
Santa Clara County Special Districts Association	J. Beall	S. Ballard	Voting member	Propose and advocate constructive means for the continuous improvement and functioning of special districts within Santa Clara County, and to assist special districts to provide a more effective and efficient government at the closest level to the residents of Santa Clara County, that will result in benefits to the public.	First Monday- in March, June, and December; Second Monday in September.	N/A	M. Lugo

PROPOSED 2025 SANTA CLARA VALLEY WATER DISTRICT BOARD COMMITTEE APPOINTMENTS

External Committees (w/ Voting Authority)	Member(s)	Alternate	Director Role	Purpose	Meeting Frequency	COB Support	Staff Support
Santa Clara County Recycling and Waste Reduction Commission	S. Ballard	N. Hsueh	Voting Commissioner- Principal advisory body to city and town councils and the Board of Supervisors of Santa Clara County on countywide solid waste planning issues.	Provides leadership for countywide planning and works to assure the success of countywide cooperative programs to reduce, reuse, and recycle materials that otherwise would be disposed of in landfills. The Commission has state- mandated responsibilities, such as review and oversight of the Countywide Integrated Waste Management Plan and Siting Element, local Source Reduction and Recycling Elements, Household Hazardous Waste Elements, and Non-disposal Facility Elements	Fourth Monday of even months, not December.	N/A	T. Ndah T. Yoke
Santa Clara Valley Habitat JPA	S. Ballard J. Beall	N/A	Voting Member of the Implementatio n Board	Joint Powers Authority to implement the Santa Clara Valley Habitat Plan	Third Thursday of every month	N/A	L. Bankosh

PROPOSED 2025 SANTA CLARA VALLEY WATER DISTRICT BOARD COMMITTEE APPOINTMENTS

External Committees (with Non-Voting Authority)	Representative(s)	Alternate	Director Role	Purpose	Meeting Frequency	COB Support	Staff Support
ACWA (Association of California Water Agencies)	J. Varela	T. Estremera	Information sharing	Provide a structure where agencies can discuss/resolve issues of mutual concern & interest and provide representative input to the ACWA board. Assist in building local grassroots support for the ACWA Outreach Program to advance ACWA's legislative & regulatory priorities. Provide a forum to educate regional members on ACWA's local/statewide priorities & issues. Assist with regional association membership recruitment. Take positions recommending specific action to the ACWA Board on local, regional, state & federal issues as well as recommend endorsement for various government offices and positions.	Meetings occur during two Annual Conferences – Spring and Fall	N/A	M. Lugo
Local Agency Formation Commission (LAFCO) <i>(Representative is appointed by SCVWD, but represents the public as a whole)</i>	J. Beall	N/A	Commissioners exercise their independent judgment on behalf of the interests of the public as a whole in furthering the purposes of the CKH Act and not solely the interests of the appointing authority.	An independent agency with countywide jurisdiction established by state law to encourage orderly growth and development of local agencies. The mission is to promote sustainable growth and good governance in Santa Clara county.	First Wednesday of every other month.	N/A	N/A

PROPOSED 2025 SANTA CLARA VALLEY WATER DISTRICT BOARD COMMITTEE APPOINTMENTS

External Committees (with Non-Voting Authority)	Representative(s)	Alternate	Director Role	Purpose	Meeting Frequency	COB Support	Staff Support
Safe, Clean Water Independent Monitoring Committee	T. Estremera (Chair)	R. Santos (Vice Chair)	Liaison	<p>Beginning in December 2022, conduct an annual review of the Program's prior fiscal year annual report and prepare and submit a summary of its findings to the Board.</p> <p>Review each five-year implementation plan for the Program prior to its submittal to the Board for approval; make recommendations regarding reasonably necessary measures to meet the priorities of the Program.</p> <p>Every fifteen years, starting in 2035, review and recommend to the Board and Public whether the special tax should be reduced or repealed, or is needed to build additional projects to achieve related programmatic benefits in accordance with the priorities of the Program.</p>	The Committee will hold one regular meeting, not less than once year.	D. Leon	R. Chan L. Penilla

PROPOSED 2025 SANTA CLARA VALLEY WATER DISTRICT BOARD COMMITTEE APPOINTMENTS

External Committees (with Non-Voting Authority)	Representative(s)	Alternate	Director Role	Purpose	Meeting Frequency	COB Support	Staff Support
Santa Clara County Emergency Operational Area Council	R. Santos	J. Beall	Elected Official Participant	Enhance planning and preparedness for large-scale emergencies; to create effective partnerships in emergency planning, preparedness, training and exercise within the Operational Area; to consolidate activities of cities and special districts to participate more efficiently in planning for future emergencies and disasters; to provide access to public-private partners to participate in emergency planning and preparedness; and to develop broad-based emergency preparedness and planning funding priorities and recommendations.	Quarterly, 1 st Thursday of Feb, May, Aug, Nov	N/A	A. Gordon T. Yoke
South County Regional Wastewater Authority	R. Santos J. Varela	T. Estremera	Information Sharing	A joint powers authority established to manage the treatment of wastewater for the Cities of Gilroy and Morgan Hill. In partnership with the Santa Clara Valley Water District, the SCRWA also operates a recycled water facility co-located at the treatment plant site.	Quarterly in January, April, July and October	N/A	K. Struve



Santa Clara Valley Water District

File No.: 24-1007

Agenda Date: 1/14/2025

Item No.: 5.5.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Set the Time and Place of a Public Hearing for the Santa Clara Valley Water District Board of Directors to Determine the Necessity for Directors to be Compensated for up to Fifteen Days per Calendar Month and to Consider Directors' Compensation for Calendar Year 2025.

RECOMMENDATION:

- A. Set the time and place for a Public Hearing at 1:00 p.m., on February 11, 2025, at the Santa Clara Valley Water District, 5700 Almaden Expressway, San Jose, California, for the Board of Directors to:
 - i. Consider the evidence and determine if there is an operational need for Directors to be compensated for up to fifteen (15) days per calendar month; and
 - ii. Consider Directors' compensation for the calendar year 2025, pursuant to Chapter 2, Division 10 of the California Water Code; and
- B. Direct the Clerk of the Board to publish notice of Public Hearing in a newspaper of general circulation within Santa Clara County.

SUMMARY:

This item is presented to the Board pursuant to Santa Clara Valley Water District Act (District Act) Section 33(c), Government Code Section 53232.1, and California Water Code Sections 20200-20207.

AB 1889 (Caballero), enacted by the Governor on September 5, 2018, and taking effect on January 1, 2019, amends the District Act by adding Section 33(c), authorizing the Board to annually adopt a written policy describing, based on a finding supported by substantial evidence, why more than 10 meetings per month, but not more than 15 meetings per month, are necessary for the effective operation of Santa Clara Valley Water District (Valley Water). AB 939 (Pellerin), enacted by the Governor on September 9, 2023, extends the aforementioned provision indefinitely. The determination of whether a Director's activities on any specific day are compensable shall be made pursuant to Section 53232.1 of the Government Code.

California Water Code Section 20202 authorizes the Board to annually consider, through the Public Hearing and ordinance adoption process, compensation increases at a rate not to exceed an amount

equal to five percent (5%) annually.

Any Board approved change in the Directors' number of compensated meetings per month and meeting compensation rate will become effective beginning 60 days after the date of Ordinance adoption, pursuant to California Water Code Section 20204.

The Board's last compensation adjustment was on April 14, 2024. In accordance with the regulatory process, the Board held a Public Hearing on February 13, 2024, for the public to comment on the Directors' meeting compensation amount; and at their February 13, 2024, meeting, the Board adopted Ordinance 24-01 enacting a compensation increase of five percent (5%), effective April 14, 2024.

As stated in the Notice of Public Hearing (Attachment 1), the Board could consider the following monthly meeting limit and compensation options at the February 11, 2025, Public Hearing:

MONTHLY MEETING LIMIT

1. Determine that there is an operational need to compensate Directors for up to 15 days per calendar month and set the meeting day limit accordingly, effective April 14, 2025, for the calendar year 2025; OR
2. Determine that there is **NO** operational need to compensate Directors for more than the current 10 days per calendar month and, therefore, make no change in the current limit.

MEETING COMPENSATION - Effective April 14, 2025

1. Keep the Directors' compensation at the current amount of \$384.16 per day, up to 10 or 15 days per calendar month, as previously determined;
2. Reduce the Directors' compensation to a specified amount below the current \$384.16 rate per day, up to 10 or 15 days per calendar month, as previously determined, effective April 14, 2025; or
3. Approve an increase of up to 5% in Directors' compensation in accordance with the California Water Code Sections 20200-20207 for up to 10 or 15 days per calendar month, as previously determined, effective April 14, 2025.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

There are no environmental justice and equity impacts associated with the Directors' compensation. This action is unlikely to or will not result in adverse impacts and is not associated with an equity opportunity.

FINANCIAL IMPACT:

Funds are budgeted in the Fiscal Year 2025 Clerk of the Board budget for advertising of the Board compensation Public Hearing.

Since contingency budgeting is not performed, funding for any Board-approved increase in compensation may need to be transferred from reserves pursuant to a budget adjustment.

CEQA:

The recommended action is not considered a project under CEQA because it does not have a potential for resulting in either a direct or reasonably foreseeable indirect physical change to the environment.

ATTACHMENTS:

Attachment 1: Notice of Public Hearing

UNCLASSIFIED MANAGER:

Max Overland, 408-630-2749

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Public Hearing Notice

Santa Clara Valley Water District Board of Directors



Valley Water

Topic: Santa Clara Valley Water District Board of Directors to Determine Necessity for Directors to be Compensated for up to 15 Days per Calendar Month and Consideration of Directors' Per Meeting Compensation Amount for Calendar Year 2025.

Who: Santa Clara Valley Water District (Valley Water)

What: Public Hearing for the Board of Directors to Determine the Necessity for Directors to be Compensated for up to Fifteen Days per Calendar Month or consider Directors per meeting compensation amount for the calendar year 2025.

When: February 11, 2025, 1:00 p.m.

Where: Valley Water Headquarters Building Boardroom
5700 Almaden Expressway, San Jose, CA
and by Zoom Teleconference at <https://valleywater.zoom.us/j/84454515597>

The Santa Clara Valley Water District (Valley Water) invites you to a Public Hearing for the Board of Directors to Determine the Necessity for Directors to be Compensated for up to 15 Days per Calendar Month and consider Directors per meeting compensation amount for calendar year 2025.

At the time and place fixed for the Public Hearing, the Board of Directors will receive comments relevant to and make a determination of the necessity for Directors to be compensated for up to 15 days per calendar month for the performance of official duties and set the Board compensation for calendar year 2025. After considering all the information presented, the Board will consider the following options:

MONTHLY MEETING LIMIT

1. Determine that there is an operational need to compensate Directors for up to 15 days per calendar month and set the meeting day limit accordingly for calendar year 2025; or
2. Determine that there is **NO** operational need to compensate Directors for more than 10 days per calendar month, per California Water Code.

MEETING COMPENSATION

1. Keep the Directors' compensation at the current amount of \$384.16 per day;
2. Reduce the Directors' compensation to a specified amount below the current \$384.16 rate per day, effective April 14, 2025; or
3. Approve an increase of up to 5% in Directors' compensation in accordance with the California Water Code Sections 20200-20207, effective April 14, 2025.

This meeting is being held in accordance with the Brown Act. The 1:00 p.m., February 11, 2025, Public Hearing will be held during a Board Meeting and is accessible for public in-person participation at the time, date, and location shown above or by public virtual participation at the Zoom link above. Document(s) associated with this hearing are available for public inspection prior to the meeting in the Clerk of the Board's Office or online at www.valleywater.org and will be available at the meeting.

For more information, contact the Interim Clerk of the Board at 408-630-2557.

Valley Water, in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in Valley Water Board meetings to please contact the Clerk of the Board's office at (408) 630-2749, at least 3 business days before the scheduled Valley Water Board meeting to ensure that Valley Water may assist you. Reasonable efforts will be made to accommodate persons with disabilities.

重要通知：

Valley Water 遵守美國殘疾人法案 (ADA)，要求需要特殊便利才能訪問和/或參加 Valley Water 委員會會議的個人請致電 (408) 630-2711 聯繫委員會辦公室的書記員，網址為在預定的 Valley Water 委員會會議召開前至少 3 個工作日，以確保 Valley Water 可以為您提供幫助。將做出合理的努力以容納殘疾人。

Thông báo quan trọng:

Valley Water, để tuân thủ Đạo luật Người Mỹ Khuyết tật (ADA), yêu cầu những cá nhân cần điều chỉnh đặc biệt để tiếp cận và/hoặc tham gia các cuộc họp của Hội đồng Valley Water vui lòng liên hệ với Văn phòng Thư ký của Hội đồng theo số (408) 630-2711, tại ít nhất 3 ngày làm việc trước cuộc họp đã lên lịch của Hội đồng Valley Water để đảm bảo rằng Valley Water có thể hỗ trợ bạn. Những nỗ lực hợp lý sẽ được thực hiện để hỗ trợ người khuyết tật.

Aviso Importantes:

Valley Water, en cumplimiento de la Ley de Estadounidenses con Discapacidades (ADA), solicita a las personas que requieren adaptaciones especiales para acceder y/o participar en las reuniones de la Junta de Valley Water que se comuniquen con la oficina del Secretario de la Junta al (408) 630-2711, al menos 3 días hábiles antes de la reunión programada de la Junta de Valley Water para asegurarse de que Valley Water pueda ayudarlo. Se harán esfuerzos razonables para acomodar a las personas con discapacidades.



Santa Clara Valley Water District

File No.: 25-0073

Agenda Date: 1/14/2025
Item No.: *5.6.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Board Committee Reports.

ATTACHMENTS:

- *Handout 5.6-A: 11012024 CIP, Summary
- *Handout 5.6-B: 11202024 BAC, Summary
- *Handout 5.6-C: 12062024 BPMC, Summary
- *Handout 5.6-D: 01152025 BAC, Agenda

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MEMORANDUM

FC 14 (02-08-19)

TO: Board of Directors

FROM: Nai Hsueh,
CIP Chair

SUBJECT: Capital Improvement Program (CIP)
Committee November 1, 2024
Meeting Summary

DATE: January 14, 2025

This memorandum summarizes discussion and action from the meeting of the Capital Improvement Program Committee (CIP) held on November 1, 2024.

OVERVIEW OF THE INITIALLY VALIDATED AND CURRENTLY UNFUNDED CAPITAL PROJECTS

The Committee received the information and took no formal action.

RECEIVE AND DISCUSS INFORMATION REGARDING THE STATUS OF CAPITAL PROJECTS IN THE FEASIBILITY AND PLANNING PHASE

The Committee received the information, took no formal action, and requested that staff follow up relating to the last review of the District's facilities regarding the Americans with Disabilities Act.

RECEIVE AND DISCUSS INFORMATION REGARDING THE STATUS OF CAPITAL PROJECTS IN THE DESIGN AND PERMITTING PHASE

The Committee received the information and took no formal action.

RECEIVE INFORMATION ON CHANGE ORDERS TO ANDERSON DAM TUNNEL PROJECT CONSTRUCTION CONTRACT

The Committee received the information and took no formal action.

REVIEW 2024 CAPITAL IMPROVEMENT PROGRAM COMMITTEE WORK PLAN

The Committee received the information and took no formal action.

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TO: Board of Directors

FROM: Board Audit Committee

SUBJECT: Board Audit Committee (BAC)
November 20, 2024 Regular Meeting Summary.

DATE: January 14, 2025

This memorandum summarizes agenda items from the meeting of the Board Audit Committee (BAC) held on Wednesday, November 20, 2024.

Discuss the Valley Water Draft Annual Comprehensive Financial Report (ACFR) for the Fiscal Year (FY) Ending on June 30, 2024; and Recommend Acceptance by the Full Board.

The Committee received the information and confirmed the timeline as normal for this type audit report for governmental agencies with a FY ending on June 30, 2024 with the target to present to the Board at the December 10, 2024 meeting or the January 14th, 2025 meeting. The Committee inquired about the contractual obligations for when audit reports are presented to the Board, confirmed that audit schedules are negotiated to not hinder the independent audit process, and noted support of the Board having time to review the audit reports prior to budget/policy decisions. The Committee thanked the consultant and acknowledged Darin Taylor and staff's hard work and for listening to the BAC's concerns to hire a robust and rigorous audit firm experienced with Valley Water's size and complexity.

It was moved by Vice Chairperson Beall and seconded by Chairperson Keegan and carried by unanimous vote for the ACFR for the FY ending on June 30, 2024 upon final completion, free of new findings or weaknesses to recommend acceptance by the full Board.

Discuss and Identify Potential Audit Topics for 2025 Annual Audit Plan and Recommend Proposed Audit Topics for 2025 to the Board.

The Committee received the information, and confirmed the scope for the Centralized and decentralized contracting processes audit topic includes review of the ability to cut down the cycle time to deliver projects relating to the procurement of Capital and Operational professional services contracts to assist with and incentivize meeting project deadlines and limiting change orders. The Committee noted support of the Chief Audit Executive's (CAE) recommendation to have the Valley Water's intergovernmental agreements/approach to Joint Powers Authorities as a lower priority audit topic that can be flushed out by management and to propose only 3 or 4 audit topics to avoid a heavy strain on staff. The Committee noted support of the following proposed audit topics: Capital project delivery activities, Centralized and decentralized contracting processes, Water conservation strategies, and Water usage and demand forecasting with Capital

project delivery activities being the highest priority audit topic. The Committee noted the importance of the Water conservation strategies and Water usage and demand forecasting audit topics and confirmed that the Capital project delivery activities audit is anticipated to take up most of the calendar year.

It was moved by Vice Chairperson Beall and seconded and amended by Chairperson Keegan to identify Capital project delivery activities as the highest priority audit topic and carried by unanimous vote that the BAC recommend acceptance by the full Board the following proposed audit topics of Capital project delivery activities, Centralized and decentralized contracting processes, Water conservation strategies, and Water usage and demand forecasting for consideration and inclusion in the 2025 Annual Audit Work Plan.

Discuss 2024 Annual Audit Plan (Including Information Technology (IT), Human Resources (HR), and Board Policies Audits) and Provide Feedback as Needed.

The Committee received the information, took no formal action, and noted the audits for IT, HR, and Board Policies are progressing with the HR audit in the draft report phase, IT audit in fieldwork, and the Board Policies audit meetings have been scheduled. HR audit is targeted for completion potentially by the end of 2024 and the IT and Board Policies audits are targeted for completion potentially in early 2025.

Review and Discuss the 2024 Board Audit Committee (BAC) Work Plan.

The Committee received the information, took no formal action, and noted support of canceling the BAC December 2024 meeting.

The next regular BAC meeting is scheduled for 1:00 p.m. on January 15, 2025.

Board member comments and suggestions can be forwarded to Nicole Merritt, Assistant Deputy Clerk II at (408) 630-3262 or by email to nmerritt@valleywater.org.

TO: Board of Directors

FROM: BPMC

SUBJECT: Board Policy and Monitoring Committee (BPMC)
Dec. 6, 2024 Meeting Summary

DATE: January 14, 2025

This memorandum summarizes discussion and action from the meeting of the Board Policy and Monitoring Committee (BPMC) held on Friday, December 6, 2024.

Discuss San Francisquito Creek Flood Protection Project (Project) and Issues Related to Santa Clara Valley Water District's Participation in the San Francisquito Creek Joint Powers Authority (SFCJPA) and Provide Feedback.

Erin Baker, Capital Engineering Manager, Design and Construction Unit 6, reviewed the information on this item, per the attached Committee Agenda Memo and in the attachment and was available to answer questions.

Discussion ensued relating to Valley Water's commitment to the Safe Clean Water Program, how Valley Water's role has changed in the project, the absence of audits at the SFCJPA, the funding and timing issues for the project to move forward, and an election for public financing for the project.

The Committee made a recommendation to the Board to direct staff to initiate discussion with executive staff of the 5 partnering agencies to develop guiding principles for project implementation including construction and ongoing maintenance.

Review Proposed Changes to Board Governance Policies - Executive Limitations (EL) 6 - Asset Management and Related Board Appointed Officer (BAO) Interpretations.

Recommendation:

A. Review and provide input on the proposed changes to Board Governance Policies, Executive Limitations (EL) 6 – Asset Management and related BAO Interpretations; and

B. Recommend that the revisions be presented to the full Board for approval.

Rita Chan, Assistant Chief Executive Officer, reviewed the information on this item, per the attached Committee Agenda Memo and in the attachment and was available to answer questions.

Discussion ensued relating to the following:

- Item 6.4: add a reference relating to reinforcing the importance of maintaining the existing infrastructure in working conditions.
- Item 6.2: emphasize the idea of Valley Water being the leader of scientific water data.
- Items 6.7.1.3 and 6.7.1.4: timing and possible frequency reduction of property acquisition reports less than \$50,000 to the Board.
- Item 6.7.1: clarify "Board-approved project".

On a motion by Vice Chairperson Estremera, seconded by Director Varela, and unanimously approved, the discussed revisions will be incorporated and presented to the full Board for approval.

Receive an Update on Valley Water's Recruitment Programs Geared Toward Expanding Our Applicant Pools, Including the Fair Chance and Disabled Hiring Programs as Well As Our Veterans' Hiring Initiatives.

Sasa Sato, Acting Program Administrator, Talent Acquisition and Career Pathways, and Laurel Hanchett, Management Analysts II, Talent Acquisition and Career Pathways, reviewed the information on this item, per the attached Committee Agenda Memo and in the attachment and were available to answer questions.

The Committee received the information, provided positive feedback, and took no formal action.

Discuss Board Policy and Monitoring Committee (BPMC) Work Plan and Agenda Items.

The Committee reviewed Work Plan items and timeline, received the information, and took no formal action.

**

Board member comments and suggestions can be forwarded to Stephanie Simunic, Assistant Deputy Clerk II at (408) 630-2408 or by email to ssimunic@valleywater.org.



Santa Clara Valley Water District Board Audit Committee Meeting

HQ. Bldg. Boardroom, 5700 Almaden Expressway, San Jose, California
Join Zoom Meeting: <https://valleywater.zoom.us/j/91608079873>

REGULAR MEETING AGENDA

**Wednesday, January 15, 2025
1:00 PM**

District Mission: Provide Silicon Valley safe, clean water for a healthy life, environment and economy.

BOARD AUDIT COMMITTEE
Jim Beall, Vice Chair - District 4
John L. Varela - District 1

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body, will be available to the public through the legislative body agenda web page at the same time that the public records are distributed or made available to the legislative body. Santa Clara Valley Water District will make reasonable efforts to accommodate persons with disabilities wishing to participate in the legislative body's meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 265-2600.

DARIN TAYLOR
Committee Liaison

NICOLE MERRITT
Assistant Deputy Clerk II
Office/Clerk of the Board
(408) 630-3262
nmerritt@valleywater.org
www.valleywater.org

Note: The finalized Board Agenda, exception items and supplemental items will be posted prior to the meeting in accordance with the Brown Act.

Santa Clara Valley Water District
Board Audit Committee
REGULAR MEETING
AGENDA

Wednesday, January 15, 2025

1:00 PM

HQ. Bldg. Boardroom, 5700 Almaden
Expressway, San Jose, California

Join Zoom Meeting:

<https://valleywater.zoom.us/j/91608079873>

*****IMPORTANT NOTICES AND PARTICIPATION INSTRUCTIONS*****

Santa Clara Valley Water District (Valley Water) Board of Directors/Board Committee meetings are held as a “hybrid” meetings, conducted in-person as well as by telecommunication, and is compliant with the provisions of the Ralph M. Brown Act.

To maximize public safety while still maintaining transparency and public access, members of the public have an option to participate by teleconference/video conference or attend in-person. To observe and participate in the meeting by teleconference/video conference, please see the meeting link located at the top of the agenda. If attending in-person, you are required to comply with Ordinance 22-03 - AN ORDINANCE OF THE SANTA CLARA VALLEY WATER DISTRICT SPECIFYING RULES OF DECORUM FOR PARTICIPATION IN BOARD AND COMMITTEE MEETINGS located at <https://s3.us-west-2.amazonaws.com/valleywater.org.if-us-west-2/f2-live/s3fs-public/Ord.pdf>

In accordance with the requirements of Gov. Code Section 54954.3(a), members of the public wishing to address the Board/Committee during public comment or on any item listed on the agenda, may do so by filling out a Speaker Card and submitting it to the Clerk or using the “Raise Hand” tool located in the Zoom meeting application to identify yourself in order to speak, at the time the item is called. Speakers will be acknowledged by the Board/Committee Chair in the order requests are received and granted speaking access to address the Board.

- Members of the Public may test their connection to Zoom Meetings at: <https://zoom.us/test>
- Members of the Public are encouraged to review our overview on joining Valley Water Board Meetings at: <https://www.youtube.com/watch?v=TojJpYCxXm0>

Valley Water, in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in Valley Water Board of Directors/Board Committee meetings to please contact the Clerk of the Board’s office at (408) 630-2711, at least 3 business days before the scheduled meeting to ensure that Valley Water may assist you.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Sections 54950 et. seq. and has

not been prepared with a view to informing an investment decision in any of Valley Water's bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of Valley Water's bonds, notes or other obligations and investors and potential investors should rely only on information filed by Valley Water on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures and Valley Water's Investor Relations website, maintained on the World Wide Web at <https://emma.msrb.org/> and <https://www.valleywater.org/how-we-operate/financebudget/investor-relations>, respectively.

Under the Brown Act, members of the public are not required to provide identifying information in order to attend public meetings. Through the link below, the Zoom webinar program requests entry of a name and email address, and Valley Water is unable to modify this requirement. Members of the public not wishing to provide such identifying information are encouraged to enter "Anonymous" or some other reference under name and to enter a fictional email address (e.g., attendee@valleywater.org) in lieu of their actual address. Inputting such values will not impact your ability to access the meeting through Zoom.

Join Zoom Meeting:

<https://valleywater.zoom.us/j/91608079873>

Meeting ID: 916 0807 9873

Join by Phone:

1 (669) 900-9128, 91608079873#

1. CALL TO ORDER:

1.1. Roll Call.

2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA.

Notice to the public: Members of the public who wish to address the Board/Committee on any item not listed on the agenda may do so by filling out a Speaker Card and submitting it to the Clerk or using the "Raise Hand" tool located in the Zoom meeting application to identify yourself to speak. Speakers will be acknowledged by the Board/Committee Chair in the order requests are received and granted speaking access to address the Board/Committee. Speakers' comments should be limited to three minutes or as set by the Chair. The law does not permit Board/Committee action on, or extended discussion of, any item not on the agenda except under special circumstances. If Board/Committee action is requested, the matter may be placed on a future agenda. All comments that require a response will be referred to staff for a reply in writing. The Board/Committee may take action on any item of business appearing on the posted agenda.

3. APPROVAL OF MINUTES:

- 3.1. Approval of November 20, 2024 Board Audit Committee Minutes. [25-0079](#)

Recommendation: Approve the minutes.

Manager: Candice Kwok-Smith, 408-630-3193

Attachments: [Attachment 1: 112024 BAC Minutes](#)

4. REGULAR AGENDA:

- 4.1. Discuss the Purpose of Board Directed Audits and Provide Recommendations to the Board as Needed. [25-0050](#)

Recommendation: Discuss the purpose of Board Directed audits and provide recommendations to the Board as needed.

Manager: Darin Taylor, 408-630-3068

- 4.2. Discuss Board Audit Committee's (BAC) Annual Self-Evaluation Process of Calendar Year 2024 Activities; Provide Guidance Regarding Preferred Method to Conduct Process; and Direct Chief Audit Executive (CAE) to Conduct Self-evaluation Process and Return to Provide Summary of Discussions. [25-0067](#)

Recommendation:

- A. Discuss BAC's annual self-evaluation process of calendar year 2024 activities; and
- B. Provide guidance regarding preferred method to conduct process; and
- C. Direct CAE to conduct self-evaluation process and return to provide summary of discussions.

Manager: Darin Taylor, 408-630-3068

- 4.3. Request Chief Audit Executive (CAE) Activity Report from Sjoberg Evashenk Consulting, Inc. to Evaluate CAE Performance, and Direct CAE to Return to Present Report at a Later Date. [25-0066](#)

Recommendation:

- A. Request CAE activity report from Sjoberg Evashenk Consulting, Inc. to evaluate CAE performance; and
- B. Direct CAE to return to present report at a later date.

Manager: Darin Taylor, 408-630-3068

- 4.4. Discuss Proposed 2025 Annual Audit Plan, Recommend Assignments of Audit Firms to Conduct Each Performance Audit to Full Board, and Provide Further Guidance as Needed. [25-0065](#)

Recommendation: A. Discuss proposed 2025 Annual Audit Plan,
 B. Recommend assignments of audit firms to conduct each
 performance audit to full Board; and
 C. Provide further guidance as needed.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: 2023 Risk Assessment Report](#)

- 4.5. Review and Discuss 2025 Board Audit Committee (BAC) Work Plan. **25-0064**

Recommendation: Review and discuss topics of interest raised at prior BAC meetings and approve any necessary adjustments to the 2025 BAC Work Plan.

Manager: Candice Kwok-Smith, 408-630-3193

Attachments: Attachment 1: BAC Work Plan

5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.

This is an opportunity for the Clerk to review and obtain clarification on any formally moved, seconded, and approved requests and recommendations made by the Committee during the meeting.

6. ADJOURN:

- 6.1. Adjourn to Regular Meeting at 1:00 p.m., on February 19, 2025.

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Santa Clara Valley Water District

File No.: 25-0049

Agenda Date: 1/14/2025
Item No.: *5.7.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Consider the November 20, 2024, Board Audit Committee Recommendation of Including Performance Audits for the 2025 Annual Audit Plan and Provide Further Guidance as Needed.

RECOMMENDATION:

Consider recommendations resulting from the November 20, 2024, Board Audit Committee meeting to:

- A. Approve the inclusion of Performance Audits for the 2025 Annual Audit Plan; and
- B. Provide further guidance as needed.

SUMMARY:

According to the Board Audit Committee (BAC) Charter, Article I, Paragraph 4 which states "The Committee shall assist the Board, consistent with direction from the full Board, by identifying potential areas for audit and audit priorities, and to review, update, plan and coordinate execution of Board audits."

Additionally, Article VI, Paragraph 1 states "The Committee shall make recommendations to the full Board for the selection of all Auditors to perform audits in the approved Annual Audit Plan. . . ."

To this end, the Chief Audit Executive (CAE) conducted a risk assessment in FY 2023 to identify key areas of risk that could be considered for auditing. The 2023 Risk Assessment Final Report dated November 2023 (Attachment 1) is attached for reference. The Risk Assessment includes heat maps of Valley Water's operational areas based on risk impact (low, moderate, and high risk). The CAE also interviewed Board members to obtain input regarding potential audit topics for the 2025 Annual Audit Plan.

The BAC Audit Charter (Article III, Paragraph 7.2) also requires that, by November 30 of each year, the BAC shall submit its recommended Annual Audit Plan to the full Board for consideration and direction.

At the August 21, 2024, BAC meeting, the CAE began discussion of potential audit topics and the process and schedule for completing the proposed Annual Audit Plan for the full Board's

consideration. At the November 20, 2024, BAC meeting, the Committee approved the following four audit topics to be included in the Proposed 2025 Annual Audit Plan:

- Capital Project Delivery
- Centralized and Decentralized Contracting Practices
- Water Conservation Strategies
- Water Usage and Demand Forecasting

The purpose of this item is to obtain the Boards approval of the proposed audit topics for the 2025 Annual Audit Plan. Staff will return to the Board at a future Board meeting to present the BAC recommendation of auditor assignments for each of the approved audits.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

The Annual Audit Plan is not subject to environmental justice analysis. The Annual Audit Plan serves as a tool for communicating audit priorities as determined by the BAC and the Board of Directors.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: 2023 Risk Assessment Final Report
Attachment 2: Audit Scope, Capital Projects
Attachment 3: Audit Scope, Contracting Processes
Attachment 4: Audit Scope, Conservation Strategies
Attachment 5: Audit Scope, Forecasting

UNCLASSIFIED MANAGER:

Darin Taylor, 408-630-3068

Santa Clara Valley Water District Independent Board Auditor

Districtwide Risk Assessment – 2023

November 2023



455 Capitol Mall • Suite 700 • Sacramento, California • 95814 • Tel 916.443.1300 • www.secteam.com

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Introduction

The Santa Clara Valley Water District (Valley Water or District) asked Sjoberg Evashenk Consulting to conduct a districtwide risk assessment as part of a long-term internal audit planning process. A fundamental component of a successful internal audit function requires determining which departments, programs, or activities to audit—and allocating scarce audit resources in a way that adds the greatest value to the District. As such, the purpose of this project was to identify key organizational units, programs, or operations of Valley Water and to assess each in terms of the potential risk factors that could impede the effective delivery of services, reduce operational efficiency, or impair transparency and public accountability. As the relative magnitude and prevalence of potential risk factors associated with key programs increase, so too does the potential value a performance audit of the program will be to Valley Water.

Background

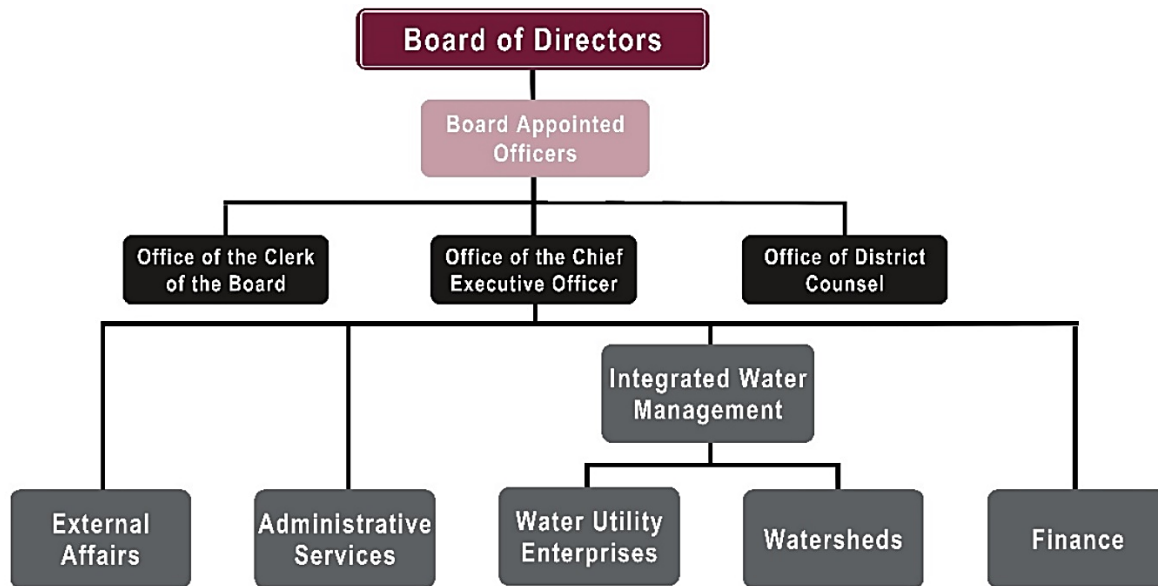
The Santa Clara Valley Water District (Valley Water) is Santa Clara County's water resource management agency responsible for providing safe, clean water, flood protection, and stewardship of streams through its management of water treatment and distribution systems, construction and maintaining flood control channels, and overseeing water rate setting and conservation efforts. The mission of Valley Water is to provide safe, clean water for a healthy life, environment, and economy.

Valley Water is led by a seven-member Board of Directors (Board), with each Board director representing one of seven equally-divided districts in the Silicon Valley. The Board is responsible for establishing policy, adopting resolutions, and establishing the directives, goals, and objectives that guide all the work of Valley Water employees—including the overall vision for the District. These are documented in three formal types of policies:

- Board Governance Policies—policies which guide the practices of the Board itself.
- Executive Limitations Policies—policies which establish the responsibilities of the Chief Executive Officer and delegations of authority.
- Ends Policies—policies that establish the goals and objectives that the Board has for the District, and the ends toward which the Chief Executive Officer is charged to achieve.

Three District officers are appointed by and report directly to the Board: The Chief Executive Officer (CEO), District Counsel, and the Clerk of the Board. The Office of District Counsel serves as legal counsel to the Board and advises the Board and Valley Water management regarding all legal matters. The Clerk of the Board staffs all Board and committee meetings and serves as the District's election official and the custodian of official records of the District. The CEO oversees all executive operations of Valley Water, including Integrated Water, which is managed by the Assistant Chief Executive Officer and includes the Water Utility and Watershed business areas, as well as several units that collectively support Valley Water's capital infrastructure plan. In addition to Integrated Water, the CEO also oversees three critical departments: the Financial Planning and Management Services Department, Office of Administrative Services, and the Office of External Affairs. Valley Water's organizational chart is depicted in Exhibit 1.

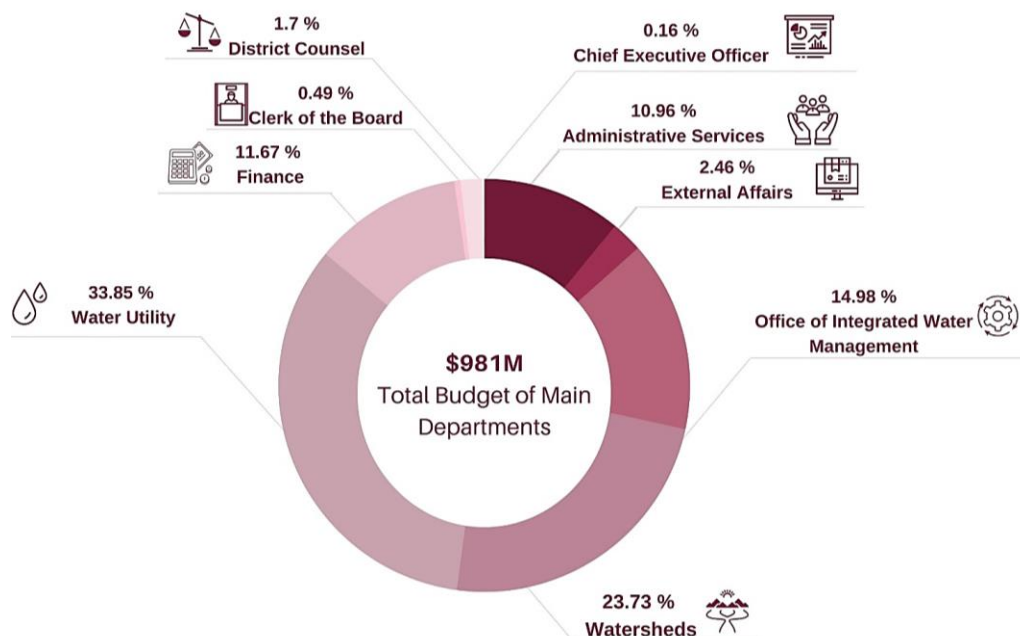
EXHIBIT 1. VALLEY WATER ORGANIZATION CHART



Source: Official Valley Water Organization Charts

As illustrated below, Valley Water’s Fiscal Year 2023-24 budgeted operating expenses totaled approximately \$857 million,¹ of which Integrated Water, Watershed, and Water Utility Enterprise business areas comprise roughly 80 percent of all District expenditures.

EXHIBIT 2. ALLOCATED BUDGETED EXPENDITURES BY DEPARTMENT



Source: Fiscal Year 2023-24 & FY2024-25 Operating and Capital Rolling Biennial Budget

¹ Elsewhere in this report, we refer to approximately \$981 million in budget appropriations. The difference between Valley Water’s total \$857 million budget and individual department appropriations of \$981 million, which includes intra-district reimbursements of \$124.9 million, and these net to total operating and capital outlays of \$856.6 million.

Risk Assessment Approach

The Charter of the Board Audit Committee (BAC) states that the BAC shall endeavor to complete a Valley Water-wide risk assessment, at a minimum, tri-annually, and that the full Board shall approve an annual audit plan. Audit standards issued by the Institute of Internal Auditors require that the chief audit executive establish a risk-based plan to determine the priorities of the management audit activity, and that the plan be consistent with the organization's goals. The purpose of a risk assessment is to help ensure that limited audit resources are deployed in a manner that fulfills the purpose of Valley Water by identifying inherent risks to the successful execution of district operations, programs, and services; and differentiating between all the potential risks and areas of interest and prioritizing them based on the potential value that the audit may provide to Valley Water. This process is intended to facilitate a deliberative approach to directing limited audit resources and to inform management of potential areas of risk for which it may wish to take action; it is not intended to provide specific conclusions regarding an organization's operations or programs, or to present specific recommendations for improvement.

To fulfill the strategic purpose of a districtwide risk assessment, our team interviewed nearly 30 District officers and managers to gather information about Valley Water operations, programs, and functions; to identify potential and inherent risks to the achievement of the missions, objectives, and goals of each; and to discuss current initiatives and activities of the departments. We also obtained and evaluated current and historical background information for each office, department, and program, including information available through Valley Water's website, program descriptions, budget documentation, strategic plans and annual reports, policies and procedures, and other relevant documentation, etc. In doing so, we identified the audit universe and auditable units, including District departments and the defined programs, services, and functions carried out by each department, and identified the sources and types of risks associated with the missions, objectives, and goals of each.

Some information was obtained directly from objective reporting of past and current performance. This includes the relative size of one department's budget or workforce in relation to other departments, one department's financial exposure resulting from claims filed as compared to other departments, the number of contracts or capital projects managed by one department as compared to others, as well as key performance indicators and departmental performance reports. Other information was obtained through subjective analyses of current issues and trends affecting each department. This includes understanding and assessing public concern related to certain programs, services, or functions of District government; determining the extent to which certain problems are already known, such as through the press or previously completed audits or studies; or the extent to which previously manual activities have been automated. Both subjective and objective risk categories drive the ultimate calculated risk score for each department and program area, and the relative risk associated with each when compared to other Valley Water departments or program areas. Exhibit 3 illustrates the types of risk factors considered as part of this risk assessment.

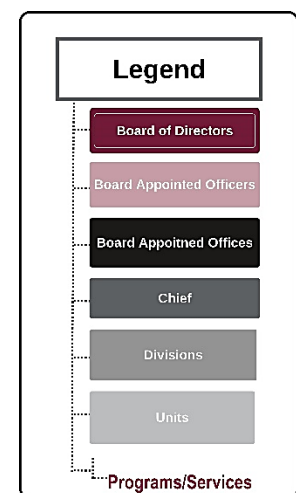
EXHIBIT 3. RISK SOURCES & TYPES RELATED TO THE ADMINISTRATION OF DISTRICT DEPARTMENTS AND PROGRAMS



Based on information provided and auditor judgement, we assessed each organizational unit and program in terms of the potential risks that could impede effective delivery of services, reduce operational efficiency, or impair transparency and public accountability. In doing so, we prepared “risk profiles” for each department, which include an organizational chart for each department that reflects the functional responsibilities of each department, division, unit, and program. The structure of the appropriate department will be displayed in an organizational chart reflecting the legend on the right. The risk profiles also include general indicators of the size of the division, a description of the core functions of the division and inherent risks and general concerns associated with the division’s operations. In short, inherent risks are factors that may impede the ability of the division to achieve, in an effective or efficient manner, its core functions.

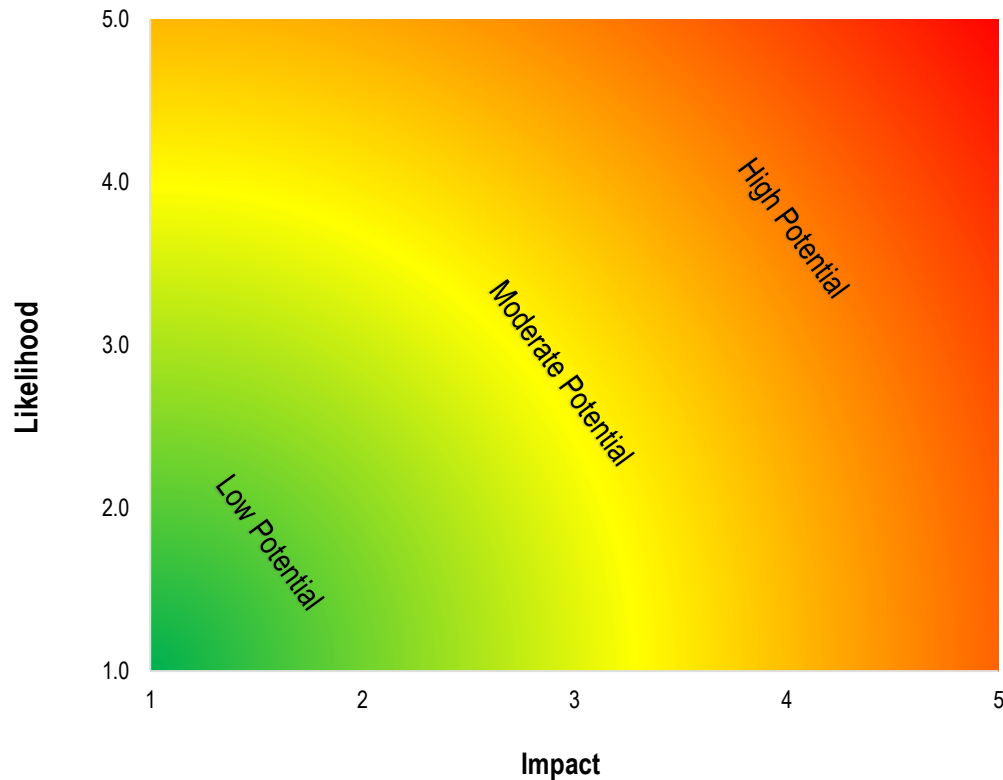
While this report presents risk ratings for key departments, divisions, and programs, it is important to note that a high-risk score is not indicative of poor performance, lacking internal controls, or bad business practices. Rather, risk scores indicate the extent to which key programmatic or operational areas within District departments present sufficient inherent risks to warrant audit resources, and the extent to which we believe a performance audit of that area will yield value to Valley Water.

To illustrate our assessment of risk associated with the auditable units within each department as compared to each other and to other divisions throughout Valley Water, we include in each department profile a heat map similar to that shown in Exhibit 4. This is meant to illustrate the extent to which, or



likelihood that, inherent risks associated with core District functions warrant audit resources and the potential impact that such an audit could have in assisting Valley Water to address current and emerging challenges—that is, the relative value of spending audit resources in one business area of the District versus another area.

EXHIBIT 4. SAMPLE HEAT MAP



Based on our assessment of risk, we present numerous audit topics related to each division and/or program. A larger audit could include each of these as a specific audit objective; smaller audits could address just one or two of the topics listed in each profile.

This approach is designed to provide Valley Water with information necessary to develop an audit plan that focuses on those areas within District government that are most likely to benefit from a performance audit. It is also designed to present the rationale behind our risk ratings to the BAC, and to facilitate an open and deliberative forum to discuss audit priorities and to determine the focus of limited audit resources.

Department Risk Profiles

This section presents background information and risk profiles for each of Valley Water's key departments, including offices reporting directly to the Board of Directors—the Chief Executive Officer, District Counsel, and Clerk of the Board—as well as the departments reporting directly to the Chief Executive Officer: Administrative Services, External Affairs, Financial Planning and Management Services, and Integrated Water. Each profile includes a discussion of a Valley Water department; background information, core functions, key statistics and characteristics, inherent risks, and challenges associated with each; and potential audit topics designed to address those areas where internal audit resources could prove most valuable.

Office of the Chief Executive Officer

With a Fiscal Year 2023-24 budget of approximately \$1.5 million and a staff of 3 FTE positions, the Office of the CEO represents less than one (1) percent of the District's overall budget. The Office of the CEO is responsible for all operations of the District, carrying out policies and direction of the Board, making recommendations to the Board on a variety of issues, appointing and supervising subordinate officers of the District, ensuring compliance with Board policies, being responsive and available to the community, and achieving Valley Water's objectives, goals, and mission. The Assistant Chief Executive Officer, Chief Financial Officer, Chief Operating Officer of External affairs, and Chief Operating Officer of Administration all report directly to the CEO.

The Office of the CEO provides strategic direction and supervision to guide the organization in fulfilling Valley Water's mission, achieve the Board's Ends Policies, support the Board of Directors, and comply with the Board's Executive Limitations Policies. During Fiscal Year 2023, the Office of the CEO reported achieving several notable accomplishments, including continuing to lead the Valley Water throughout the ongoing drought and the COVID-19 pandemic; prioritizing investments in critical infrastructure and the safety of Valley Water staff; and delivering safe, clean, and reliable water to Santa Clara County. Exhibit 5 illustrates the distribution of the CEO's direct reports.



Key Statistics and Responsibilities

FY 2023/24

FTEs:
Budget:

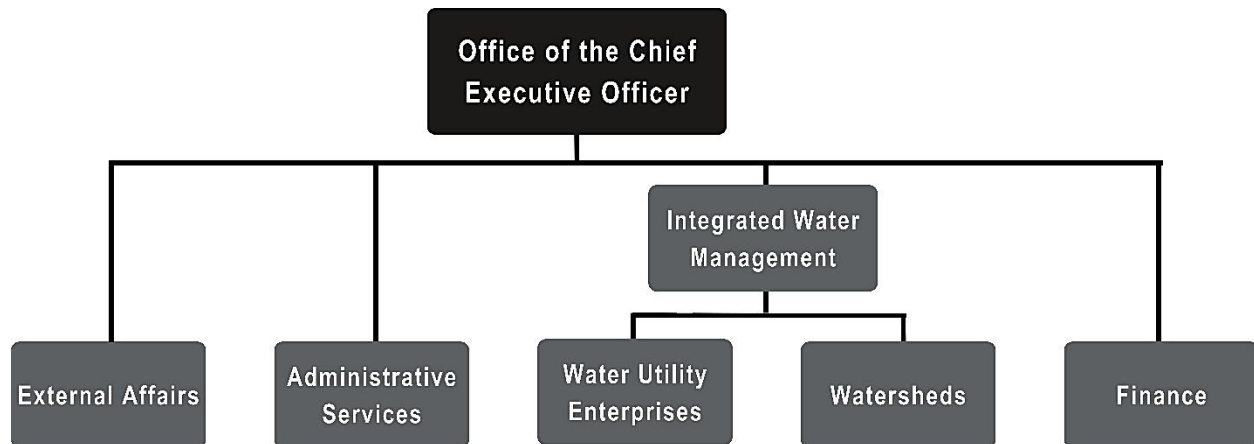
3
\$1.6M



0.16%
Total Budget

- Provides strategic direction and supervision to guide the organization in fulfilling Valley Water's mission.
- Assumed executive leadership at Valley Water and supports the Board of Directors.
- Performs Financial Management through overseeing the Finance Division.

EXHIBIT 5. OFFICE OF THE CHIEF EXECUTIVE OFFICER ORGANIZATIONAL STRUCTURE



Source: Fiscal Year 2023-24 & FY2024-25 Operating and Capital Rolling Biennial Budget

Risk Analysis

The Office of the CEO, on its own, has a relatively low budget and FTE allocation when compared to other organizational units. However, its role in implementing Board policy and strategic initiatives, developing budgets, monitoring resource allocation, and framing and messaging District priorities and communications place the Office in a position of strategic importance and high public visibility. The CEO's role is multifaceted, as they must balance the District's Ends Policies to serve the needs of Santa Clara County while adhering to executive limitations that set specific boundaries on the Office's authority. Following is an evaluation of key functions or programs within the Office, along with a description of responsibilities, budget, FTEs, and inherent risks.

Office of the Chief Executive Officer		
<p>The CEO is responsible for the success of Valley Water. This includes successfully providing safe, clean water for a healthy life, environment, and economy. It also includes doing so in a manner that is responsible, sustainable, and alignment with Board policies. The CEO employs experts to directly manage distinct business areas within the District, including Finance, Administration, External Affairs, and the core operations of the District: Integrated Water Management, including Water Utility Enterprises and Watersheds. This encompasses supply management, flood protection, environmental stewardship, and more, all aimed at serving Santa Clara County's 1.9 million residents as well as a significant and diverse business community. The CEO coordinates the flow of information between management, the Board, and various committees, and provides administrative and logistical support to the Board.</p>	Budget: \$1,579,221	
	FTE: 3	
	<p>Inherent Risks: As the leader of Valley Water, the greatest risk facing the CEO relates to the successful delivery of safe, clean water, consistent with the mission of Valley Water. From the perspective of the Board, however, the question is not limited to whether the CEO achieves this mission, but it is also essential that the CEO so in a manner compliant with established policies—both Ends Policies and Executive Limitations. This requires transparency in management reporting, goal-driven performance measurement and evaluation, and assurances of compliance with Executive Limitations Policies.</p>	

Risk Summary

The operational responsibilities of the Office of the CEO are typically addressed by performance auditors by focusing on specific programs under the purview of the CEO, such as programs administered by

Finance, Administration, External Affairs, Integrated Water Management, Water Utility, or Watersheds. The Officers overseeing each major program area would address potential audit findings, recommendations, and corrective action.


There are certain performance audits, however, that go beyond the purview of any particular departmental officer or manager, and those pertain primarily to matters of governance: reporting to the Board of Directors; establishing policies and procedures; establishing a sound tone-at-the-top that focuses on the importance of achieving goals and the organizational mission while also emphasizing the importance of internal control, transparency, and accountability; establishing and monitoring systems of performance measurement and evaluation; and ensuring compliance with Board policies and other legal or regulatory requirements.

Based on this assessment, there are two audit topics that ranked the highest and warrant consideration for future audit planning. These include:

- 1) The District's overall approach to performance measurement, the purpose of which would be to identify ways to build upon exiting performance metrics in a manner that provides the Board reasonable assurances that metrics exist to evaluate progress to achieving Ends Policies, as well as to evaluate the overall efficiency and effectiveness of Valley Water operations.
- 2) The Districts overall compliance with Board policies, including Board Governance Policies, Ends Policies, and Executive Limitations Policies.


Office of the Clerk of the Board

With an approximate Fiscal Year 2023-24 budget of \$5.6 million—representing 0.6 percent of the District's overall budget—and 15 FTE positions, the Office of the Clerk of the Board supports the Board of Directors and serves the public by providing records maintenance and management services, staffing Board and committee meetings, serving as Valley Water's election official, and overseeing the Records & Library Services Unit. These services include directly supporting the work of the Valley Water Board of Directors; preparation, posting and maintenance of agendas, minutes, ordinances, resolutions and contracts of the Board of Directors; coordinating advertisement of legal notices; maintaining and updating Board resolutions and policies (including Board Governance Policies, Ends Policies, and Executive Limitations Policies); managing and publishing Board and committee agendas and minutes in accordance with the Brown Act; receiving official records; responding to public records requests in a timely manner, and ensuring compliance with the Public Records Act; coordinating with the County of Santa Clara



Key Statistics and Responsibilities

FY 2023/24

FTEs:	15		0.49%
Budget:	\$4.8M	 <div style="font-size: 8px; text-align: center;">Total Budget \$981M</div>	Total Budget

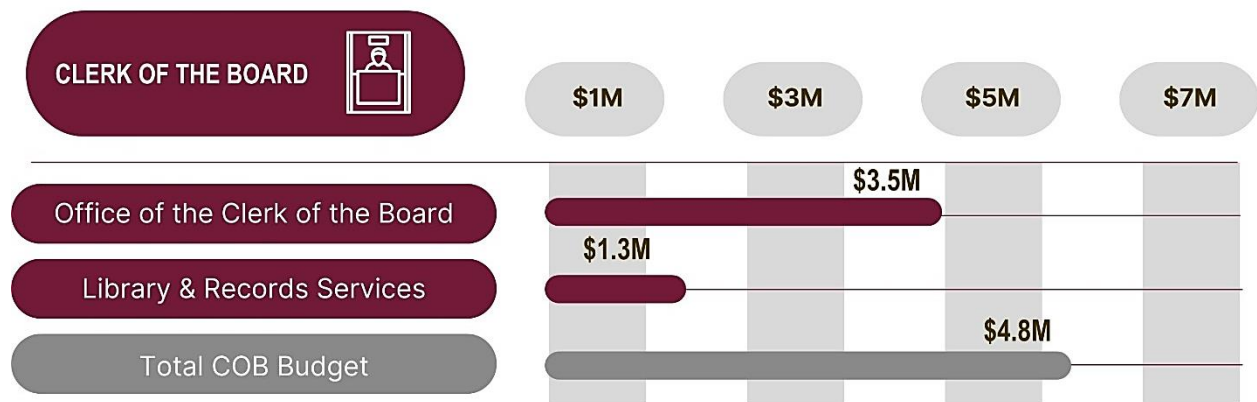
- Oversees the Records & Library Services Unit.
- Directly supports the work of the Board of Directors, facilitating the public's access to Board information, and monitoring the Board budget and Board members' expenses.
- Serves as Valley Water's election official.

on all matters related to elections; and monitoring the Board budget and Board members' expenses in accordance with District Ordinance 02-01, Resolution 11-73, Board Governance Policy GP-10.

In Fiscal Year 2023, the Office of the Clerk of the Board cites various accomplishments, including having successfully managed over 33 Regular Board Meetings and over 100 Board Committee Meetings in accordance with the District Act, Board Policies, and the Brown Act; successfully scheduled over 1,000 meetings for individual Directors; and tracked, monitored, and reported on the registration of external lobbyists in accordance with Ordinance 10-01.

The Office of the Clerk of the Board is organized into two units: the Clerk of the Board and the Records & Library Services. Exhibit 6 below is a breakdown of each division's budgeted expenses for Fiscal Year 2023-24.

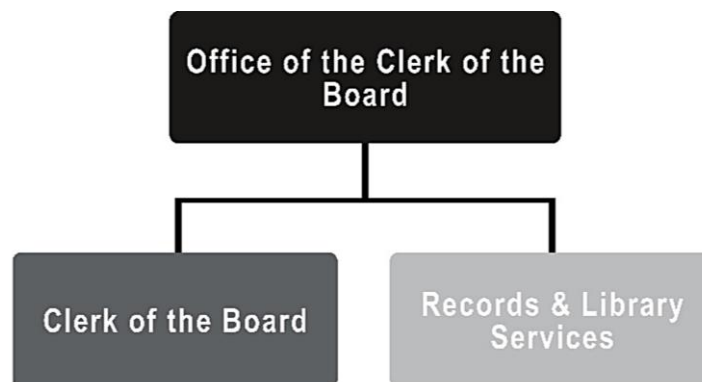
EXHIBIT 6. BUDGET BREAKDOWN BY DEPARTMENT



Source: FY 2022-23 & Fiscal Year 2023-24 Operating and Capital Rolling Biennial Budget

The Office of the Clerk of the Board allocates functional responsibilities to each of the two units as depicted in Exhibit 7 below.

EXHIBIT 7. OFFICE OF THE CLERK OF THE BOARD DIVISION ORGANIZATIONAL STRUCTURE



Source: Fiscal Year 2023-24 & FY2024-25 Operating and Capital Rolling Biennial Budget

Risk Analysis

The Office of the Clerk of the Board plays a pivotal role in Valley Water's governance, but it faces inherent risks that require careful management. Chief among these risks is the potential for improper documentation and minute-taking during Board meetings, which could compromise transparency and governance procedures. The evolving landscape of governance procedures necessitates continuous compliance efforts. Efficient management of a large volume of documents, including publicly recorded ones, is essential to prevent delays and resource misallocation.

Moreover, tracking lobbying activities demands vigilance to ensure compliance and accurate reporting. Lastly, the office must balance its involvement in policy reviews and maintain a high-level perspective to mitigate risks related to inefficiency or insufficient support of core operations. To successfully navigate these challenges, the Clerk of the Board should maintain meticulous record-keeping, stay current with governance procedures, and continually evaluate and optimize their operations while upholding the transparency and integrity of Valley Water's governance processes. Following is an evaluation of key functions or programs within the Office, along with a description of responsibilities, budget, FTEs, and inherent risks.

OFFICE OF THE CLERK OF THE BOARD	
The Office of the Clerk of the Board oversees the Records & Library Services Unit as well as completing work regarding coordinating information between the Board Committees and the Board, and Committee Oversight Manager; providing administrative and logistical support to the Board committees; managing Board committee membership; ensuring agenda and meetings are in compliance with the Brown Act; coordinating, posting and distributing Board committee and Board agenda items; supporting and assisting Board committee chairs during meetings; managing Board committee work plans; tracking and managing Board committee attendance; managing historical records of Board committees; keeping accurate records of the proceedings of the Board and all committees; keeping a record of all Board resolutions and actions of the Board of Directors in such manner that the information contained therein will be readily accessible to the public; and managing Board committee web pages.	Budget: \$ 3,517,767 FTE: 10 Inherent Risks: Inefficiencies that could impact the receipt and recording of publicly recorded documents, as well as the availability of records; cost-effective administration of document requests; potentially inefficient or insufficient support of the Office's core operations. Further, Board Governance Policies have not been fully reviewed or updated in six or more years.

RECORDS & LIBRARY SERVICES

The Records & Library Services is responsible for the administration of the Records Management Center and the Valley Water Library, administration of the Valley Water Records Management Program; and the provision of Valley Water's responses to legal demands for records.

Budget: \$ 1,316,042

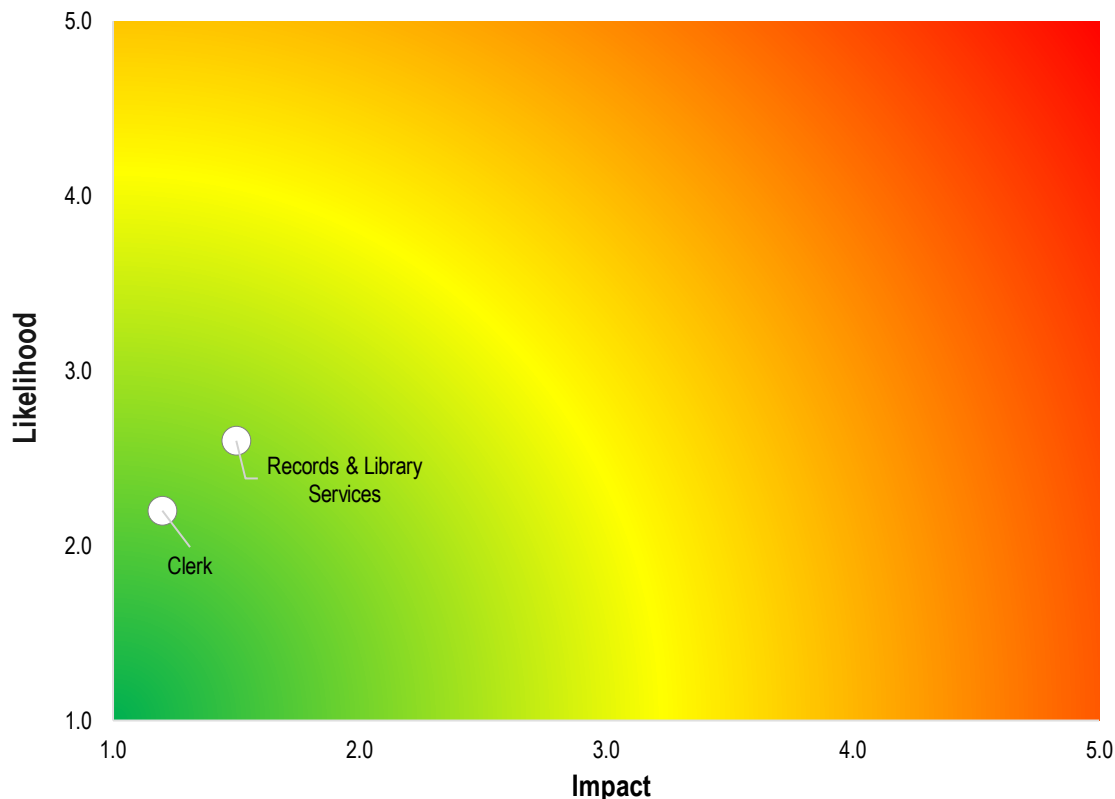
FTE: 5

Inherent Risks: Inefficiencies that could impact the receipt and recording of publicly recorded documents, as well as the availability of records; cost-effective administration of document requests; potentially inefficient or insufficient support of the Office's core operations.

Risk Summary

The Office of Clerk of the Board has a relatively low budget and FTE allocation when compared to other Valley Water departments, and generally represents relatively low risk when compared to other departments based on our assessment of a variety of risk factors. Despite this, the Clerk of the Board serves an essential function facilitating the work of the Board and ensuring transparency into Board and District activities. Because of this, the potential benefits of a performance audit of the Clerk of the Board are likely to be in assessing the overall efficiency and effectiveness of the Office's day-to-day operations. With this in mind, we illustrate below the risk rankings of each unit or program area in relation to one another.

EXHIBIT 8. PROGRAM RISK RATINGS



This risk assessment revealed the following potential audit objective:

- 1) Evaluate the Office's business processes, information systems, and workload management practices to identify potential inefficiencies or opportunities for improvement in the Office's operational activities and administrative functions.

Office of District Counsel

With an approximate Fiscal Year 2023-24 budget of \$15 million—representing less than one (1) percent of the District's overall budget—and fourteen (14) FTE positions, the Office of District Counsel is managed by the District Counsel, a Board-appointed officer of Valley Water. The Office is responsible for general legal advice and services, personnel, litigation, and specialty advice including but not limited to land use, the environment, eminent domain, and real estate, among others. The Office advises the Board of Directors on all legal matters, and manages Valley Water's Risk Management Unit.

The Office of District Counsel at Valley Water is a critical component with eight attorneys specializing in labor and employment, California Environmental Quality Act (CEQA), and water law. They handle in-house legal matters such as public works contracting, municipal law, water law, and real estate while engaging external counsel for large projects. Notably, they address the complex issue related to Santa Clara Valley's unhoused population, a challenge with potential legal and environmental risks. The absence of an electronic calendaring system is a notable efficiency concern, with plans to introduce document management and automated calendaring tools. However, inherent risks include legal challenges, non-compliance with governance procedures, and document management challenges. The influx of new managers and a risk-averse culture also challenge organizational cohesion. The Office handles all items going to the Board, albeit with constraints due to a risk-averse culture that leads to extensive reviews.

In Fiscal Year 2023, the Office cites various accomplishments, including having provided timely legal advice to Valley Water, the Board, and Valley Water's officers and employees when acting in their official capacities; provided representation to Valley Water relating to annual groundwater production charges and to the update of Valley Water's groundwater charge zones; and served as counsel or co-counsel in all Valley Water litigation matters.



Key Statistics and Responsibilities

FY 2023/24

**FTEs:
Budget:**

**14
\$16M**

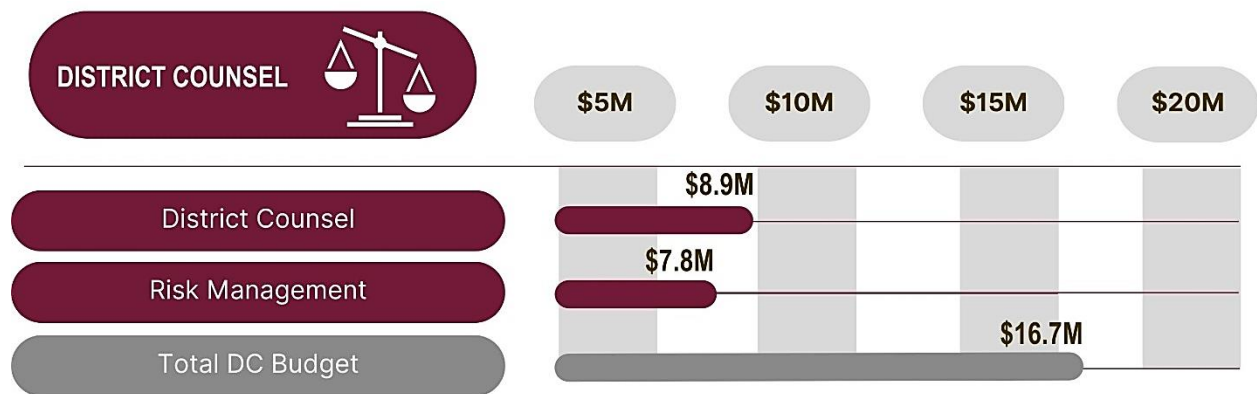


**1.7% Total
Budget**

- Provided timely legal advice to Valley Water, the Board, and Valley Water's officers and employees when acting in their official capacities.
- Includes both internal legal services and management of the external legal services provided to Valley Water.
- Served as counsel or co-counsel in all Valley Water litigation matters.
- Oversees the Risk Management Program.

The Office of District Counsel is organized into two units: The Office of District Counsel and the Risk Management Unit. Exhibit 9 provides a breakdown of each division's budgeted expenses for Fiscal Year 2023-24.

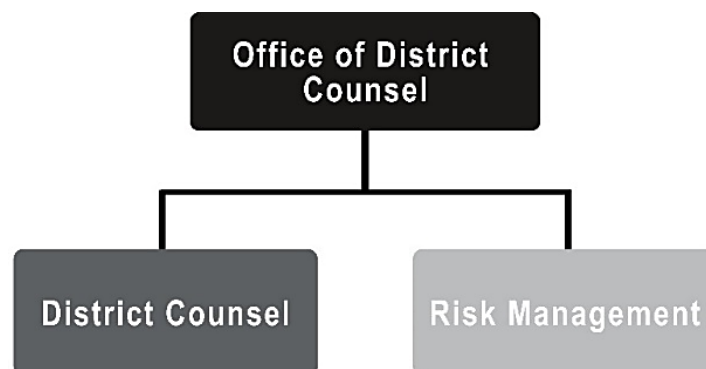
EXHIBIT 9. BUDGET BREAKDOWN BY DEPARTMENT



Source: Fiscal Year 2023-24 & FY2024-25 Operating and Capital Rolling Biennial Budget

The Office of District Counsel allocates functional responsibilities to each of the two units as depicted in Exhibit 10 below.

EXHIBIT 10. DISTRICT COUNSEL ORGANIZATIONAL STRUCTURE



Source: Fiscal Year 2023-24 & 2024-25 Operating and Capital Rolling Biennial Budget

Risk Analysis

The Office of District Counsel is integral to the organization's legal affairs yet confronts various inherent risks. The foremost concern lies in the efficiency of legal services provided, given the substantial and diverse operational and administrative responsibilities of Valley Water. The Office has a relatively low level of funding and FTE allocation when compared to other departments, as well as relatively low level of cash or other high-risk assets. Inherent risks associated with the District Counsel remain relatively low, but include continued adherence to professional standards, the efficient use of professional service contracts for outsourced legal services, balancing differing perspectives on risk mitigation, and the implementation of business processes and controls to mitigate risk and prevent the loss of District assets. Following is an

evaluation of key functions or programs within the Office, along with a description of responsibilities, budget, FTEs, and inherent risks.

OFFICE OF DISTRICT COUNSEL	
The Office of District Counsel provides professional, timely, and strategic legal advice to and representation of Valley Water and its Board of Directors, officers, and employees. It includes both internal legal services and management of the external legal services provided to Valley Water.	Budget: \$ 8,885,440 FTE: 11 Inherent Risks: Efficiency in delivering professional services considering the significant budget allocation, the effective and efficient management of third-party contracts, records management, and the ability to provide timely review and advice regarding a wide range of topics to District employees and the Board, along with reviewing items presented to the Board, are critical areas of focus.

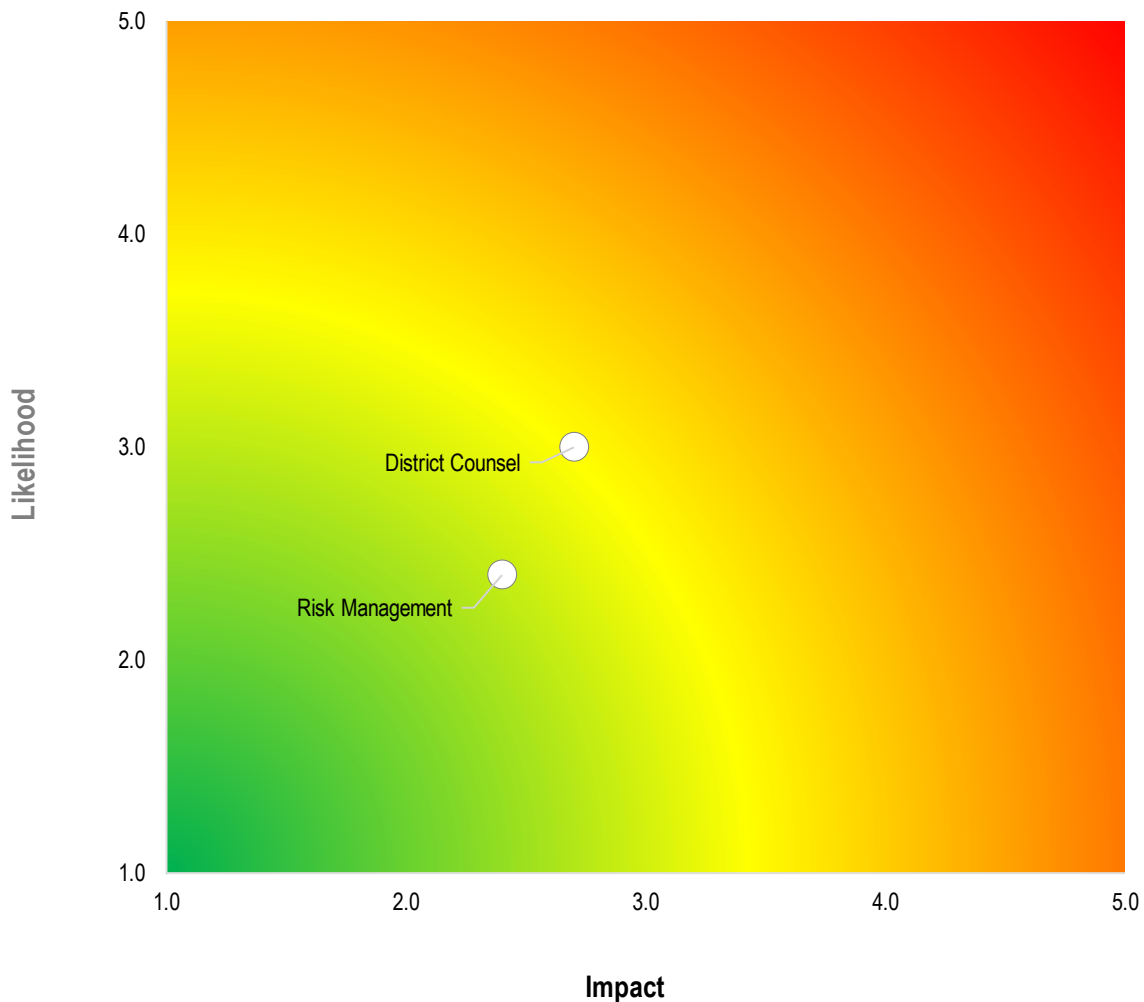
RISK MANAGEMENT UNIT	
The Risk Management Unit at Valley Water is primarily tasked with identifying and evaluating loss exposures to protect the organization's assets. This involves overseeing the Workers' Compensation program and implementing risk retention (self-insurance) and risk transfer (insurance) programs to maximize cost-effective coverage and ensure compliance with Board Governance policies. Additionally, the division is vital in maintaining a proactive stance toward risk management within the organizational structure to mitigate inherent risks effectively.	Budget: \$ 7,783,334 FTE: 3 Inherent Risks: Health and safety risks for employees and the public due to inadequate safety protocols; security risks, such as unauthorized access to facilities or sensitive information; adequacy of risk identification and assessment processes; the necessity for heightened compliance awareness, and the effectiveness of risk mitigation strategies; and the effectiveness of risk mitigation strategies.

Notably, a performance audit of the Office of the District Counsel was recently performed in 2020. It identified issues related to the frequency of communication, timeliness of services, and nonuniformity in service delivery; and it recommended implementing an updated operating model, enhancing policy and procedure development, utilizing tools like workflow management, service level agreements, performance management systems, and gathering multi-source feedback assessments to increase satisfaction.

Risk Summary

Overall, the Office of the District Counsel represents relatively low risk in terms of audit priority when compared to other Valley Water departments and programs, as illustrated in the risk ranking in Exhibit 11.

EXHIBIT 11. PROGRAM RISK RATING



Performance audit topics of the Office generally would not focus on the exercise of professional judgment or legal counsel, but would rather focus on the efficiency with which the Office manages resources. This could include internal business processes related to broader District responsibilities (such as risk management, contract review and processing, record retention and public records requests, etc.) and the Office's administration of legal services contracts.

The Office of District Counsel has recently undergone a performance audit, which examined the Office's operations, including Risk Management, suggesting it may be prudent to hold off on another audit of the Office for the immediate future. Nevertheless, this risk assessment revealed the following potential audit objectives:

- 1) Evaluate the Office's business processes and information systems to identify potential inefficiencies or opportunities for improvement in the Office's administrative functions.
- 2) Evaluate risk management practices, including the District's reliance on third-party administrators and service providers, risk retention and transfer evaluations, claims processing, and workplace

health and safety programs, as well as existing workload demands and future opportunities to enhance risk management operations in a growing District government.

Administrative Services

With an approximate Fiscal Year 2023-24 budget of \$107 million—representing approximately 10.96 percent of the District’s overall budget—and 165 FTE positions, the Office of Administrative Services oversees the Emergency, Safety, & Security Division; the General Services Division; the Information Technology Division; and the Human Resources Division. The primary roles of the Office of Administrative Services include supporting the mission of Valley Water—to provide Silicon Valley safe, clean water for a healthy life, environment, and economy—by providing essential business services for Valley Water.

In FY 2023, the Office of Administrative Services cites various accomplishments, including Labor Relations having completed Performance Improvement training for all Managers; the Office of Emergency Services having conducted the Annual Winter Preparedness Workshop with external stakeholders; the Environmental, Health & Safety Services continued and completed multiple facility fall protection engineering projects from the previous fiscal year; the Security Office developed a Security Drone Program; the Construction Contracts and Support Unit from the General Services Division completed the advertisement, bidding, and award of nine capital projects; the IT Division completed the 2019 IT Strategic Plan; and the HR Division updated recruitment and selection processes to incorporate new trends and tools to ensure that it has the ability to recruit a highly qualified and diverse workforce which provided management support for the operational work of the departments.

Directed by a Chief Operating Officer, the Office of Administrative Services is organized into four divisions: Emergency, Safety, & Security Division; the General Services Division; the Information Technology Division; and the Human Resources Division—each of which includes distinct functional units that carry out the work of the division. Exhibit 12 provides a breakdown of each division’s budgeted expenses for Fiscal Year 2023-24.

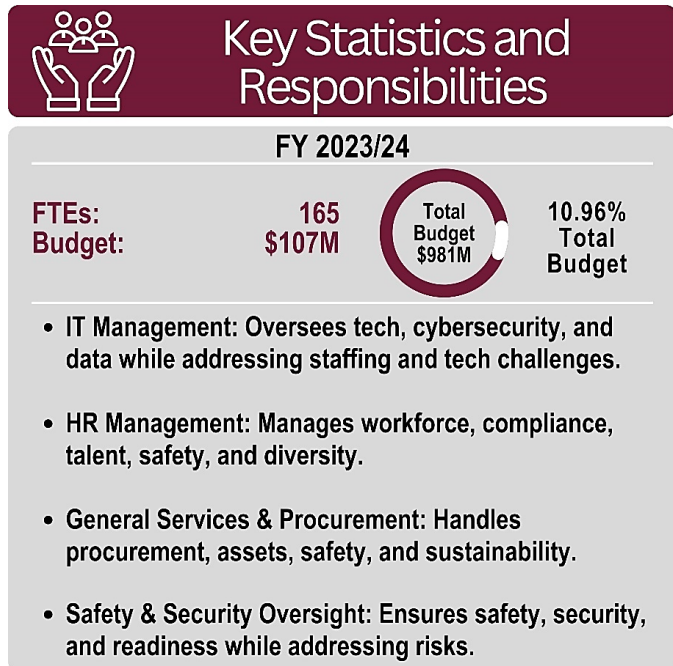
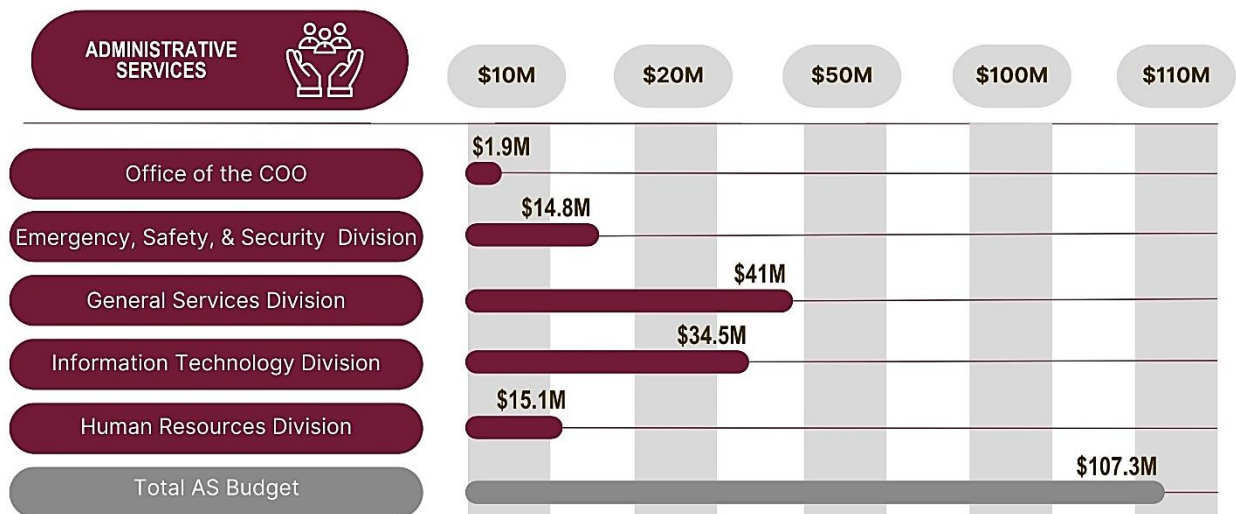


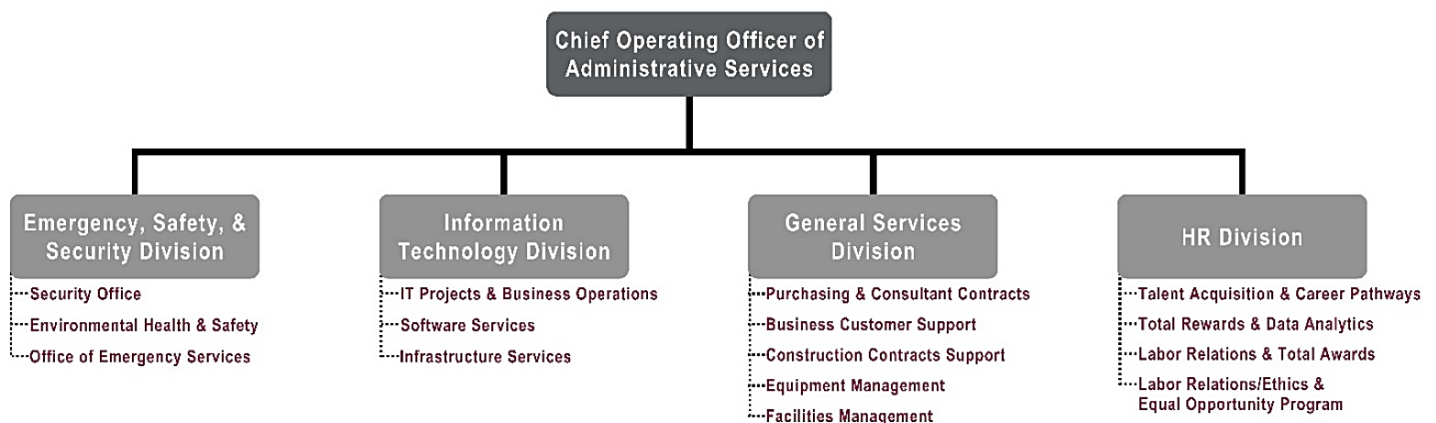
EXHIBIT 12. BUDGET BREAKDOWN BY DIVISION



Source: Fiscal Year 2023-24 & FY 2024-25 Operating and Capital Rolling Biennial Budget

The Office of Administrative Services allocates functional responsibilities to each of the five areas as depicted in Exhibit 13.

EXHIBIT 13. ADMINISTRATIVE SERVICES DIVISION ORGANIZATIONAL STRUCTURE



Source: Fiscal Year 2023-24 & FY2024-25 Operating and Capital Rolling Biennial Budget

Risk Analysis

The Office of Administrative Services plays a crucial role in supporting the mission of Valley Water, which is to provide safe, clean water for a healthy life, environment, and economy throughout Silicon Valley. This office is responsible for delivering essential business services to ensure the efficient functioning of the organization. The office oversees multiple units and divisions, including the Emergency, Safety, & Security Division, the General Services Division, the Information Technology Division, and the Human Resources Division. These highly specialized and distinct functions under the umbrella of Administrative Services demonstrates the office's importance and impact on Valley Water's operations and capital programs.

Inherent risks associated with the Office of Administrative Services include the complexity of the responsibilities and functions within the Office; operational risks associated with the efficient execution of critical support functions which could impact the core operations of the District; impacts on employee satisfaction, morale, and productivity; health and safety risks related to safety programs; information technology and cybersecurity risks; and procurement and vendor management risks. Following is an evaluation of key functions or programs within the Office, along with a description of responsibilities, budget, FTEs, and inherent risks.

OFFICE OF THE CHIEF OPERATING OFFICER OF ADMINISTRATIVE SERVICES		
The Office of the Chief Operating Officer (COO) of Administrative Services oversees the General Services division, Human Resources division, Information Technology division, Emergency, Safety & Security division, and Labor Relations department. The COO leads and manages the AS to achieve the Board's Ends Goals and Objectives. This includes providing Administrative Services to leadership, staff, and funding to fulfill the essential functions and responsibilities of the Office. In general, the Office provides for management activities that promote communication, human resources development, budgeting, project efficiencies and process improvement, mentoring and recruitment, and supporting District-wide and special events/efforts that benefit the whole organization.	Budget: \$1,860,646	FTE: 3
	Inherent Risks: Complexity of the Office's diverse administrative responsibilities, the general operational efficiency of managing a broad and diverse span of control, and strategic risks related to the implementation of organizational goals and objectives.	

EMERGENCY, SAFETY, & SECURITY DIVISION		
The Emergency, Safety and Security Division includes the Office of Emergency Services (OES), Environmental Health and Safety Unit (EH&S), and the Security Office (SO). The Division provides a safe and secure environment for Valley Water infrastructure, staff, and facilities, while maintaining a level of preparedness to respond to unplanned incidents and events.	Budget: \$ 14,840,573	FTE: 19
	Inherent Risks: Health and safety risks for employees and the public; security risks, such as unauthorized access to facilities or other physical assets.	

Security Office

The Security Office was allocated a Fiscal Year 2023-24 budget of \$ 7,238,321 for a total of five (5) FTE. This office provides risk-based security capabilities through a preparedness cycle encompassing analysis, development, planning, and verification. Its role involves safeguarding critical infrastructure and personnel against various threats, including terrorism and vandalism, using a guard force, patrols, remote monitoring, and a Security Operations Center. However, it's important to note that the Security Staff and Guard Force do not possess law enforcement powers and are not equipped with firearms, which limits their ability to respond to potential high-order threats effectively. Despite facing challenges relating to the sufficiency of the security office's infrastructure, such as an outdated CCTV and access control system and dealing with

issues related to the unhoused population, the SO serves as a crucial liaison between Valley Water and law enforcement agencies.

Environmental Health & Safety

The Environmental Health & Safety Unit performs a wide range of activities including:

- Workplace Health and Safety, including environmental, health and safety written program development and maintenance, technical and behavioral safety training, incident investigation services, ergonomic evaluations and corrective measures, contractor safety program evaluation, safety inspection and audit services and support, hazard analysis and risk prevention services, fall protection surveys and fall hazard mitigation, OSHA compliance oversight and monitoring, Department of Transportation driver safety program, alcohol and drug abuse prevention and testing services, and industrial hygiene services.
- Hazardous materials management, including storage and disposal management; electronic waste and recycling compliance and annual report submittal; underground and above ground storage tank inspections and permitting; Hazardous Materials Business Plans development and submittal; environmental regulatory facilities permit management; 24/7 hazardous materials emergency response capabilities; Spill Prevention, Control, and Countermeasure Program, which is designed to help prevent the discharge of oil into the water supply; and the California Accidental Release Program, which aims to prevent the accidental release of hazardous substances that could harm the public; among other programs.
- Additionally, the Environmental, Health and Safety Unit responds to requests from customers for specific health and safety services consultation and program assistance to ensure that Valley Water's health and safety programs are functional and sustainable. It also acts as Valley Water's liaison with applicable regulatory agencies when required.

Key inherent risks associated with these roles and responsibilities relate to the health and safety of the public and Valley Water employees, ensuring regulatory compliance regarding the management and control of hazardous substances as well as potential discharge affecting ground and surface water, and managing costs associated with regulatory permit fees, hazardous waste disposal fees, regulatory training costs, and supplies and equipment.

Office of Emergency Services

The Office of Emergency Services Unit is responsible for ensuring comprehensive, integrated, risk-based, emergency management for the personnel and critical infrastructure of Valley Water. Emergency Services manages the Valley Water Emergency Operations Plan, the Business Continuity Program, the FEMA-approved Local Hazard Mitigation Plan, and the development of Stream/Flood Emergency Action Plans. The program is also responsible for maintaining inter-agency relationships, Multi-Agency Coordination systems, Mutual Aid and Emergency Assistance Agreements, managing a Training and Exercise Plan that meets Standardized Emergency Management System (SEMS) and National Incident Management System

(NIMS) requirements, managing a dedicated Emergency Operations Center, and promoting California Office of Emergency Services (CalOES) professional credentialing.

Ultimately, risks associated with the effectiveness of emergency response units are dependent on the extent to which they adhere to best and leading practices in preparing for, responding to, and mitigating the effects of emergencies. This includes mitigating delays in emergency response coordination and communication, adequacy of emergency response plans for water supply interruptions, and ensuring compliance with state and federal emergency management regulations. It also includes seeking accreditation through the Emergency Management Accreditation Program and ensuring adequate emergency and temporary staffing levels to avoid delays and cost overruns.

Information Technology Division	
Provides management oversight, leadership and strategic support for Information Technology Infrastructure, Information Security Services, and Software Services, to ensure operational effectiveness and fiscal accountability. The Information Technology Division serves the technology needs of Valley Water. The division delivers and maintains key information technology services that meet current and future needs of Valley Water. The division also provides oversight of effectiveness, efficiency, and implementation of major Information Technology initiatives.	Budget: \$ 34,798,353 FTE: 39 Inherent Risks: Maintaining cost-efficiency and compliance; improper use of data; the internet of things (IoT) vulnerability; system failures; cybersecurity; reliability and functionality of systems and applications; ensuring proper controls over sensitive assets and data; effective disaster recovery; risks, including data breaches and cyber-attacks; ensuring infrastructure is designed to meet current and future needs of employees, customers, and the public. Staffing challenges arise from both limited human resources and a significant burden of technical debt, primarily driven by the necessity to support legacy, outdated, and redundant applications. These challenges are further compounded by the extensive overlap among various projects, highlighting the critical requirement for centralized IT governance and project approval processes.

Information Technology Projects & Business Operations

The Information Technology Projects and Business Operations Unit is responsible for project management, strategic planning and alignment, complex analysis, program development, compliance, policy development, budget, and reporting and financial planning. It ensures innovative technologies are effectively utilized across the organization; prioritizes and sequences technology projects; and leads, plans, oversees and participates in the more complex and difficult work of staff responsible for providing administrative, human resources, financial, and compliance support to the Information Technology division.

With these roles and responsibilities, the inherent risks include risks associated with Information Technology project management, including scope creep and budget overruns; data breaches or cyberattacks that could compromise sensitive customer and operational data; business continuity planning and disaster recovery for IT systems.

Software Services

The Software Services Unit develops (where appropriate), supports, and maintains Valley Water's business applications. These include Valley Water's Enterprise Resources Planning (ERP) system (Infor), work and asset management system (Maximo), project management system (ProjectMates), resource management system (Vemo), geographic information system (GIS), in-house applications, and the Valley Water's internet and intranet, among many other enterprise-wide or limited use systems.

With these roles and responsibilities, the inherent risks include risks related to software development and customization for critical water management systems; software vulnerabilities and patch management; and ensuring software compliance with regulatory standards.

Infrastructure Services

The Infrastructure Services Unit is responsible for implementing and maintaining the network and data-center infrastructure, cybersecurity posture, telephone systems, communications systems, tablets, workstations, and connectivity (e.g., servers, networks, WIFI, etc.). This unit maintains a help desk and serves as the first point of contact for staff to report issues; troubleshoots, resolves issues, and escalates more significant concerns; and supports Audio/Visual needs enterprise-wide, including the Board Room.

With these roles and responsibilities, the inherent risks include cybersecurity, both with respect to Valley Water's own infrastructure and the many independent cloud-based solutions currently employed by the District. It also includes risks related to the maintenance and security of critical IT infrastructure; system downtime and its impact on water supply and customer service; and infrastructure scalability to accommodate growth and changing technology needs.

General Services Division	
The General Services Division is responsible for purchasing of goods and consultant services, construction contract award and compliance, facility and fleet management, business support, and warehouse services in support of Valley Water's mission and operational needs.	Budget: \$ 40,994,675 FTE: 71 Inherent Risks: Procurement and vendor management risks, including procurement fraud and conflicts of interest.; inventory and asset management risks, including misplacement or loss of assets; ensuring competitive and transparent bidding processes; vendor performance and contract compliance; delays and cost overruns in construction projects; quality control and safety risks in construction; compliance with safety standards for equipment operation; maintenance and safety risks related to district facilities; and energy management and sustainability initiatives.

Purchasing & Consulting Contracts Services Unit

The Purchasing & Consulting Contracts Services Unit provides strategic and technical sourcing for the purchase and acquisition of all goods, services, consulting services and contracts; manages the competitive solicitations for all procurements, including goods and general services, as well as professional

services; and provides guidance related to contract administration and support. As part of this responsibility, General Services also manages Valley Water's Small and Local Business Enterprise Program, which conducts outreach for consultant contracts to tap into the community for small and local business opportunities.

With these roles and responsibilities, the inherent risks include ensuring the availability of efficient and effective procurement and contracting vehicles to meet the needs of Valley Water programs; ensuring the most competitive price for high-quality goods or services, transparency in purchasing decisions, and compliance with relevant laws and regulations; ensuring proper segregation of duties between purchasing and accounts payable functions; ensuring compliance with requirements related to supplier diversity while promoting opportunities for small and local businesses; and avoiding potential conflicts of interest and other forms of fraud, waste, or abuse.

Construction Contracts Support Unit

The Construction Contracts Support Unit is responsible for the development and solicitation of Valley Water's construction contracts, which are typically structured as design-bid-build contracts; providing analytical support for both Water Utility Enterprise and Watershed capital projects; assisting with status reporting related to the contracts; and ensuring labor compliance of construction contractors during construction. With these roles and responsibilities, the inherent risks include potential inefficiencies or delays in contracting that could lead to project delays, the potential that contract language could fail to provide a sound basis for controlling costs or otherwise protecting the interests of the District, and the potential the contract vehicles available to the District are not sufficient to meet Valley Water's needs.

Notably, a Contract Change Order Audit was recently performed in 2019. It identified change order management and administration activities for extremely large capital construction projects as areas of risk and recommended various improvements, including requiring Independent Cost Estimates, establishing a separate advisory body for change order approval, enhancing constructability reviews, centralizing procurement activities, and developing a Resource Services Office (RSO) to support project and construction managers and promote uniform implementation of change order management across all capital projects.

Equipment Management Unit

The Equipment Management Unit is responsible for procuring, maintaining, and managing a fleet of passenger and utility vehicles for use by Valley Water employees; maintaining an inventory of Class IV equipment (construction materials such as fortification and barrier materials), handheld equipment, and other non-information technology tools and assets used by the Water Utility and Watershed operations. Inherent risks include maintaining adequate internal controls over vehicle and maintenance assets; ensuring competitive procurement for all assets; and ensuring an effective preventive maintenance program; and controlling all assets in a manner that prevents theft or misuse.

Facilities Management Unit

The Facilities Management Unit seeks to provide a safe and well-maintained work environment in all facilities owned by Valley Water, apart from water utility facilities. This includes providing customer service

and core maintenance functions such as building repairs, heating, ventilation, air conditioning, plumbing, electrical, life safety, elevator services, and janitorial services. Inherent risks associated with this responsibility include maintaining facilities in a responsive, timely, and cost-effective manner; controlling high-risk assets (tools, equipment, etc.); energy management and sustainability initiatives; workforce safety; managing cost increases stemming from emergency repairs, as well as controlling costs to ensure allowability and avoid cost over-runs; and maintaining an asset inventory system that is up-to-date and reflects reasonably accurate condition assessments of facilities sufficient to enable an effective preventive maintenance program. Like many facilities maintenance programs, deferred maintenance remains a concern.

Business Customer Support & Warehouse Unit

The Business Customer Support & Warehouse Unit provides operational support including staffing the public counter and managing cashiering operations, the switchboard, mail delivery, reprographic, word processing and forms, and inventory control services. It also serves as the central receiving and distribution point for the organization and manages the central stores / warehouse operation as well as distributed storage locations. With these roles and responsibilities, the inherent risks include risks related to customer service; inventory management and control, including the prevention of theft or misuse of Valley Water assets; and timely and accurate fulfillment of customer requests.

Human Resources Division	
<p>The Human Resources Division is responsible for planning, managing, directing, and coordinating the staff and operations to provide Valley Water assistance in the areas of human resources. The Division includes four (4) functional units and eight (8) distinct programs. Human Resources is responsible for strategic planning; identifying workforce requirements needed to achieve goals; analyzing trends with data analytics; ensuring compliance with local, state, and federal regulation; administrative responsibilities (e.g., employee benefits, employee records); employee development; creating an inclusive work culture that thrives on a diverse workforce; succession planning; and maintaining and updating Human Resource policies that comply with the law and meet organizational goals.</p>	<p>Budget: \$ 15,038,569 FTE: 31</p> <p>Inherent Risks: Effectively recruiting, developing, and retaining a talented workforce that meets Valley Water's needs today and in the future; promoting a culture that fosters a work environment conducive to Valley Water's mission and a safe and healthy work environment; and ensuring compliance with employment laws and regulations.</p>

HR Business Services Unit

The HR Business Services Unit is responsible for updating Human Resource policies, procedures and quality assurance/quality control documents that are currently outdated and will provide dedicated recruitment sourcing services through targeted outreach, developing outreach lists for each classification, and utilizing software solutions to expand recruitment efforts. With these roles and responsibilities, the inherent risks include risks related to HR administration and record-keeping; compliance with labor laws and regulations; and data security and privacy of HR information.

Labor Relations / Ethics & Equal Opportunity Program

The Labor Relations / Ethics & Equal Opportunity Program (EEO) Unit promotes a proactive and positive labor relations program, in compliance with legal mandates, negotiated agreements, and constructive

management principles. Labor Relations represents Valley Water management in all matters involving matters covered under collective bargaining agreements and employee relations involving represented employees. Labor Relations negotiates, interprets, applies, and enforces contracts and regulations, and acts as a resource in the areas of administrative policies and procedures. This program also interprets memoranda of understanding (MOU's) and bargain with labor representatives; conducts EEO investigations; and ensures alignment with ethics. With these roles and responsibilities, the inherent risks include labor relations risks, including labor dissatisfaction, disputes or strikes; ethical concerns and conflicts of interest; ensuring equal opportunity; and compliance risks concerning adherence to labor laws and regulations.

Total Rewards & Data Analytics Unit

The Total Rewards & Data Analytics Unit provides recommendations utilizing multiple data types, business knowledge, and strategic assumptions in addition to data-generated resources to produce decision-making. With these roles and responsibilities, the inherent risks include risks related to employee compensation and benefits; data security and privacy in compensation data; and compliance with reporting requirements.

Benefits & Wellness Program

The Benefits & Wellness Program is responsible for the administration of employee and retiree benefit plans, conducting new hire orientations and separations, processing payroll and HR transactions, and administration of the award-winning Wellness Program (includes fitness reimbursement, ongoing employee education on overall various health initiatives, annual wellbeing fair, lunch and learns, employee rewards, etc.). With these roles and responsibilities, the inherent risks include risks related to employee health and wellness initiatives; benefits administration and compliance with healthcare regulations; and program effectiveness in promoting employee well-being.

HRIS Administration & Data Analytics Program

The HRIS Administration & Data Analytics Program utilizes a Human Resources Information System to record, store, and manage employee data such as payroll, benefits, performance reviews, and training records. With these roles and responsibilities, the inherent risks include risks related to HR information systems, including data security; data analytics accuracy and compliance with privacy regulations; availability and reliability of HR data for decision-making.

Classification & Compensation Program

The Classification & Compensation Program conducts classification reviews, pay practices, salary surveys, annual equity reviews, and the development of incentive programs. With these roles and responsibilities, the inherent risks include risks related to job classification and compensation structures; compliance with wage and hour laws; and ensuring equitable compensation practices.

Talent Acquisition

Within the Talent Acquisition & Career Pathways Unit, Human Resources is responsible for recruiting and developing Valley Water's workforce. This includes administering all recruitment and examination activities for Valley Water positions; facilitating the selection and hiring processes designed to fill vacant positions;

leading and directing internship programs designed to introduce individuals to the work of Valley Water, which may lead to future employees; administering the temporary staffing program; and partnering with community organizations and colleges for workforce planning.

Inherent risks associated with this responsibility is the potential for unsuccessful talent acquisition and management resulting in a District workforce that does not meet the needs of Valley Water, its customers, or the public; unfair interviewing, selection, or hiring practices or favoritism, diminishing District goals related to diversity, equity, and inclusion; diversity in hiring and promotion; compensation levels that are insufficient to attract, retain, and motivate a talented and qualified workforce; a classification system that fails to facilitate the hiring of entry-level positions and the development of the District's future leaders; and the potential that background check practices fail to indicate problematic histories of candidates.

Workforce Development Program

Also, within the Talent Acquisition & Career Pathways Unit, Human Resources is responsible for facilitating the development of Valley Water's future workforce. Its Workforce Development Program helps to guide employees' into the future by administering workforce development and succession planning, developing long-term recruitment strategies within the community, providing technical and non-technical training programs, assessing the needs of Valley Water employees and career goals, identifying current and future business needs, promoting professional development, administering the District's performance evaluation program, and administering wellness activities and events. This Unit is also responsible for developing and administering the NextGen Program, which seeks to develop the next generation of water professionals, the Career and Technical Education (CTE) program, and a roadmap to connect high school and college students to future career goals.

With these responsibilities, inherent risks include consistency in training among divisions; coordination of work-specific or technical training provided by divisions and general workplace training (e.g., supervision, leadership development, skills enhancement, and mandatory training programs) provided by Human Resources to ensure an effective holistic workforce development program; resistance to change; and the potential for misalignment between workforce development and succession plans and Valley Water's strategic goals and objectives.

Risk Summary

Based on this assessment, we find that all key programs and divisions within Administrative Services represent moderate- to high-risk. Districtwide, management expressed general satisfaction with the District's information systems and other business areas within Administrative Services, but also noted opportunities for improvement. Program areas throughout Valley Water depend on Administrative Services in nearly everything they do—recruiting staff to perform critical work, procuring goods and services needed to perform critical tasks, managing the physical assets needed to maintain Valley Water's infrastructure, providing the information systems needed to facilitate and support staff's work, etc. The transactional nature of much of Administrative Services' work, its control of significant physical assets, and its role in procuring goods and services (and expending District monies), all contribute to risk rating that warrant performance audit resources. In Exhibit 14, we illustrate the relative risk ratings of Administrative Service's operating divisions.

EXHIBIT 14. PROGRAM RISK RATINGS



This risk assessment revealed the following potential audits and objectives:

- 1) Information technology is generally considered to be a moderate- to high-risk function in any government organization, and recommended performance audits typically focus on:
 - a. Cybersecurity and network hygiene;
 - b. Data management protocols;
 - c. Customer service efficiency;
 - d. Disaster recovery planning;
 - e. Cost-effectiveness of operations, including contracting and purchasing; and
 - f. Information technology project management policies, processes, and practices, and the consistency of the IT Department's efforts with best practices.
- 2) Determine whether the District's human resources management activities are consistent with industry standards; sufficient to ensure compliance with federal, state, and local laws and regulations; effective in attracting, retaining, and motivating a highly talented, qualified, and effective workforce; and appropriately resourced and right-sized for Valley Water. This should

include key elements of human resources management, such as policies and procedures related to and its administration of the following:

- a. Hiring and recruiting;
 - b. Classification and compensation;
 - c. Employee recordkeeping;
 - d. Human Resources Information System functionality and system controls;
 - e. Employee relations and performance management;
 - f. Benefits administration;
 - g. Workplace investigations;
 - h. Professional and workforce development, training, and succession planning;
 - i. State and federal compliance.
- 3) The administration of compensation practices to ensure employer costs are appropriately controlled by determining whether benefit enrollment processes appropriately control employee enrollment and cost-sharing, including the verification of dependent eligibility, and the recording of employee compensation within Infor to ensure compensation (including bonuses and other differential pay) are appropriately approved and authorized.
 - 4) Cashiering processes, including those performed through differing information and cashiering systems, the impact that staff turnover has had on cashiering operations, and the role of Finance and Administration in ensuring adequate internal and system controls associated with each.
 - 5) Valley Water's facilities maintenance program, including evaluating the Department's ongoing control, monitoring, assessment, and maintenance of Valley Water facilities and properties to identify opportunities to enhance efficiencies and protect District assets.
 - 6) Valley Water's equipment management program, including determining the extent to which the acquisition, maintenance, and control of equipment and fleet vehicles are performed in a manner consistent with best practices, controls over sensitive assets are effective to prevent misuse, routine and preventive maintenance is performed in accordance to acceptable guidelines, the potential for abuse of District vehicles/fuel/equipment is appropriately mitigated, and practices are both efficient and effective.
 - 7) The overall efficiency of the Emergency, Safety, & Security Division, and the extent to which the Division carries out its responsibilities in a manner consistent with best practices and regulatory requirements.
 - 8) Warehouse operations, including the processes and protocols for inventory acquisition and management, conducting inventory audits, and otherwise controlling assets held in inventory, and the efficiency and effectiveness of such processes.
 - 9) The practices of the Business Customer Support program, including its business and workload management practices, to identify potential inefficiencies or opportunities for improvement in the program's operational activities and administrative functions.

- 10) Procurement activities, including General Services' practices relating to the following:
- Ensuring consistency with Valley Water policies, procedures, and other relevant guidance;
 - Proper segregation of duties with accounts payable functions and operational activities;
 - Consistency with best practices;
 - Efficiency in executing procurements in a manner that meets districtwide needs;
 - Timeliness of contracting and procurement practices, including the identification of potential bottlenecks;
 - Evaluating the appropriateness of the procurement vehicles used for different types of procurements, including the purchases of goods and supplies, professional services, construction contractors, operations and maintenance contractors, and other types of procurements; and
 - Benchmarking research, including the extent to which Valley Water's procurement practices compare with other public sector agencies.

External Affairs

With an approximate budget for the Fiscal Year 2023-24 year of \$ 24.1 million—representing 2.46 percent of the District's overall budget—and 45 FTE positions, External Affairs is managed by a Chief Operating Officer who reports directly to the Chief Executive Officer. External Affairs is responsible for overseeing and coordinating strategic external affairs initiatives, encompassing the Office of Communication, Office of Civic Engagement, Office of Government Relations, and Office of Racial Equity, Diversity, and Inclusion.

The primary roles of External Affairs include actively planning, integrating, and executing external policies, legislation, and communication efforts to address Valley Water's business interests, encompassing media relations, community engagement, government relations, and the promotion of racial equity and inclusion.

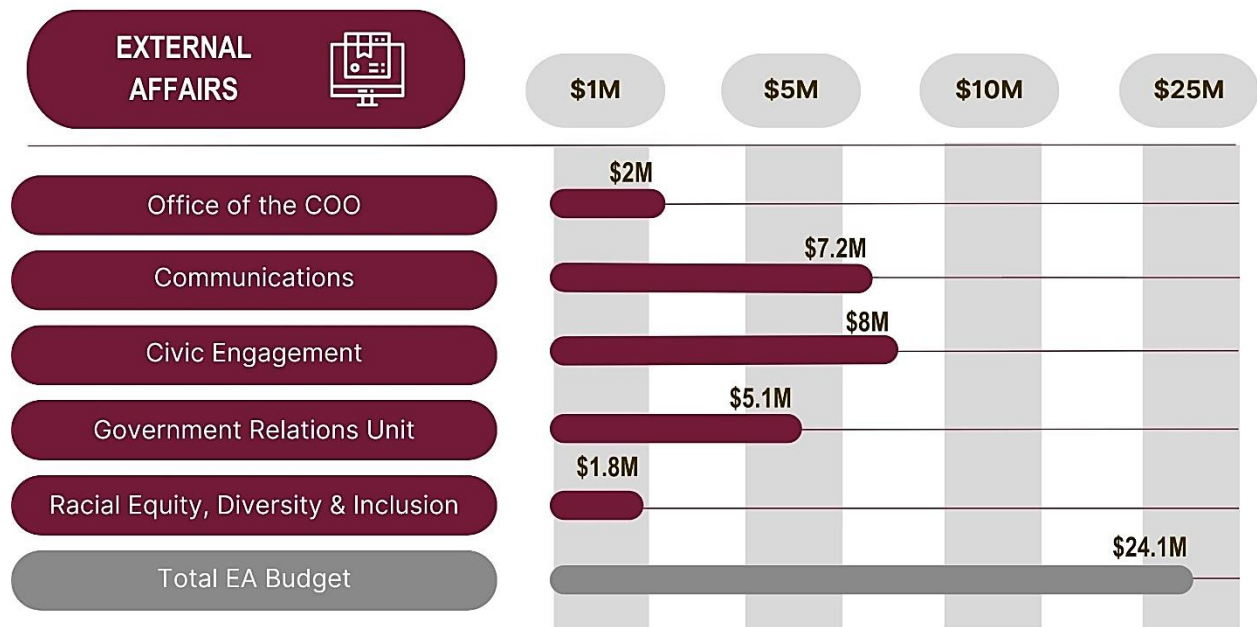
In Fiscal Year 2023, External Affairs cites various accomplishments, including welcoming employees' return to in-person work through over 25 employee resource group-led events, including lectures, cultural celebrations, volunteering, and networking events. Employees enjoyed these opportunities to reconnect with peers after COVID-19. Over 1,100 participants attended these events through Q3; launched two new pilot DEI capacity-building trainings: Conscious Conversations and Uncovering Racism; and adopted first-



time resolutions acknowledging: Filipino American History Month (October), German American Heritage Month (October), Italian American Heritage Month (October), Polish American Heritage Month (October), International Holocaust Remembrance Day (January), Lunar New Year (February) and Genocide Remembrance Day (April).

External Affairs is organized into five units: The Office of the Chief Operating Officer of External Affairs, Office of Communication, Office of Civic Engagement, Office of Government Relations, and Office of Racial Equity, Diversity, and Inclusion. Exhibit 15 provides a breakdown of each unit's budgeted expenses for Fiscal Year 2023-24.

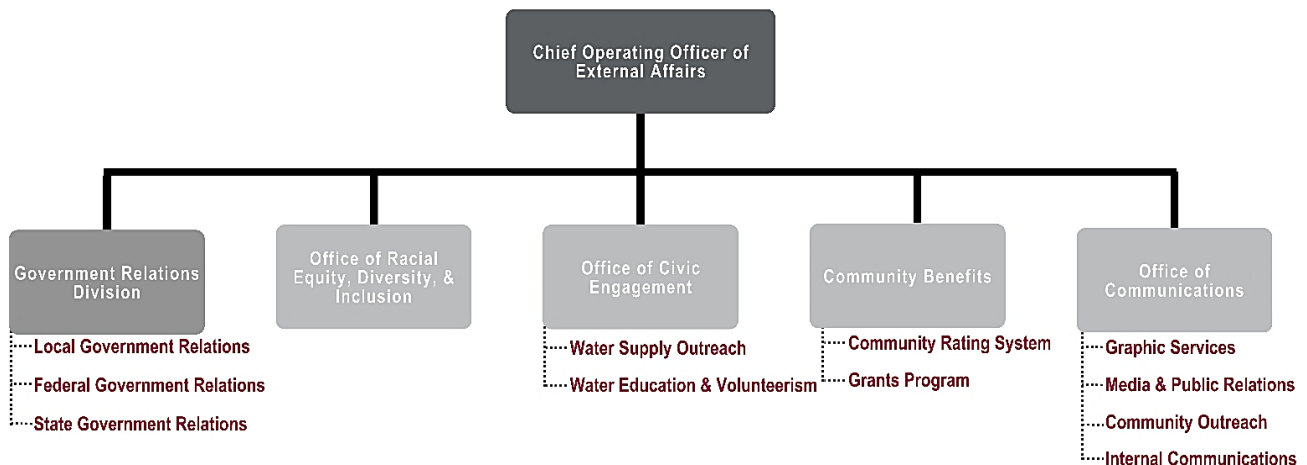
EXHIBIT 15. BUDGET BREAKDOWN BY UNIT



Source: Fiscal Year 2023-24 & FY2024-25 Operating and Capital Rolling Biennial Budget

External Affairs allocates functional responsibilities to each of the five areas as depicted in Exhibit 16.

EXHIBIT 16. OFFICE OF EXTERNAL AFFAIRS ORGANIZATIONAL STRUCTURE



Source: Fiscal Year 2023-24 & FY2024-25 Operating and Capital Rolling Biennial Budget

Risk Analysis

The Office of External Affairs is vital to Valley Water's strategic operations, overseeing and coordinating various external affairs initiatives. External Affairs comprises units such as Communication, Civic Engagement, and Racial Equity, Diversity, and Inclusion, as well as the division of Government Relations. Its primary role involves strategic planning and integration of external policies, legislation, and communication efforts to address Valley Water's business interests, including media relations, community engagement, government relations, and promoting equity and inclusion.

Integrating diverse units, such as Communication, Civic Engagement, Government Relations, and Racial Equity, Diversity, and Inclusion, reflects the District's commitment to fostering inclusivity, promoting equity, and addressing community needs. However, the wide range of functions within External Affairs may also pose challenges regarding coordination and resource allocation. Ensuring effective communication and collaboration among units can be complex, potentially leading to inefficiencies or overlapping efforts. Additionally, the Office of Racial Equity, Diversity, and Inclusion's success in promoting a diverse workforce and addressing environmental justice relies on the commitment and involvement of all stakeholders across the organization. Failure to prioritize equity initiatives could hinder progress and impact the District's reputation and social standing.

Inherent risks associated with the External Affairs include strategic risks related to the development and implementation of external affairs plans and initiatives; regulatory and compliance risks due to the changes in legislation and government policies, risks associated with insufficient progress in promoting diversity and inclusion within the District's operations; the effectiveness of civic engagement strategies in connecting with the community; and communication risks related to the accuracy, timeliness, and transparency of information shared with stakeholders. Following is an evaluation of key functions or programs within the Office, along with a description of responsibilities, budget, FTEs, and inherent risks.

Office of the Chief Operating Officer of External Affairs

External Affairs is responsible for programs that increase employee and community awareness and engagement on Valley Water programs, projects, and challenges. External Affairs provides the strategic planning and integration of external policies and legislation as it relates to the business interests of Valley Water and is responsible for managing Valley Water's relationships with the community, government officials, the media, and other key stakeholders. External Affairs is also responsible for managing racial equity, diversity, and inclusion efforts.

Budget: \$ 1,993,349

FTE: 5

Inherent Risks: Strategic risks related to the development and implementation of external affairs plans and initiatives.

Reputational risks arising from external affairs decisions that may be controversial or negatively perceived by stakeholders.

Office of Civic Engagement Unit

Through collaborations, educational initiatives, community service options, and grant programs, the Office of Civic Engagement (OCE) actively fosters connections with the community. Its primary aim is to establish a solid foundation of trust and support for Valley Water's objectives and mission. OCE is responsible for managing several key programs, including the Safe, Clean Water Grants & Partnerships Program, Public Art initiatives, Education Outreach efforts, the Water 101 Academy/Ambassadors Program, Creek Stewardship projects, Water Supply Outreach activities, and the Community Rating System. Additionally, OCE provides programmatic oversight and coordination for the Board Advisory Youth Commission and the Low-income Residential Water Rate Assistance Program.

Budget: \$ 7,959,139

FTE: 13

Inherent Risks: Strategic risks related to the effectiveness of civic engagement strategies, ensuring these strategies genuinely resonate with diverse community members, are crucial to maintaining public trust and credibility. Additionally, community engagement can be challenging, given the need to navigate potential conflicts and competing interests within local communities. OCE also faces risks associated with flood insurance ratings; failure to meet rating criteria could result in reduced discounts for flood insurance, affecting the community. Lastly, budget constraints may limit OCE's outreach and engagement efforts, necessitating effective resource management to fulfill its mission despite potential financial limitations.

Water Supply Outreach Program

The Water Supply Outreach Program focuses on raising public awareness about water supply issues, engaging with the community through events and programs, and building relationships with local governments. Challenges include effectively communicating complex water supply topics to diverse audiences and addressing potential resistance or misunderstandings.

Water Education & Volunteerism Program

The Water Education & Volunteerism Program is responsible for educational outreach programs and fostering community engagement through volunteer opportunities. Challenges involve maintaining sustained interest and participation in educational initiatives and coordinating volunteers effectively for various water-related projects.

Community Benefits Program

The Community Benefits Program works on initiatives to benefit local communities through projects, partnerships, and outreach efforts. Challenges may include balancing the diverse needs and expectations of different communities and ensuring equitable distribution of benefits.

Community Rating System Program

The Community Rating System Program manages efforts to raise community awareness about flood risks and encourages participation in the Community Rating System for potential flood insurance discounts. Challenges include maintaining effective communication channels among key stakeholders and the public, as well as promoting active participation.

Office of Government Relations Unit

The Office of Government Relations advocates at the local, regional, state, and federal levels to promote and advance the water supply, flood protection, revenue enhancement, and environmental stewardship interests of Valley Water and the residents of Santa Clara County, in alignment with the Board's legislative priorities. Government Relations serves as the internal and external connection for legislation, development of strategic support and opposition, and supplemental funding opportunities for Valley Water.

Budget: \$ 5,118,321

FTE: 10

Inherent Risks: Regulatory and compliance risks due to changes in legislation and government policies.

Advocacy risks associated with the representation of the District's interests to government entities.

Local Government Relations Program

The Local Government Relations Program focuses on fostering positive relationships with local government bodies to advocate for water-related projects and initiatives. Challenges may involve navigating competing interests and aligning district goals with local priorities.

Federal Government Relations Program

The Federal Government Relations Program advocates for federal funding and support for district projects, managing relationships with federal agencies and legislators. Challenges include coordinating efforts at the federal level and addressing regulatory hurdles.

State Governmental Relations Unit

The State Governmental Relations Unit is responsible for advocating for district interests at the state level, securing funding and permissions for projects. Challenges include managing relationships with state officials and navigating the complexities of legislative processes.

Racial Equity, Diversity, and Inclusion Unit

The Office of REDI serves to strengthen and expand Valley Water's ability to deliver innovative services through the development, implementation, and oversight of policies to advance equity, diversity, and inclusion (DEI) efforts. Through collaborations with internal stakeholders, REDI works to help attract, retain, and promote a diverse and talented workforce. REDI also helps to promote environmental justice externally to all the communities Valley Water serves, and fosters engagement with local tribal communities. REDI initiates DEI training efforts and hosts cultural speaker engagements to increase staff awareness of underserved communities. REDI also serves to guide and support the work of Valley Water's Employee Resource Groups, of which memberships to a chartered Valley Water ERG is free and open to all employees

Budget: \$ 1,757,075

FTE: 4

Inherent Risks: Risks associated with insufficient progress in promoting diversity and inclusion within the District's operations. Reputational risks if the unit's efforts are perceived as insincere or inadequate by stakeholders.

The Racial Equity, Diversity, and Inclusion Unit was established in Fiscal Year 2020-21 to provide expertise and leadership in the areas of employee relations, employee engagement, diversity and inclusion, and

workplace culture—and to do so from a perspective dominated by the principles of diversity, equity, and inclusion. Since it was established, the role of the Unit has evolved from an internal focus on DEI initiatives to a more externally focused equity assurance effort, guided by the Strategic Master Plan and Equity Action Plans. Key challenges include continuing to refine the unit’s role respective to the District as a whole.

Office of Communications Unit	
The Office of Communications informs, engages, and educates the community, including Valley Water employees, on water conservation, water supply and quality, flood protection and environmental stream stewardship efforts. Communications provides timely responses to media inquiries on relevant topics. Through social media platforms, marketing campaigns and public relations efforts, Communications highlights the work of Valley Water and its Board of Directors.	Budget: \$ 7,274,122 FTE: 15 Inherent Risks: Communication risks related to the accuracy, timeliness, and transparency of information shared with stakeholders. Crisis communication risks if the District faces reputational challenges or public incidents.

Graphic Services

The Graphic Services Program handles visual design and collateral creation for various departments, ensuring consistent branding and effective communication. Challenges may involve managing design requests from different teams and delivering high-quality materials within tight deadlines.

Media & Public Relations

The Media & Public Relations Program is responsible for managing the District's media presence, responding to press inquiries, and promoting district initiatives. Challenges include maintaining a positive public image and effectively addressing media inquiries during crisis situations.

Community Outreach

The Community Outreach Program engages with the community through various programs and initiatives to raise awareness about water-related issues and encourage participation. Challenges include sustaining community interest and involvement over time.

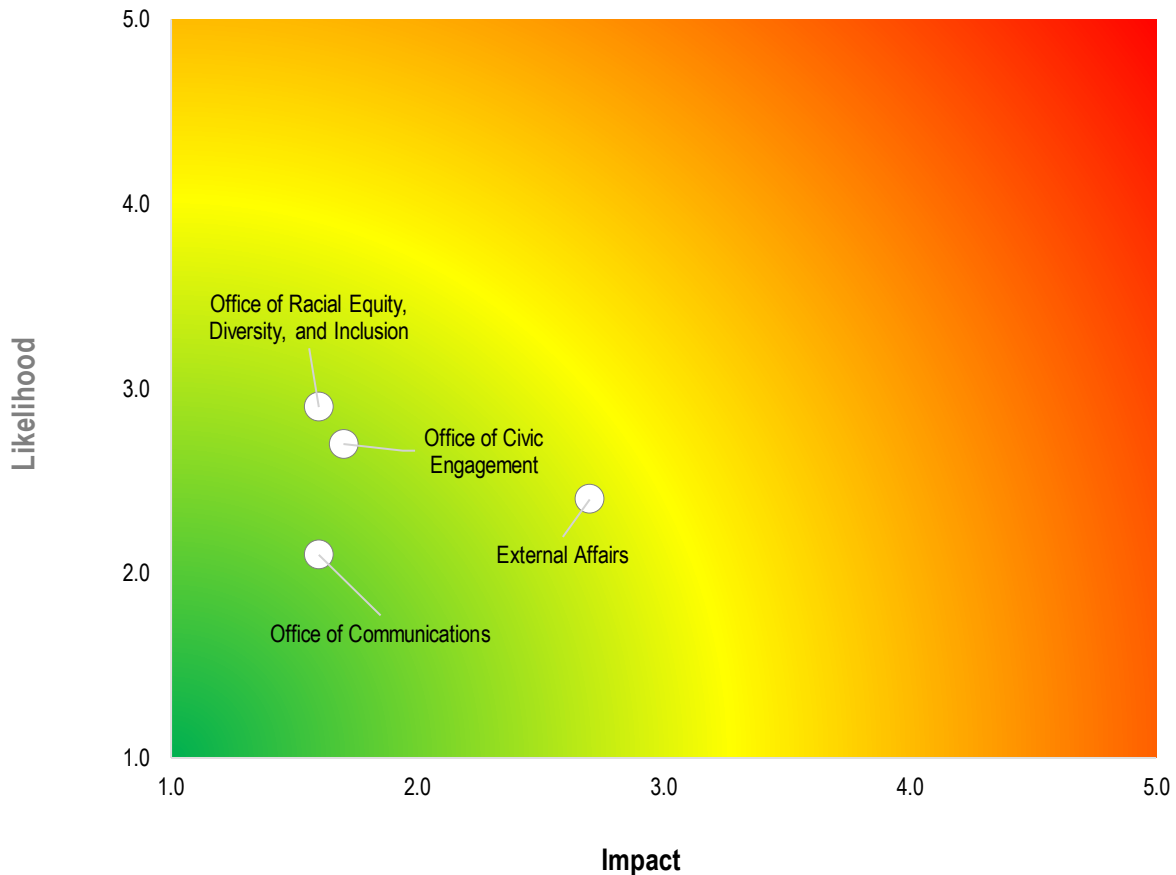
Internal Communications

The Internal Communications Program is responsible for communication within the organization, including employee engagement, events, and surveys. Challenges involve ensuring transparent and effective communication across different departments and addressing employee concerns and feedback.

Risk Summary

The Office of External Affairs has a relatively low budget and FTE allocation when compared to other Valley Water departments, and generally represents relatively low risk when compared to other departments based on our assessment of a variety of risk factors. Despite this, External Affairs is in many ways the public face of Valley Water. Because of this, the potential benefits of a performance audit of External Affairs are likely to be in assessing the overall efficiency and effectiveness of the Office’s day-to-day operations. In Exhibit 17, we illustrate below the risk rankings of each unit or program area in relation to one another.

EXHIBIT 17. PROGRAM RISK RATINGS



This risk assessment revealed the following potential audit objective:

- 1) Evaluate the Office's business processes, information systems, and workload management practices to identify potential inefficiencies or opportunities for improvement in the Office's operational activities and administrative functions.

Office of Financial Planning and Management Services

With an approximate Fiscal Year 2023-24 budget of \$98.5 million—representing 9.6 percent of the District's overall budget—and 47 FTE positions, the Office of Financial Planning and Management Services (Finance) is managed by Valley Water's Chief Financial Officer. Finance executes, records, and/or reconciles all financial transactions of the District (including the collection, receipt, disbursement and accounting of all monies received in accordance with Generally Accepted Accounting Principles), provides analyses and recommendations on decisions brought forth by operations, prepares and develops financial statements and other financial programs, manages and invests cash assets of the District, issues and manages debt instruments, prepares and manages the District's budget, conducts financial analysis and forecasting, coordinates all external and internal audits, establishes controls that minimize financial risks, and drives organizational change through a robust continuous improvement program. Finance staff also

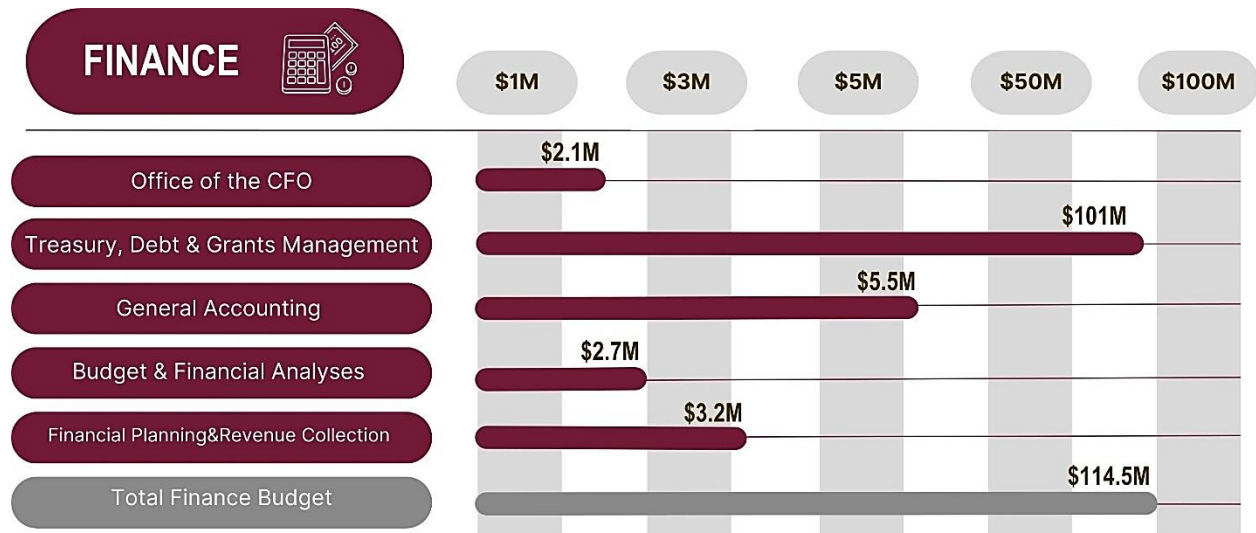
serve as the primary advisors to the Chief Executive Officer and the Board of Directors in financial planning and advice.

In Fiscal Year 2023, Finance cites various accomplishments, including having delivered the PERS/OPEB update to the Board on March 14, 2023; presented 30-year forecast to the Board on March 28, 2023, per Board request; and established a repository for Board and management directed audits conducted in the past 10 years. Prior audit work has also noted generally sound revenue forecasting models, which serve as a basis for determining resources available for planned operating and capital expenditures.

Finance is organized into five units: the Office of the Chief Financial Officer; Treasury, Debt, & Grants Management Unit; General Accounting Unit; Budget & Financial Analyses Unit; and the Financial Planning and Revenue Collection Unit. Exhibit 18 below is a breakdown of each divisions budgeted expenses for Fiscal Year 2023-24.



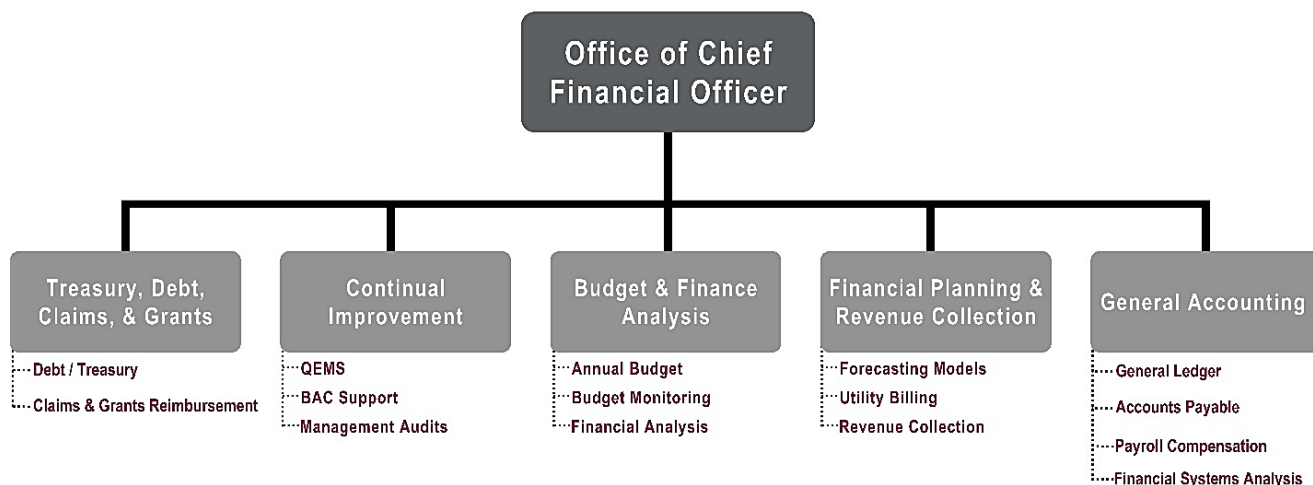
EXHIBIT 18. BUDGET BREAKDOWN BY DEPARTMENT



Source: Fiscal Year 2023-24 & FY2024-25 Operating and Capital Rolling Biennial Budget

Finance allocates functional responsibilities to each of the five units as depicted in Exhibit 19 below.

EXHIBIT 19. FINANCIAL PLANNING & MANAGEMENT SERVICES DIVISION ORGANIZATIONAL STRUCTURE



Source: Fiscal Year 2023-24 & FY2024-25 Operating and Capital Rolling Biennial Budget

Further, recent legislation AB 939 impacts the District's financing options, particularly concerning the use of ad valorem taxes or assessments to pay for bonds, altering the method for paying the principal, interest, and premiums for bonds. It also removes the previous \$8,000,000 limit on borrowing and extends a provision related to director compensation.

Risk Analysis

Finance has a relatively low level of funding and FTEs as compared to other departments, but is responsible for a significantly high level of cash or other high-risk assets such as revenue collection from various sources, significant cash and debt management responsibilities, and federal and state grant management. Most of the divisions within Finance perform functions that are common subjects of internal and external audit activities: grant management, accounting, cash receipts and disbursements and reconciliations, etc. Generally, each employs systems of internal controls to ensure compliance, fiscal integrity, and the prevention of fraud, waste, and abuse. As is typical in many local governments, Finance is subject to annual external audits, which focus on accounting functions and general financial-related internal controls and has been historically subject to a variety of internal audits over the years.

Inherent risks associated with Finance include ensuring investment policies are fiscally sound and in line with best practices for ensuring compliance with debt and investment policies and asset allocation; engaging in effective cash management practices; complying with grants and increasing grant footprint; preventing and detecting theft; and considering the impact of cashiering operations on general accounting functions. Below, we present the key divisions/programs administered by Finance, the core responsibilities of each, and key factors contributing to the programs' risk rating.

Office of the Chief Financial Officer

Serves as a partner to assist other departments in achieving their objectives. Facilitates necessary financial transactions, provides analyses and recommendations on decisions brought forth by operations, establishes controls that minimize financial risks, and drives change or improvements in business processes or practices in order to improve productivity.

Budget: \$ 2,097,214

FTE: 4

Inherent Risks: Financial sustainability of Valley Water; regulatory compliance; the ability to prevent and detect potential fraud, waste, and abuse, or other misuses of Valley Water assets; and effectively providing reliable and transparent financial analyses to management, the Board, and the public.

Treasury, Debt, Claims, & Grants Unit

Oversees Districtwide treasury operations, debt financing, and grants programs. This involves managing an \$82 million annual debt service budget, and producing required reports for bond covenants and regulatory compliance. Comprising three sections—Treasury, Debt, and Grants—the unit supervises bank accounts, investments, supports small banks, manages short-term and long-term debt, and streamlines compliance and claims processes for improved efficiency.

Budget: \$ 101,057,917

FTE: 9

Inherent Risks: Liquidity risk in managing debt obligations; credit risk associated with debt issuers; compliance risks in managing claims and grants disbursements; potential that investment practices could exceed the bounds of Board-established investment policies; potential for fraud or misuse of grant funds; delays in reimbursement from external grantors.

Debt/Treasury

The Treasury Unit Handles short-term and long-term debt management, including commercial paper programs and revenue-supported long-term projects. It also oversees treasury tasks such as bank account management, investments, cash management, and supporting small banks through Certificate of Deposit purchases. Inherent risks of the Debt/Treasury Services include interest rate, liquidity, credit, and other risks similar to other public sector treasury functions—and compliance with Board-adopted investment policies.

Claims & Grants Reimbursement

The Claims & Grants Unit is responsible for ensuring compliance and efficient processing of claims and grant reimbursements. This includes managing the coordination of claims, overseeing follow-ups, and streamlining the grant application and reimbursement processes. Inherent risks include ensuring compliance with grant requirements relating to timely grant disbursements, allowable uses grant funds, and potential delays in reimbursement from external grantors. To mitigate these risks, Finance is establishing a new division specializing in grant management to better coordinate and streamline the grant application, reporting, and receipting process.

General Accounting Unit

General Accounting includes the responsibility to manage the general ledger, accounts payable, payroll, and Valley Water's enterprise financial system, Infor. General ledger responsibilities generally include all accounting and financial reporting requirements, in accordance with professional standards, and the reconciliation of all accounts. Accounts payable is charged with processing payments to Valley Water's contractors, consultants, vendors, and staff expense claims, as well as administering petty cash and filing payment documents. Payroll processes the bi-weekly payroll for all Valley Water employees, employee benefits accounting, payroll tax withholdings, and submission of Federal and State reporting requirements. Financial Systems provide for the maintenance and security of payroll, benefits, human resources, and financial applications.

Budget: \$5,487,444

FTE: 19

Inherent Risks: High magnitude of financial exposure, including compliance with financial reporting requirements; the ability to provide efficient or effective support of financial support functions; compliance with grants and increasing grant footprint; integrity and effectiveness of internal controls related to fiscal transactions of all types; inefficient or inaccurate payroll processes resulting from reported system limitations of Infor; the potential for fraud, waste, and abuse; and integration issues with other financial systems.

General Ledger

The General Ledger Unit administers all accounting responsibilities for Valley Water, the recording and reconciling of financial transactions; processing payroll, accounts payable, and journal entries; preparing financial statements; coordinating Valley Water's annual financial audit; and managing the Infor system. Inherent risks primarily relate to the potential for inaccuracies in financial records and the potential for fraud, waste, and abuse.

Accounts Payable

The Accounts Payable Unit handles check runs, reviews all expenditures for proper authorization and prior approval, processes incoming requests for payments, manages payment schedules, and maintains accurate financial records while ensuring compliance with approval processes. Inherent risks in accounts payable activities include ensuring the integrity of internal controls over the use and expenditure of District financial resources to prevent and/or detect any potential inappropriate or unauthorized expenditure. This could include the potential for inadvertent or intentional duplicate or erroneous payments, vendor fraud and invoice manipulation, inadequate documentation for expenditures, or the potential for fraud, waste, or abuse.

Payroll Compensation

The Payroll Compensation Unit is responsible for payroll processing, including W-2s and other tax filings. The unit works closely with Human Resources to ensure accurate and timely compensation for employees. Inherent risks include payroll processing errors resulting from erroneous employee timekeeping, erroneous recordkeeping by Human Resources, inappropriate application of compensation rules as set forth in collective bargaining agreements or Valley Water policies (e.g., policies related to overtime or differential pay), or Infor system limitations. Most recently, concerns have been raised regarding the functionality of Infor in processing payroll, which has led to substantial manual processes by this Unit to ensure accurate and timely payroll. As a general rule, the infusion of substantial manual processes into what is normally a highly reliable and automated function introduces the potential for human error and increases the risk of payroll inaccuracies as well as fraud, waste, and abuse.

Financial Systems Analysis

The Financial Systems Analysis Unit works behind the scenes to manage and optimize the financial system, Infor, to ensure data accuracy, perform analyses, generate standard and ad hoc financial reports, and to address system-related challenges. Inherent risks associated with this function relate to maintaining effective segregation of duties (including system access and restrictive user profiles), ensuring the optimal efficiency of the system to enable financial staff to carry out their duties in an effective and efficient manner, and the potential for system failures or data integration problems.

Continual Improvement Unit		
Through Valley Water's Quality and Environmental Management System, the Continual Improvement team plays a crucial role in strengthening the CEO's leadership and offering vital support to the Board. This involves conducting audits as directed by the CEO and providing the Board with regular updates on the status of its continual improvement efforts.	Budget: \$782,804	FTE: 3
	Inherent Risks: In general, there are not substantial risks associated with continuous improvement programs, at least as they relate to an organization's core operations, because such programs tend to be independent of such programs. However, several factors can impede continuous improvement efforts within organizations, including a lack of independence or objectivity in facilitating improvement efforts, the need to balance potential improvement initiatives with the costs of such initiatives, the potential for continuous improvement processes to become rigid and burdensome, and the potential for change fatigue.	

Budget and Finance Analysis Unit		
This Unit manages the preparation of the annual operating budget, including Districtwide collaboration on funding strategies, developing, and executing the Annual Budget publication, assisting with the development of the five-year Capital Improvement Plan, maintaining multi-year financial models, forecasting and monitoring revenues and expenditures throughout the fiscal year, and coordinating with program and project managers throughout the year to provide budget and finance analyses on an ongoing basis.	Budget: \$ 2,700,568	FTE: 8
	Inherent Risks: Projected growth in operating and capital expenditures, related debt, and overall sustainability; reliability of financial models and forecasts; reasonably accurate budget-to-actual monitoring and reporting; effectiveness of the Valley Water budget as a planning tool and as a basis for performance measurement; and efficiency of the biannual budgetary process.	

Financial Planning & Revenue Collection Unit

Financial Planning prepares and manages long term financial plans and forecasts and drives the groundwater production charge setting process. This Unit is responsible for preparing detailed financial plans and forecasting models that both management and the Board rely upon to make long-term planning decisions regarding Valley Water's infrastructure.

Revenue Collection collects water revenue, property tax revenue, and benefit assessments for Valley Water. Water revenue is comprised of charges for groundwater, recycled, surface, and treated water usage. This includes billing and collection processes for various entities, including treated and groundwater retailers, water utility customers, loan owners, and surface water users. Property taxes and benefit assessments collected are the voter-approved Safe Clean Water Special Tax, Flood Control Benefit Assessment, State Water Project levy, and the allocated share of countywide 1% ad valorem property tax receipts.

Budget: \$ 3,177,720

FTE: 7

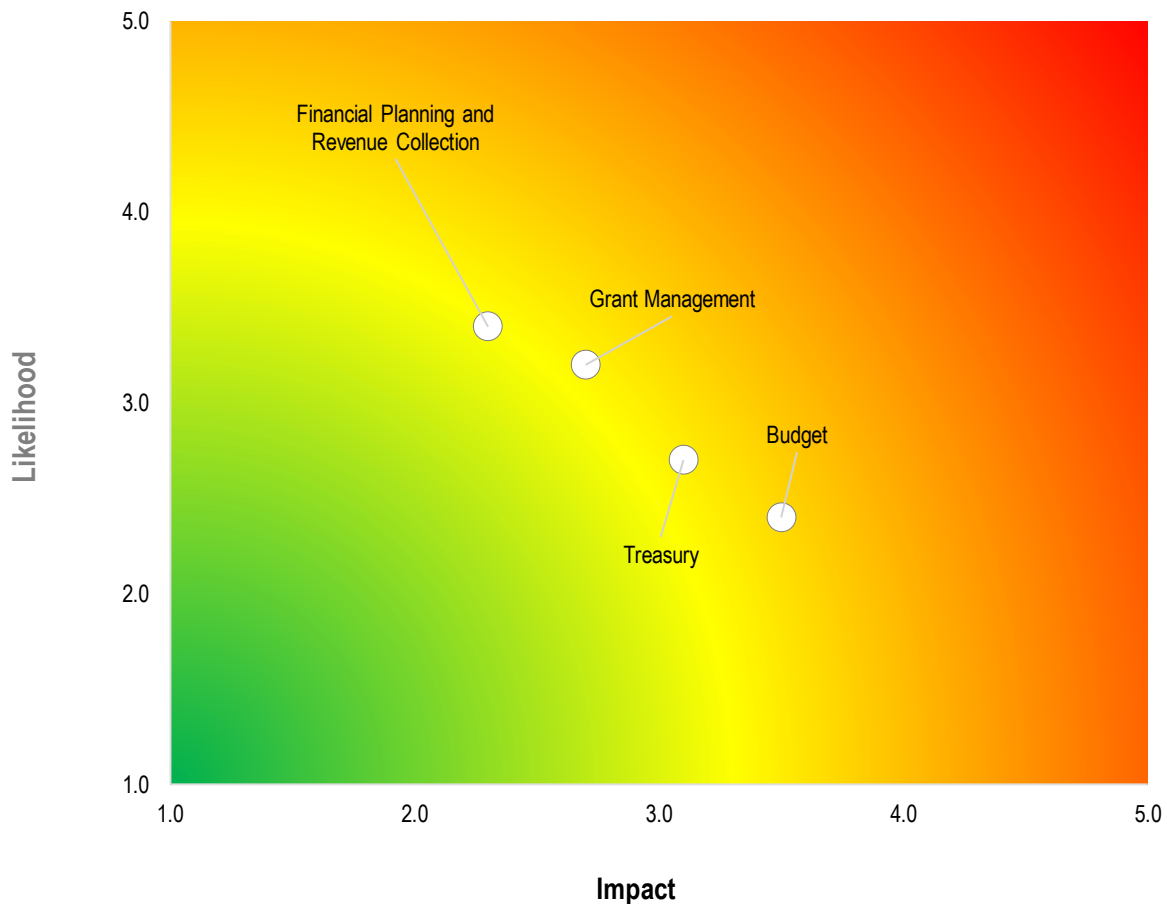
Inherent Risks: The potential, in an environment affected by the Covid pandemic and climate change, that revenue forecasting will become increasing complex and challenging; changes in water demand affecting revenue projections; sustainability given the potential for substantial increases in capital project costs, and limitations on certain revenue streams; and balancing the need for rate adjustments with community and board expectations.

Risks also include the potential that primarily manual and self-reported customer billing processes could lead to errors or otherwise under-collected fees; revenue leakage due to inaccurate metering or billing; collection difficulties for overdue accounts; risk of non-payment or late payment by customers; and the potential for fraud, waste, and abuse.

Risk Summary

Most of the divisions in Finance perform functions that are common subjects of internal and external audit activities: financial analysis, revenue forecasting, accounts payable, accounts receivable, cash management, account reconciliations and accounting practices, grant management, cash investments, cash handling, etc. Generally, each employs systems of internal controls to ensure compliance, fiscal integrity, and the prevention of fraud, waste, and abuse. Nevertheless, given the transactional nature of Finance and the significant responsibility of Finance in managing Valley Water's fiscal assets, much of the operational activities of Finance remains at the moderate-risk level. With these key factors in mind, we illustrate below the risk rankings of each division or program area in relation to one another.

Exhibit 20. Program Risk Ratings



Based on this assessment, there are several potential audit topics that warrant consideration for future audit planning.

- 1) Grant management activities, including determining whether existing policies and procedures; systems of internal control related to the recording, tracking, and monitoring of grant funds to ensure full compliance and recovery; and staffing and system resources are sufficient to administer, optimize, and account for grant monies in an efficient and effective manner.
- 2) Treasury operations, including evaluating cash management, investment, treasury functions, and determining the extent to which investment and cash management activities adhere to best practices and established investment policies.
- 3) Budget processes, including evaluating budget and financial planning protocols and practices, the sufficiency of budgetary tools available to Valley Water management to monitor budget-to-actual performance, and the overall efficiency and effectiveness of the District's biennial budget cycle.
- 4) The efficiency and effectiveness of system integration between the Finance enterprise system, Infor, and other information systems utilized to manage Valley Water fiscal activity.

- 5) The Completeness of policies and procedures, including how they are maintained, updated, made available and communicated to all relevant parties.
- 6) Accounts receivable, including assessing the manual billing processes employed by Finance to bill and collect from utility customers.
- 7) Financial analysis and forecasting practices, including the extent to which revenue forecasting is consistent with best practices in an environment significantly impacted by the pandemic and climate change, and the extent to which forecasting models and fiscal policies provide an effective framework for ensuring long-term sustainability.
- 8) Payroll and compensation practices, including whether practices ensure total compensation and payments to employees, including executive management and Board members, comply with collective bargaining agreements and Board policies.

Office of Integrated Water Management

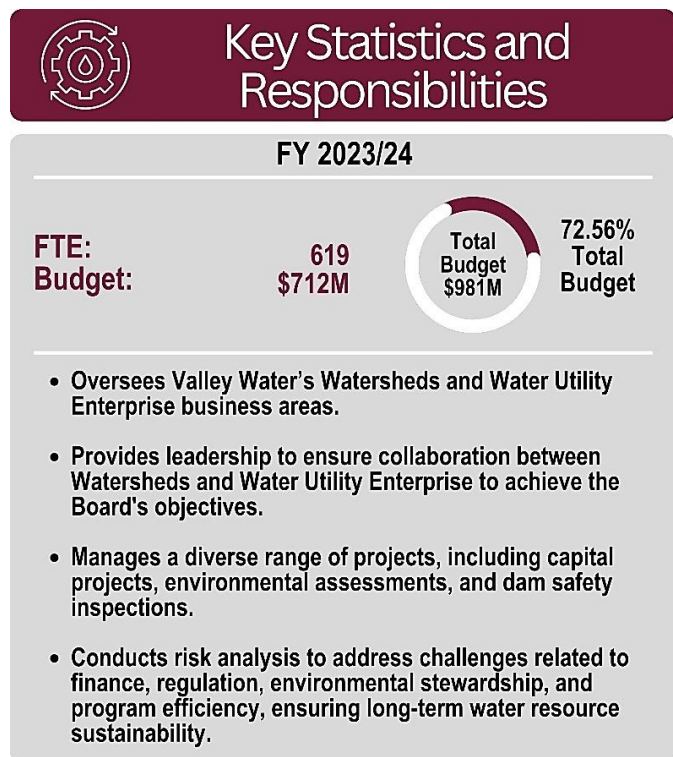
With an approximate Fiscal Year 2023-24 budget of \$783 million—representing 75.8 percent of the District’s overall budget—and 619 FTE positions with Operations, the Office of Integrated Water Management (Integrated Water) is managed by the Office of the Assistant Chief Executive Officer (ACEO). The ACEO directly oversees Valley Water’s Watersheds and Water Utility Enterprise business areas, which are primarily responsible for achieving Valley Water’s primary goals—that is, to:

- 1) To achieve a reliable water supply;
- 2) Improve flood protection; and
- 3) Ensure healthy and resilient ecosystems.

The Office of Integrated Water Management

provides focused leadership to ensure a cohesive working relationship between its two major business areas—Watersheds and Water Utility Enterprises—and several cross-functional units, all with the aim of achieving the Board’s Ends Policies and goals.

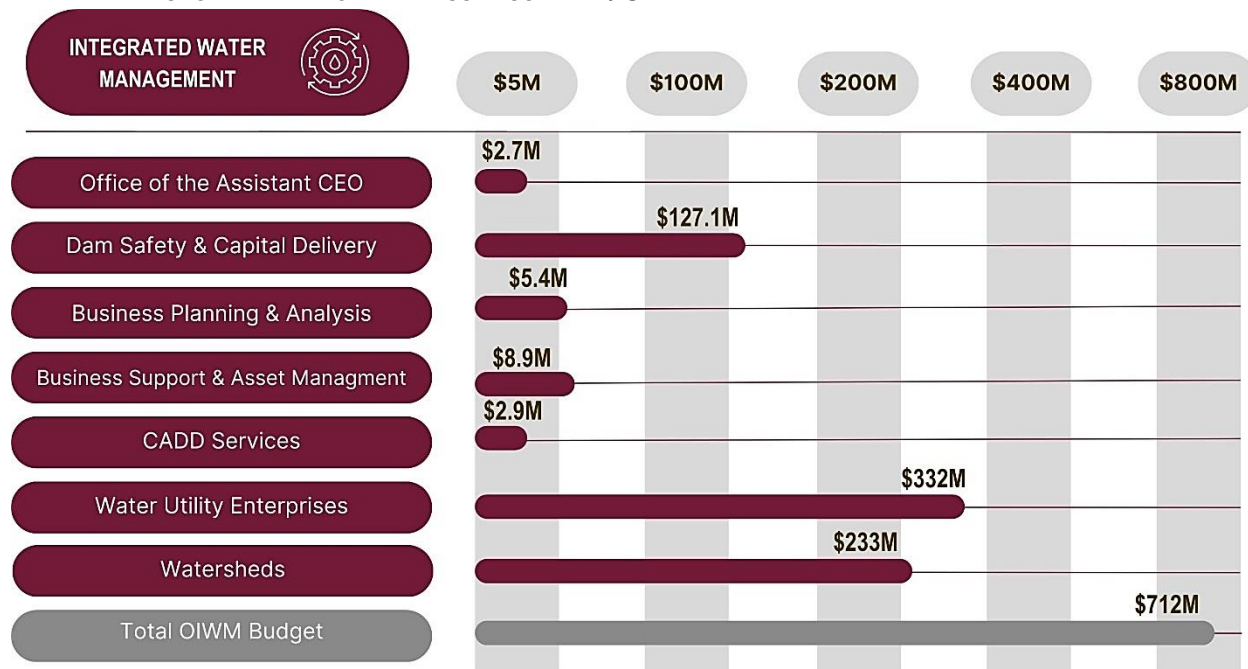
In Fiscal Year 2023-24, Integrated Water reported numerous accomplishments across various business areas. This includes developing the Funding Filters for Prioritization, a tool that aided the Board in making decisions regarding capital project funding; analyzing and prioritizing over 15 creeks for the Safe, Clean Water Project; completing 295 Computer-Aided Design (CADD) requests, nearly 50 percent more than was completed in Fiscal Year 2022-23; maintaining 64.85 acres of mitigation sites; implementing a new project



management software solution for use by the Capital Improvement Program (CIP) and capital project delivery teams; initiating numerous process improvements in conjunction with the recent completion of a performance audit of the CIP process; and, most importantly, meeting or exceeding drinking water standards, ensuring that all treated water delivered to customers surpassed all applicable primary drinking water requirements.

Integrated Water is organized into two primary business areas and several smaller units that support these two business areas. Specifically, Integrated Water includes Valley Water's Watersheds and Water Utility Enterprise business areas, as well as several units that support Valley Water's capital infrastructure development: the Business Planning & Analysis Unit, CADD Unit, Business Support & Asset Management Unit, and the Dam Safety & Capital Delivery Division. Exhibit 21 below is a breakdown of the budget appropriations to each program area for Fiscal Year 2023-24.

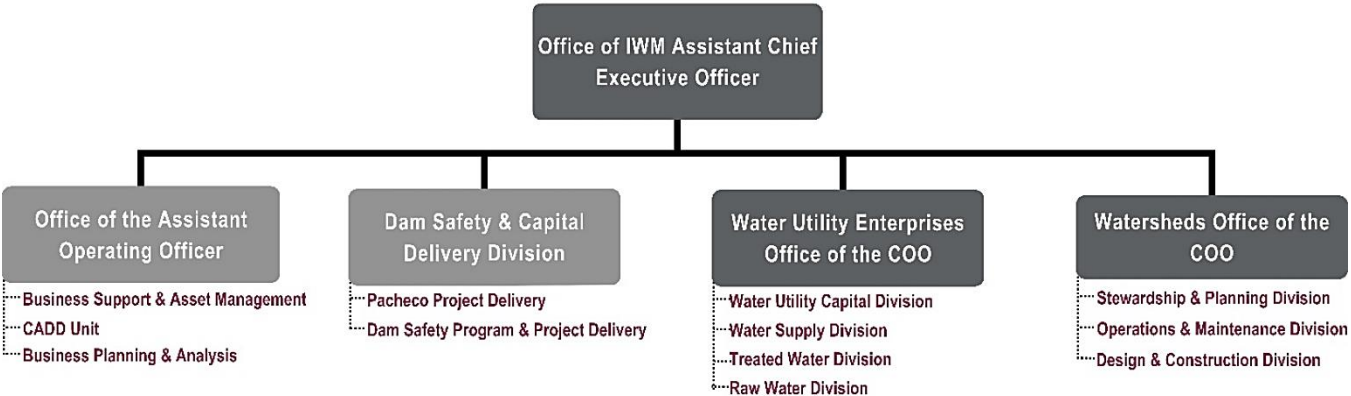
EXHIBIT 21. BUDGET BREAKDOWN BY BUSINESS AREA / UNIT



Source: FY 2022-23 & Fiscal Year 2023-24 Operating and Capital Rolling Biennial Budget

The organizational structure of Integrated Water is depicted in Exhibit 22.

EXHIBIT 22. OFFICE OF INTEGRATED WATER MANAGEMENT DIVISION ORGANIZATIONAL STRUCTURE



Source: Fiscal Year 2023-24 & FY2024-25 Operating and Capital Rolling Biennial Budget

Risk Analysis

Integrated Water plays a pivotal role in managing, safeguarding, and enhancing the region's water resources and infrastructure. It encompasses a wide range of divisions, units, and programs, each with its unique roles and responsibilities. However, this diversity also brings about a complex web of inherent risks that demand careful assessment and mitigation strategies to ensure Valley Water's continued success in its mission. Below, we present the key business areas, divisions, and units administered by Integrated Water, the core responsibilities of each, and key factors contributing to its programs' risk rating.

OFFICE OF ASSISTANT CHIEF EXECUTIVE OFFICER	
The Office of the Assistant Chief Executive Officer leads and manages the Office of Integrated Water Management and facilitates coordination between the Watersheds and Water Utility business areas to achieve the Board's Ends Policies and goals. This Office provides managerial support to ensure Valley Water's projects and programs are achieved in an efficient and effective manner.	Budget: \$ 2,704,478 FTE: 4 Inherent Risks: Challenges related to financial planning and program implementation, the planning and execution of capital projects, the maintenance of existing infrastructure assets, compliance with regulatory requirements, and the efficient operation of both Watersheds and Water Utility programs.

BUSINESS SUPPORT & ASSET MANAGEMENT UNIT

The Business Support and Asset Management Unit implements and continually improves asset management standards and information systems based on industry best practices. The unit manages Valley Water's water utility, watershed, and administration asset management programs, and supports the users of Valley Water's Computerized Maintenance Management System (CMMS), Maximo. In addition, the unit manages three Water Utility infrastructure master planning projects: The Water Treatment Plant, SCADA System, and Distribution System Master Plan Implementation Projects. The unit also manages a Safe, Clean Water project, F-8: Sustainable Creek Infrastructure for Continued Public Safety.

Budget: \$ 8,924,059

FTE: 11

Inherent Risks: Facilitating efficient and effective asset management by ensuring accurate and reliable records of all District infrastructure assets, the condition of all assets, and a reliable plan to maintain all assets to optimize useful life.

CADD UNIT

The CADD Services unit is responsible for producing engineering drafting and design work, plan production standards, and managing computer-aided design (CAD) software in support of Valley Water's water resources facilities, flood management, pipeline infrastructure, and watershed management facilities. The unit develops in-house project design drawings for construction. Services include creating 2D and 3D designs that combine information from different departments such as Survey, GIS, Right-of-Way, and Engineering. Additionally, the unit maintains current CADD Standards for Contractors and Engineers, assists in the quality control of all project drawings for construction, and verifies that CADD Record As-built drawings are completed per Valley Water standards for future project work.

Budget: \$ 2,891,420

FTE: 9

Inherent Risks: If the CADD Services unit fails to produce plans or review the CADD work produced by consultants and contractors in a manner consistent with Valley Water's plan production standards, it could affect the delivery and accuracy of construction and future maintenance efforts, and unnecessarily increase the cost of future capital projects, specifically during the planning phases.

BUSINESS PLANNING & ANALYSIS UNIT

The Business Planning and Analysis unit manages, plans, and oversees four major Valley Water-wide programs. This unit is responsible for Valley Water's implementation of the Five-Year planning process for the Capital Improvement Program (CIP); Capital Project Management and Project Controls (CPMPC) Program; the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program); and the District Lands Management Program, which was designed to establish and maintain a centralized framework to integrate the management of maintenance obligations on Valley Water-owned lands and easements, as well as those made through contractual commitments.

Budget: \$ 5,459,489

FTE: 12

Inherent Risks: The cost-effective planning, analysis, and reporting related to a wide range of District capital projects; the ability to coordinate with a large number of divisions and units within Integrated Water, Finance, and Administrative Services to ensure accurate reporting and analysis; and the ability to ensure adequate administration of special funded programs to demonstrate that funds were expended in a manner compliant with program requirements.

Capital Improvement Program

The Capital Improvement Program (CIP) serves as the steward of Valley Water's capital funding requirements for projects spanning Fiscal Year 2023/24 through Fiscal Year 2027/28. It plays a crucial role in documenting planned initiatives and aligning Valley Water's planning with the community. This program oversees various infrastructure projects totaling \$9.52 billion, with an estimated \$1.3 billion in external funding through partnerships and reimbursements. Additionally, the CIP requires the accurate management of financial records. Inherent risks associated with CIP programs include financial uncertainty due to reliance on external funding, potential project delays, the reliability of resources to meet project demands, the availability of project financing, and ensuring CIP plans are achievable—all of which could result in capital project costs that exceed District plans, raising sustainability questions.

Safe, Clean Water and Natural Flood Protection Program

The Safe, Clean Water and Natural Flood Protection Program, approved through Measure S in 2020, allocates \$47 million annually for six core priorities: ensuring a safe water supply, reducing waterway toxins, protecting against natural disasters, restoring habitats, providing flood protection, and supporting public health. It operates with oversight from an Independent Monitoring Committee and mandatory audits to assess cost-efficient outcomes.

Notably, a Safe, Clean Water Program Grant Management Audit was recently performed in 2020 that identified delays in grant agreement execution, reimbursement processing, and extensive reporting requirements, along with staffing challenges, prompting recommendations for tailored guidelines, mandatory orientation, streamlined reporting, customized grant requirements, integrity checks, feedback solicitation, goal setting, an operations manual, and potential job assignment reconfiguration to enhance the District's grants management program. Beyond the risks identified by the recent audit, inherent risks include substantially increasing capital project costs, effective project management and delivery protocols, and compliance with Program requirements.

District Lands Management

The District Lands Management Program handles Santa Clara Valley Water District property matters. This includes acquiring properties needed for current and future district projects and programs, establishing clear lands rights and obligations associated with all District real estate, establishing wildfire resiliency plans and policies, and establishing policies and plans for the long-term use of Valley Water properties.

Before projects commence, the program ensures that some properties are leased at fair market rates to external parties. When District purposes require the use of a leased property, the program provides appropriate termination notices as mandated by law to make the property available for District use. Additionally, the program may oversee public auctions to sell District properties. To prevent conflicts of interest, it strictly prohibits leasing District real property to District employees, Board members, or immediate family members. Individuals can contact designated personnel for inquiries about the property leasing program or surplus properties.

Further, recent legislation AB 1469 impacted the District Lands Management Program, which grants the district the authority to take actions in consultation with local entities to assist unsheltered people living within the District's jurisdiction and establishes specific rules for surplus land disposal in such cases.

Inherent risks associated with the District Lands Management Program encompass strategic planning as it relates to the Program's activities, and compliance with conflict-of-interest policies, and potential legal and regulatory obstacles in managing property acquisitions, leases, and sales, which may lead to delays or complications. The program also faces public scrutiny regarding property disposition decisions and must consider the financial implications of property transactions, including revenues from leases or sales. Managing land rights, obligations, and properties, particularly concerning wildfire resilience planning and policy development, is an ongoing risk, and the associated risk assessments can have implications for communities and real estate transactions. Effectively mitigating these risks requires strict adherence to legal requirements, transparent decision-making processes, and proactive measures to address disputes and ensure compliance in the responsible management of District lands.

Capital Project Management & Project Controls Program

Capital Project Management & Project Controls Program is responsible for facilitating integration and configurations of ProjectMates with other systems—Okta, Vena, and Infor—or with a customized training of ProjectMates for project teams and management. The Program is also responsible for delivering the biennial training of workflows related to the Capital Improvement Program (CIP) and Quality and Environmental Management System (QEMS) policies and procedures, as well as maintaining transparent communication through circulating a Quarterly Office of Integrated Water Management Newsletter. Inherent risks include risks associated with the planning and execution of capital projects, including budget control and adherence to project timelines, and the need to strike a balance between internal controls (as defined in QEMS) and efficient project management.

DAM SAFETY & CAPITAL DELIVERY DIVISION	
The Dam Safety and Capital Delivery Division is responsible for planning, implementation, and management of the portion of Valley Water's 5-year Capital Improvement Program (CIP) associated with dam construction and maintenance. This Division consists of two units—the Pacheco Project Delivery Unit and the Dam Safety Program Project Delivery Unit—which are responsible for capital project delivery and maintenance of Valley Water's dams. The Division was moved under the Office of Integrated Water Management in Fiscal Year 2020-21 from the Water Utility Enterprise business area, but Water Utility continues to operate and control the assets.	Budget: \$ 127,068,630 FTE: 21 Inherent Risks: Cost-effective contract, construction, and project management; maintaining the system in a cost-effective manner; aging infrastructure; significant deferred maintenance and workorder backlogs; managing consultants and contractors and controlling project costs; health and safety risks and high level of public interest and visibility; maintaining sufficient staffing resources; compliance and regulatory risks associated with environmental standards, and operational risks related to project execution; and completing projects on-time and within budget.

Pacheco Project Delivery

The Pacheco Project Delivery Unit is responsible for managing the Pacheco Reservoir Expansion Project. This includes overseeing the expansion of Pacheco Reservoir to increase emergency water supplies, improve water quality, and provide ecosystem benefits to the region and the Sacramento-San Joaquin Delta. The unit collaborates with project partners, including San Benito County Water District and Pacheco Pass Water District, to secure funding and ensure successful project delivery. Their role involves project planning, environmental assessments, permitting, and coordination with state and federal regulators. The Pacheco Project is part of Valley Water's efforts to increase overall water supply but faces numerous challenges, including environmental, legal, and financial challenges, as well as project delays. One such challenge relates to compliance with the California Environmental Quality Act (CEQA), which has led to project delays. To be viable, Valley Water must secure sufficient funding, address legal concerns, and navigate regulatory requirements before construction and overall project delivery can be considered.

Dam Safety Program & Project Delivery

The Dam Safety Program & Project Delivery Unit focuses on ensuring the safety and reliability of the water District's 10 major dams. The Unit conducts periodic special engineering studies, surveillance and monitoring, dam inspections and maintenance, and emergency response and preparedness to safeguard the public from potential dam failures. This unit works closely with regulatory authorities and emergency response partners to meet dam safety goals. Inherent risks include the potential for dam safety issues, such as unexpected dam failures or structural problems, which can have catastrophic consequences. Environmental factors, including climate change and seismic activity, can also pose risks to dam safety. Ensuring a cost-effective maintenance program is essential, including assessing the condition of each asset, ensuring all preventative maintenance, and avoiding the deferral of required maintenance.

WATER UTILITY ENTERPRISES BUSINESS AREA

The Water Utility Enterprise (Water Utility) is primarily responsible for carrying out the core services related to the Board's Ends Policy 2; that is, to provide a reliable, safe, and affordable water supply for current and future generations in all communities served. Directed by a Chief Operating Officer (COO), Water Utility is comprised of four divisions, each of which includes functional units that carry out the work of the division and the enterprise.

The Office of the Chief Operating Officer, Water Utility, oversees the Water Utility Capital, Water Supply, Raw Water, and Treated Water divisions. The Office of the COO was allocated a budget of \$2,208,942 for a total of three (3) FTE. The COO provides for management activities that promote communication, human resources development, budgeting, project efficiencies and process improvement, mentoring and recruitment, and supporting district-wide and special events/efforts that benefit the whole organization.

Budget: \$ 332,304,101 **FTE:** 308

Inherent Risks: Inherent risks include the potential that Valley Water's infrastructure could fail, impacting the quantity or quality of water available for Valley Water customers.

While providing high-quality drinking water to Valley Water customers is regulated by county and state agencies, the delivery and maintenance of the capital infrastructure required to do so is not. Because of this, risks include cost-effective contract, construction, and project management; maintaining the system in a cost-effective manner; aging infrastructure; the potential for deferred maintenance and workorder backlogs; managing consultants and contractors control costs; health and safety risks and high level of public interest and visibility; maintaining sufficient staffing resources; compliance and regulatory risks associated with environmental standards; and completing projects on-time and within budget.

WATER UTILITY CAPITAL DIVISION

The Water Utility Capital Division oversees the planning, management, and execution of crucial capital projects related to water infrastructure. This Division's responsibilities include project management and design, construction oversight, asset management, financial planning, environmental compliance, and community engagement. It is responsible for ensuring the efficient operation of water treatment plants, pipelines, and pumping stations, playing a vital role in delivering safe and clean water to the community. This includes managing and designing capital projects, providing districtwide construction management and inspection services, and implementing asset management programs to optimize asset performance and minimize maintenance costs. Additionally, the Division is tasked with navigating complex environmental regulations, obtaining permits, and engaging with the community to address concerns and obtain necessary approvals.

Budget: \$ 86,604,273

FTE: 68

Inherent Risks: Capital project delivery responsibilities are carried out by several divisions within Valley Water—Dam Safety, Watersheds, and Water Utility. The inherent risks remain the same for each: cost-effective contract, construction, and project management; managing consultants and contractors and controlling project costs; health and safety risks and high level of public interest and visibility; maintaining sufficient staffing resources; compliance and regulatory risks; and operational risks related to project execution and the ability to complete projects on-time and within budget.

Further, the Division provides construction management and inspection services to all capital project delivery units, creating the potential that interdepartmental silos could create an impediment to efficient project delivery.

Construction Services Unit

Construction Services Unit is responsible for managing and overseeing the physical execution of capital projects related to water infrastructure, coordinating and supervising the construction activities, and ensuring all construction activities properly align with approved designs and project plans. The role of this Unit involves managing contracts with construction companies; overseeing contractors' work; and ensuring that projects are executed on time, within budget, and according to the required quality standards. This includes scheduling, cost control, safety compliance, and ensuring construction projects meet all regulatory and environmental requirements. Construction Services are essential in translating the designs and plans into tangible, functional water infrastructure, ensuring Valley Water's water supply remains reliable and resilient.

Inherent risks include construction delays due to unforeseen issues, such as weather events or unexpected site conditions, which can impact project timelines and budgets; concerns related to contractor performance, quality control, and safety compliance; ensuring construction activities align with complex environmental regulations and permitting requirements; and establishing robust protocols to monitor contractor activity, review costs for compliance with contract provisions, and ensure contractor accountability.

Construction Inspection Services

The Construction Inspection Services Unit ensures the quality, safety, and compliance of construction activities related to water infrastructure projects. This Unit is critical in conducting inspections, verifying that contractors adhere to project specifications, and addressing any deviations or issues that may arise during construction. Inspectors are tasked with monitoring work progress, conducting tests and quality checks,

and verifying that the construction process aligns with environmental regulations and permits. They serve as a bridge between the district, contractors, and regulatory bodies, providing real-time oversight to safeguard project integrity and ensure that construction work meets the required standards.

Inherent risks include those associated with the dynamic nature of construction projects and the need for ongoing and thorough. The potential for disputes with contractors, schedule delays, and cost overruns due to unforeseen issues or changes in project scope is a significant concern. Environmental and safety compliance issues could lead to regulatory penalties or legal challenges, emphasizing the importance of thorough inspections and documentation. Staff turnover, staffing shortages, or fluctuations in workload can impact the division's ability to maintain consistent oversight across projects; this is true as it relates to Valley Water's in-house personnel as well as contracted professional services firm.

Treatment Plants Project Delivery

This program is responsible for planning, designing, and implementing projects to improve, expand, or maintain Valley Water's water treatment facilities. This includes potable water treatment plants, purification centers, and recycling facilities. The program manages the entire project life cycle, from initial feasibility studies and design phases to the construction and commissioning of treatment plants. Their role involves coordinating with various internal and external stakeholders, including engineers, contractors, environmental planners, and regulatory agencies to ensure treatment facilities meet water quality standards, environmental regulations, and safety requirements. Additionally, the program is responsible for optimizing treatment processes, responding to changing water quality conditions, and addressing challenges related to droughts, climate change, and evolving water quality regulations.

In addition to the inherent risks associated with capital project delivery, risks also include challenges associated with the water treatment infrastructure's complexity and critical nature. Delays in project timelines due to permitting issues, design changes, or unexpected challenges can impact the District's capacity to provide clean and safe drinking water. Compliance with evolving water quality regulations and adapting treatment processes to changing environmental conditions pose ongoing challenges.

Pipelines Project Delivery

This program focuses on the planning, design, and execution of projects related to water conveyance through pipelines, and oversees the development of new pipelines, rehabilitating existing pipelines, and constructing pumping stations to ensure efficient water distribution throughout the District's service area. Responsibilities include conducting feasibility studies, hydraulic modeling, design and engineering, and project management. The program collaborates with multiple internal and external partners, including engineers, construction contractors, and environmental planners, to meet water supply demands, improve infrastructure resilience, and address the impacts of droughts and climate change.

In addition to the inherent risks associated with capital project delivery associated with Valley Water's critical water conveyance infrastructure, there is the potential for pipeline failures, which can lead to water supply disruptions, property damage, and costly repairs; aging pipelines, which can impact effectiveness, safety, and water quality; permitting delays and environmental concerns; and challenges related to multijurisdictional coordination.

WATER SUPPLY DIVISION

The Water Supply Division is responsible for overseeing various aspects of water supply, including sourcing, treating, and distributing water to meet the demands of the region, as well as identifying future water supply needs, managing imported water supplies, and implementing water conservation and recycled water programs. It manages a diverse portfolio of water resources, including surface water from reservoirs, groundwater, and imported water supplies. The division collaborates with other internal departments and external agencies to ensure a sustainable water supply for the future, especially in the face of challenges like droughts and climate change. Responsibilities also encompass water quality monitoring, water rights compliance, and the development of policies and programs aimed at promoting water conservation and efficient use.

Budget: \$ 123,879,047 **FTE:** 36

Inherent Risks: Ensuring water availability and quality and mitigating the potential for contamination; prolonged droughts that lead to reduced water availability from local sources like reservoirs and groundwater basins; potential supply interruptions and increased costs relating to the District's reliance on imported water; inaccurate water supply forecasting; unforeseen economic consequences resulting from revenue shortfalls caused by inaccurate water supply forecasts and the need for expensive emergency water purchases.

Imported Water

The Imported Water Unit protects, manages, and develops Valley Water's imported water assets. Imported Water meets the operational needs for imported supplies by securing reliable contracts with water agencies, overseeing the conveyance and treatment of imported water, and coordinating the allocation and distribution of imported water to the region's water treatment facilities. The Santa Clara Valley Water District relies on imported water sources, such as the State Water Project and the Central Valley Project, to meet a portion of the region's water demands. Imported Water also involves compliance with regulatory requirements, monitoring water quality, and addressing potential risks associated with delivery interruptions, water quality issues, and changes in state and federal water policies.

Inherent risks include supply reliability, regulatory compliance, potential disruptions caused by drought conditions, competing demands from other regions, and environmental restrictions that can limit water deliveries. Moreover, imported water contracts and agreements are subject to changes in state and federal policies, which can impact the availability and cost of imported water supplies.

Recycled & Purified Water Program

The Recycled & Purified Water Program develops and expands recycled and purified water program as well as leads planning and research studies. This program is responsible for managing and promoting the use of recycled and purified water resources within the District's service area. This program plays a role in diversifying the water supply portfolio and reducing reliance on traditional water sources. The Program is responsible for overseeing the treatment and distribution of recycled and purified water, managing infrastructure needs, ensuring compliance with water quality standards, and engaging in ongoing planning and research studies. The program works to expand the use of recycled water for various non-potable purposes, such as landscape irrigation, industrial processes, and groundwater recharge. Additionally, the Program actively engages with the community and stakeholders to promote water conservation practices

and raise awareness about the benefits of recycled water. Inherent risks include public perception, infrastructure management, and ensuring the safety and quality of recycled and purified water.

Water Supply Planning & Conservation

The Water Supply Planning & Conservation Unit is responsible for long-term water supply planning, demand forecasting, and implementing conservation initiatives. Their responsibilities include assessing current and future water demands, evaluating available water resources, and developing comprehensive water supply plans to meet the region's needs. Additionally, the Unit actively promotes water conservation efforts to reduce water consumption, protect water quality, and minimize the environmental impact of water use. Inherent risks include uncertainty in water availability due to factors like droughts and climate change, inaccurate demand forecasts, or the failure to consider potential supply constraints, leading to water shortages. The success of conservation initiatives depends on public participation and behavioral changes, which can be challenging to achieve. Additionally, external factors, such as regulatory changes and funding limitations, can impact the implementation of conservation programs.

RAW WATER DIVISION	
<p>The Raw Water Division maintains the Water Utility infrastructure, operates the Raw Water System, and ensures continued groundwater sustainability. The Division maintains Valley Water's three potable water treatment plants, Advanced Water Purification Center, Campbell Well Field, recycled water pipelines in South County, and over 40 miles of large diameter treated water transmission pipelines. The Division provides civil engineering and corrosion control services in support of maintenance of these facilities, prepares the Annual Water Supply Operations Plan for the water supply of the County, performs planning and analysis for the operations of the Raw Water System, manages Valley Water's groundwater basins and local water rights, and submits the regulatory reports needed for operation of the Raw Water System and Sustainable Groundwater Management Act (SGMA) compliance.</p>	<p>Budget: \$62,789,879 FTE: 105</p> <p>Inherent Risks: Maintaining the system in a cost-effective manner; managing consultants and contractors and controlling operating costs; aging infrastructure; the potential for deferred maintenance and workorder backlogs; and ensuring sufficient staffing resources.</p> <p>The Division's responsibilities, such as permitting private and municipal wells, can be affected by uncertainties in water usage, and the need for expanded metering creates logistical challenges.</p>

Raw Water & Pipeline Maintenance Engineering

The Raw Water & Pipeline Maintenance Engineering team is responsible for ensuring the reliability and integrity of the water distribution system by providing engineering and support services for raw water and pipeline maintenance projects and programs. This team supports the overall maintenance efforts by monitoring ongoing corrosion control services, employing acoustic fiber optics for pipe integrity assessments, and leveraging technical expertise. It is also responsible for assessing the condition of critical assets, implementing predictive and preventative maintenance strategies, and responding promptly to any issues that could compromise the pipeline infrastructure's functionality. Inherent risks include challenges related to the aging infrastructure, the ability to accurately assess the condition of the District's pipeline

infrastructure, and plan maintenance activities to ensure cost-effective and timely maintenance of District assets and the continued functionality and structural integrity of its pipelines.

Raw Water Operations

The Raw Water Operations Unit ensures the effective conveyance and management of water from various sources. This team operates 24/7, monitoring water levels, making real-time decisions on water allocation, and responding to changing conditions by operating the reservoirs, pump stations, and transmission pipelines to effectively manage water supplies. Their work is guided by forecasting and modeling, allowing for efficient water supply management and allocation. Additionally, the Unit is responsible for reporting on water rights to county and state authorities to maintain regulatory compliance and safeguard water resources for the region.

Inherent risks include those primarily related to the region's climate variability and the potential for extreme weather events such as prolonged droughts or severe storms. These weather patterns can significantly impact water availability and necessitate rapid decision-making to meet supply demands while adhering to regulatory obligations. The reliance on imported water sources and surface water introduces challenges associated with supply interruptions and balancing water supply purchases with demand, especially during periods of high-water usage.

Ground Water Management

The Ground Water Management team is responsible for the oversight, protection, and sustainable management of groundwater resources within the region to provide accurate and timely information on current and forecasted groundwater conditions. Through monitoring and regulating groundwater usage, the Unit is responsible for ensuring compliance with state and local regulations, and managing the critical groundwater basins. This Unit is tasked with implementing the Sustainable Groundwater Management Act (SGMA) and developing Groundwater Sustainability Plans (GSPs) to maintain the long-term health and sustainability of groundwater resources. In doing so, the Unit collaborates with other Valley Water divisions and external agencies to address groundwater quality issues and mitigate the risks associated with over-extraction, land subsidence, and declining water tables.

Inherent risks include those associated with water resource sustainability. Over-extraction of groundwater can lead to adverse consequences such as land subsidence, saltwater intrusion, and reduced water quality. Managing groundwater basins to achieve sustainability under SGMA regulations can be challenging, especially during extended drought periods when demand for groundwater increases.

Wells & Water Measurement

The Wells and Water Measurement Unit oversees the regulatory aspects of wells within the region, and is responsible for permitting and inspecting domestic, municipal, and large organization wells to ensure compliance with regulations. This Unit also manages the metering of wells, which is essential for monitoring water usage and maintaining accurate records; oversee the installation and maintenance of meters, ensuring that water users report their usage accurately, particularly for larger users; and manages the notification process for new well drilling and conducts inspections to verify that wells are used as permitted.

This unit also incorporates the responsibility of ensuring that wells/deep excavations do not harm the ground water resources and provides accurate measurements of water production.

Inherent risks include the accurate measurement and reporting of water usage by various stakeholders. Ensuring that wells are metered correctly and that water users comply with reporting requirements can be challenging, particularly for domestic and small-scale users where the District is reliant on self-reported water usage data.

Field Operations & Pipeline Maintenance

The Field Operations & Pipeline Maintenance Unit is responsible for the reliable conveyance of raw water from various sources to treatment plants and other destinations. This division operates 24/7, overseeing the daily pumping and discharge of water, monitoring reservoir levels, reporting on water rights to regulatory authorities and ensuring compliance, and ensuring that water is efficiently moved to recharge basins, treatment plants, and reservoirs. Its work is guided by real-time data, forecasts, and modeling of storm events. Additionally, this division is involved in maintenance activities related to the water supply infrastructure that includes completing all mechanical, electrical, and control system maintenance of the distribution system infrastructure. Inherent risks are generally associated with the availability of reliable and accurate data to inform timely decision making, particularly when faced with extreme weather events that can impact the availability and quality of raw water.

Treatment Plant Maintenance

The Treatment Plant Maintenance Unit is responsible for the upkeep and efficient operation of treatment plants and treated water turnout facilities. This involves ensuring that treatment plants, which aid in the purification of raw water, are well-maintained to deliver high-quality treated water to customers. Maintenance activities include inspecting, repairing, and servicing various components of treatment plants, such as pumps, filters, chemical dosing systems, and control systems. Additionally, the unit monitors plant performance, conducts preventive maintenance to prevent breakdowns, and responds swiftly to address any operational issues. Inherent risks include the potential for equipment failures or malfunctions, which could disrupt the treatment process and impact the quality of treated water, as well as cause cost overruns. Such failures may result in service interruptions or compromised water quality, leading to public health concerns and regulatory violations.

TREATED WATER DIVISION

The Treated Water Division is responsible for ensuring the high-quality treatment and distribution of potable water to the community. This division oversees the operation and maintenance of three potable water treatment plants and one purification center, as well as the Campbell Well Field to provide emergency backup supply to the treated water system. These facilities treat and purify surface water from reservoirs, ensuring it meets strict water quality standards. The Division works continuously to optimize water treatment processes, maintain equipment, and monitor water quality parameters to provide safe and reliable drinking water to the region. The Division provides technical expertise and leadership for all commissioning-related work to improve overall safety, quality, and reliability upon capital construction handover to Operations and Maintenance (O&M). In addition, the Division communicates regularly with water retailers, and maintains communication and conducts annual check-ins for ongoing and annual updates of drinking and recycled water regulations with the State Water Resources Control Board.

Budget: \$56,821,960

FTE: 93

Inherent Risks: Ensuring the quality and reliability of the drinking water supply, compliance with stringent and evolving water quality standards; and ensuring the resilience of the water treatment facilities.

Plant Maintenance Engineering & Commissioning

Plant Maintenance Engineering and Commissioning is responsible for overseeing the commissioning of new facilities and equipment, ensuring they meet design specifications and function correctly. The Unit also provides ongoing engineering support for maintenance activities, helping to plan and execute maintenance projects to keep treatment plants in optimal condition. Inherent risks include ensuring compliance with stringent regulations and ensuring data used to evaluate and report on compliance is accurate and reliable.

Water Quality

The Water Quality Unit is responsible for ensuring that treated water meets or exceeds stringent water quality standards and regulations set by state and federal agencies. This Unit conducts in-depth water quality analyses, monitors critical parameters, oversees the disinfection and chemical treatment processes at treatment plants, and provides recommendations and tracks drinking water-related regulatory development. Similar to the Plant Maintenance Engineering and Commissioning Unit, inherent risks include ensuring compliance with stringent regulations and ensuring data used to evaluate and report on compliance is accurate and reliable. Any deviation from these standards, whether due to source water changes, equipment malfunctions, or human error, can have serious public health consequences and regulatory implications.

Laboratory Services

The Laboratory Services Unit conducts extensive water quality testing and analysis to monitor various parameters, assess the effectiveness of treatment processes, and detect any contaminants or anomalies. It

provides valuable data and insights through analytical and sampling services that inform treatment plant operations and support compliance with regulatory requirements, and manages the laboratory that tests water from the treatment plants, Silicon Valley Advance Water Purification Center, surface water reservoirs, and groundwater basins.

Inherent risks relate to factors that could diminish the accuracy or reliability of reported results, such as failure to follow established protocols or laboratory contamination. Any errors or inconsistencies in the testing process can lead to incorrect assessments of water quality, potentially compromising public health. The unit must also keep pace with evolving water quality standards, emerging contaminants, and advances in analytical methods. Additionally, resource constraints can impact the capacity to conduct extensive testing and analysis, particularly during periods of increased demand or emergencies.

Utility Electrical & Control Systems Engineering

The Utility Electrical & Control Systems Engineering Unit is responsible for managing the electrical and control systems that govern the operation of treatment plants and water distribution facilities within the Santa Clara Valley Water District. This unit ensures the reliable and efficient functioning of critical infrastructure by overseeing electrical systems, instrumentation, and control systems, and plays a key role in optimizing energy usage, enhancing system automation, and ensuring that water treatment and distribution processes run smoothly. Inherent risks include risks associated with the reliable operation of electrical and control systems. Failures or disruptions in these systems can lead to operational inefficiencies, downtime, and potential impacts on water quality and supply.

North and South Water Treatment Operations

The North Water Treatment Operations and South Water Treatment Operations Units are responsible for the day-to-day operation and maintenance of water treatment facilities located in the northern region of the Santa Clara Valley Water District, including Penitencia Water Treatment Plant, Silicon Valley Advanced Water Purification Center, San Francisco Public Utilities Commission-Valley Water Intertie facility, Santa Teresa Water Treatment Plant, Rinconada Water Treatment Plant, Campbell Well Field, the West and Snell/East Pipeline turnouts, and the East/Milpitas Pipeline turnouts. These facilities are essential for treating raw water from various sources and ensuring its quality before distribution to consumers. Both units operate around the clock to provide a consistent and reliable supply of treated water to the community.

Inherent risks include risks associated with the consistent delivery of treated water to a dynamic and growing region. Variations in raw water quality, natural disasters, or equipment failures can disrupt the treatment process and impact water quality and supply. Ensuring that the treatment process consistently meets stringent water quality standards is essential, as any lapses can pose public health risks. The units must also manage the challenges of maintaining aging treatment infrastructure and adapting to changing regulatory requirements. Balancing the need for operational efficiency with emergency preparedness is crucial.

WATERSHEDS BUSINESS AREA

The Watersheds Business Area is responsible for the stewardship and management of the region's watersheds and associated natural resources. The responsibilities include watershed protection, environmental conservation, flood risk reduction, and ecosystem restoration. Watersheds actively manages and maintains the region's creeks, rivers, and reservoirs to mitigate flood risks, promote water conservation, and preserve the ecological health of the area. This division also plays a role in ensuring water quality and availability for the community by managing source watersheds and undertaking projects that enhance the sustainability and resilience of the local ecosystem.

The Office of the Chief Operating Officer leads and manages Watersheds to achieve the Board's Ends, Goals, and Objectives. This includes providing Watersheds the leadership, staff, and funding to conduct the administrative aspects of Watersheds functions. In general, this provides for management activities that promote communication, human resources development, budgeting, project efficiencies and process improvement, mentoring and recruitment, and supporting Valley Water-wide special events/efforts that benefit the whole organization.

Budget: \$ 1,365,782

FTE: 2

Inherent Risks: The management and conservation of natural resources and the mitigation of flood risks. Climate change, including the increasing frequency and intensity of extreme weather events, presents a significant challenge in terms of flood control and watershed management. Balancing the ecological health of watersheds with flood risk reduction efforts can be complex, as it requires careful planning to minimize adverse environmental impacts. Additionally, competing demands for water resources, land use changes, and habitat degradation pose ongoing challenges. Ensuring the long-term sustainability of water sources, maintaining infrastructure, and addressing water quality concerns within watersheds are essential tasks.

OFFICE OF WATERSHEDS STEWARDSHIP & PLANNING DIVISION

The Office of Watersheds Stewardship & Planning Division is responsible for maintaining and preserving the ecological health of watersheds, ensuring flood risk reduction, and facilitating sustainable water resource management. It collaborates with various teams to conduct comprehensive environmental analyses, assess hydrological and hydraulic factors, and implement mitigation measures. Additionally, the division is responsible for reviewing community projects to ensure compliance with environmental regulations and the conservation of natural resources.

The Division provides project and long-range planning for flood protection and stewardship; develops and oversees the integration of biological, hydrological, water quality, and geomorphological data into the planning, design, and construction of capital projects and operational programs; provides environmental planning, permitting, and monitoring services; ensures Valley Water's compliance with the regional stormwater quality permit; protects Valley Water's streams and other assets through implementation of the Water Resources Protection Ordinance, and collaborates with municipalities in the County to ensure development projects minimize impacts to Valley Water's mission. In addition, the Division co-leads the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) and the Climate Change Action Plan, and ensures timely completion of Key Performance Indicators for the Safe, Clean Water and Natural Flood Protection Program's surface water quality, environmental monitoring, and habitat enhancement and restoration priorities.

Budget: \$ 47,484,824

FTE: 82

Inherent Risks: The management of environmentally sensitive areas, flood risk reduction, and the conservation of natural resources. Environmental planning and mitigation require navigating complex regulatory frameworks, including the California Environmental Quality Act (CEQA), ensuring compliance with various state and federal environmental regulations, and managing and mitigating the impact of climate change, extreme weather events, and natural disasters on watersheds.

In addition to the environmentally-focused work of the Division, the Division is also responsible for the Community Projects program, which requires the evaluation of land use permit applications. The Program must review permits in a manner that safeguards environmental integrity, which can lead to potential conflicts with stakeholders and regulatory authorities.

The changing dynamics of climate patterns and increasing environmental pressures further amplify the risks associated with watershed management. Additionally, resource allocation and budget constraints may impact the ability to implement comprehensive watershed management plans and projects.

Environmental Planning

The Environmental Planning Unit is responsible for conducting environmental impact assessments, environmental reviews (including Environmental Impact Reports or EIRs), and managing the permitting process for various projects. Environmental planners are tasked with ensuring that all activities within the jurisdiction of the Santa Clara Valley Water District comply with environmental regulations, particularly CEQA. They work closely with regulatory agencies, stakeholders, and project proponents to evaluate the potential impacts of projects, develop mitigation measures, and provide recommendations to minimize adverse environmental effects.

Inherent risks relate to the complexity of environmental regulations and the potential for disputes and legal challenges. Projects in environmentally sensitive areas or those with the potential to impact natural resources can face scrutiny and opposition from concerned communities or environmental organizations. Ensuring the accuracy and thoroughness of EIRs is essential to avoid legal complications and regulatory

setbacks which can result in increased costs, and further construction delays. In light of recent events of the failure to adequately perform and assess the need for an environmental review, there is a risk of delayed construction, increased project costs, and the possibility of undue damage to the environment, contrasting the District's mission "to provide Silicon Valley safe, clean water for a healthy life, environment, and economy."

Hydrology, Hydraulics, & Geomorphology

The Hydrology, Hydraulics, & Geomorphology Unit specializes in the scientific assessment of water inflow and outflow patterns within watersheds. It is responsible for conducting hydrological and hydraulic analyses to predict and manage flooding events, support the water utility's functions, and calculate water capacity in reservoirs. Furthermore, this unit plays a significant role in studying geomorphological features, such as river channels and landforms, to understand their evolution and impact on water flow. By employing data-driven methods and models, it contributes to informed decision-making and long-term planning to ensure the efficient management of water resources and the protection of communities from flooding.

Inherent risks include risks related to the accuracy of predictions, the unpredictability of weather events, and evolving regulatory requirements. Incorrect predictions or incomplete assessments can lead to inadequate flood protection measures, potentially putting communities at risk during extreme weather events, which can increase costs associated with unplanned mitigation efforts. Additionally, climate change introduces uncertainties in precipitation patterns and water flow, which can challenge existing models and flood management strategies.

Environmental Mitigation & Monitoring

The Environmental Mitigation & Monitoring Unit consists of biologists and specialists responsible for overseeing and implementing mitigation efforts to offset the environmental impacts of various projects undertaken by the Santa Clara Valley Water District. It conducts comprehensive surveys, monitor mitigation efforts, and report their findings to regulatory agencies and other stakeholders. Inherent risks relate to ensuring the effectiveness of mitigation measures, meeting regulatory obligations, and addressing unexpected ecological changes. If mitigation measures are not adequately planned or executed, there is a risk of not achieving the desired ecological outcomes. The unit must also navigate a complex web of environmental regulations, and non-compliance can lead to regulatory sanctions, increased costs, and project delays.

Community Projects Review

The Community Projects Review Unit is responsible for evaluating and processing requests from various entities to work on properties within the jurisdiction of the Santa Clara Valley Water District. These requests often involve land use changes, permits for working on district-owned properties, or projects that may impact watersheds and water resources. The unit assesses the proposed projects to ensure they align with environmental regulations, land management policies, and the District's conservation objectives. They also engage in discussions with project proponents, regulatory agencies, and stakeholders to address potential issues and ensure that projects adhere to established guidelines. Notably, an Opportunities to Improve Permit Processing Audit was recently performed in 2021 that identified challenges in the Community

Projects Review Unit's permit processing and recommended several measures to streamline related services, enhance customer communication, and optimize workflow processes.

Inherent risks include risks related to balancing land use needs, environmental protection, and regulatory compliance. Conflicting interests among project proponents, environmental advocates, and regulatory authorities can create challenges in reaching consensus and obtaining necessary approvals. Moreover, processing a large volume of project requests may strain available resources and potentially lead to delays in project reviews and increased project costs. The team must also remain vigilant in evaluating the potential ecological impacts of proposed projects and ensuring that mitigation measures are implemented effectively.

WATERSHEDS OPERATIONS & MAINTENANCE DIVISION	
The Watersheds Operations & Maintenance Division provides field maintenance, engineering support, vegetation management, and environmental services management for Water Utility Facilities and the Stream Maintenance Program (SMP) in the Lower Peninsula, West Valley, Guadalupe, Coyote, and Uvas/Llagas watersheds. The Office of Watersheds Operations and Maintenance provides administrative leadership and support for the four units that comprise the Division. The Division objective is to ensure that maintenance work is performed in accordance with regulatory permits and maintenance guidelines and is coordinated and consistent throughout the Division.	Budget: \$ 64,544,832 FTE: 120 Inherent Risks: Infrastructure risks associated with the maintenance and upkeep of watershed facilities, such as dams, reservoirs, and flood control structures; safety risks due to potential hazards during operations and maintenance activities.

Watersheds Field Operations

The Watersheds Field Operations Unit is responsible for a wide range of outdoor tasks, including clearing small debris, adding vegetation, and performing other essential activities to preserve the health and integrity of the watershed environment. By ensuring that the watersheds are well-maintained, this unit contributes to the protection of water quality, flood control, and overall ecosystem health. They often work on-site, directly interacting with the natural landscape to keep it in optimal condition.

With these roles and responsibilities, inherent risks involve exposure to environmental elements, physical hazards, and potential weather-related challenges. Employees working outdoors may encounter wildlife, unpredictable weather conditions, and rugged terrain, posing risks to their safety. Ensuring that workers have the necessary training and safety equipment is crucial to mitigate these risks. Moreover, the team must be attentive to potential environmental impacts of their activities, such as unintentional disturbances to sensitive habitats. Careful planning, adherence to best practices, and ongoing environmental monitoring are essential for minimizing these impacts.

Operations & Maintenance Environmental Support

The Operations & Maintenance Environmental Support Unit assists the field operations staff in ensuring that maintenance activities within Watersheds align with environmental regulations and standards. This unit

conducts surveys, gathers data, and offers support in assessing the environmental impact of maintenance projects. They also collaborate with regulatory agencies, monitor mitigation efforts, and help maintain the ecological balance of watershed areas, making sure that maintenance activities are carried out responsibly and sustainably.

With these roles and responsibilities, inherent risks involve navigating complex regulatory frameworks, assessing potential environmental impacts, and ensuring compliance with ecological guidelines. Failing to adhere to environmental regulations or properly assessing the environmental consequences of maintenance activities can lead to regulatory violations and potential harm to the environment, as well as increased costs due to unplanned delays. Therefore, the team faces the inherent risk of regulatory non-compliance and environmental damage.

Operations & Maintenance Engineering Support

The Operations & Maintenance Engineering Support Unit plays a critical role in providing engineering assistance and guidance to the operations and maintenance staff within the watershed areas. They help plan and execute maintenance projects, ensuring that they are carried out efficiently and effectively. By leveraging engineering expertise, this unit contributes to the long-term sustainability of watershed assets and infrastructure.

With these roles and responsibilities, inherent risks include those primarily related to the successful execution of maintenance projects. These risks include project delays, cost overruns, and potential disruptions to watershed operations. Inaccurate project planning or engineering assessments can lead to unforeseen issues during project implementation, which may affect both the environment and operational efficiency.

Vegetation Field Operations

The Vegetation Field Operations Unit specializes in managing vegetation within watershed areas to reduce the risk of wildfires and ensure the overall health of the ecosystem. Their responsibilities include clearing and managing vegetation, particularly in high-risk areas where wildfires could pose a threat to water resources and infrastructure. By implementing effective vegetation management strategies, this team helps safeguard the watershed environment and minimize the risk of wildfire events that could impact water quality and availability.

With these roles and responsibilities, inherent risks include risks related to the use of equipment like chainsaws, herbicides, and prescribed burns. There is a risk of physical injury to personnel during field operations, as well as potential environmental risks if herbicides are not used properly or if prescribed burns are not carefully controlled. Additionally, the team must consider the ecological impacts of vegetation management and ensure that it aligns with conservation objectives. To mitigate these risks, the team must follow strict safety protocols, conduct regular training, and employ environmentally responsible practices to manage vegetation effectively while safeguarding both personnel and the environment.

WATERSHEDS DESIGN & CONSTRUCTION DIVISION

The Design & Construction Division within the Office of Watersheds is responsible for planning, designing, and overseeing construction projects aimed at enhancing and maintaining the Santa Clara Valley Water District's watershed infrastructure. This includes delivery of projects in Valley Water's rolling 5-year Capital Improvement Program (CIP) and Safe, Clean Water and Natural Flood Protection Program. This division manages various units that focus on different geographic regions and aspects of design and construction. Their responsibilities encompass project planning, design development, cost estimation, contractor management, and project execution. They work closely with multiple stakeholders to ensure that watershed projects meet environmental, regulatory, and operational requirements. The objectives of the Watersheds Design and Construction Division are to provide natural flood protection for residents, businesses, and visitors; and to protect and restore creek, bay, and other aquatic ecosystems. This Division also provides organization-wide support services for Surveying and Real Estate needs.

Budget: \$ 119,509,222

FTE: 65

Inherent Risks: Include those related to project delays, cost overruns, environmental compliance, and regulatory approvals. The division must effectively manage complex construction projects that may involve various contractors, designs, and environmental considerations. Delays in project completion or unexpected issues during construction can result in increased costs and potential regulatory non-compliance. There is the possibility of environmental risks related to mitigating potential impacts on natural ecosystems during construction. Additionally, the division must navigate regulatory agencies and meet stringent environmental standards to ensure that projects do not harm sensitive ecosystems within the watershed areas.

Design & Construction Unit

The Design & Construction Unit is divided into six distinct units, each responsible for specific geographic regions and aspects of watershed design and construction. These units handle a wide range of projects, from infrastructure improvements to environmental enhancements, within their designated areas. They manage the entire project lifecycle, from initial planning and design to construction oversight and project completion. Each unit collaborates with local communities, regulatory agencies, and other stakeholders to ensure that projects are executed effectively and in compliance with relevant standards.

With these roles and responsibilities, inherent risks for all Design & Construction Units include risks related to project complexity, resource allocation, and compliance with environmental regulations. Managing a diverse portfolio of projects across different geographic regions requires effective resource allocation and coordination. Delays, budget overruns, or issues with project execution can pose risks to project success. Moreover, ensuring that projects align with environmental standards and community expectations is a constant challenge. Failure to meet these requirements can result in regulatory penalties, environmental harm, and reputational damage.

Notably, a performance audit of the Lower Silver Creek Flood Protection Project Consultant Agreement with RMC (A3277G) and its related amendments was recently performed in 2018. This audit addressed issues related to conflicts of interest, financial review, fund reallocation, sole sourcing, and performance; and it included recommendations for improvements in disclosure and management of conflicts of interest, enhancing financial and fund reallocation procedures, formalizing and documenting review processes,

strengthening project document controls and change management practices, and adopting best practices for firewall and background checks.

Land Surveying & Mapping

The Land Surveying & Mapping Unit provides essential support for accurate surveying, mapping, and geospatial data management. This unit is responsible for ensuring that project designs are based on precise spatial information and that construction activities are executed with accuracy. They are also responsible for maintaining up-to-date land records, property boundaries, and geospatial data, which are essential for project planning and execution.

With these roles and responsibilities, inherent risks primarily include the accuracy and integrity of spatial data. Errors or inconsistencies in surveying and mapping can lead to costly design modifications, construction issues, and disputes over property boundaries. Moreover, keeping geospatial data up to date is a continuous challenge, as environmental changes and new developments can impact the accuracy of existing records.

Real Estate Services

Real Estate Services Unit is responsible for managing land acquisition, easements, property rights, and other real estate-related matters for watershed projects. This unit is responsible for acquiring the necessary land and property rights to carry out construction and environmental initiatives within the watershed areas. They work closely with property owners, negotiate agreements, conduct appraisals, and oversee land transactions to ensure that projects have the required access and rights to carry out work. Notably, a Real Estate Audit was recently performed in 2020 that identified challenges in property acquisition timelines, fiscal sustainability assessment, and operational efficiency and recommended enhancing transparency, accountability, and property management practices, providing more training on real estate acquisition processes, improving performance measurement, risk assessment, and financial analysis, facilitating communication with property owners, and expanding public information about real estate services.

With these roles and responsibilities, inherent risks include those that primarily relate to property negotiations, legal complexities, and budget considerations. Acquiring land and property rights can be a time-consuming process, and negotiations may encounter resistance from property owners or regulatory hurdles. Budget overruns can occur if property values are higher than anticipated or if negotiations stall. Additionally, legal challenges related to eminent domain or property disputes can pose significant risks.

Risk Summary

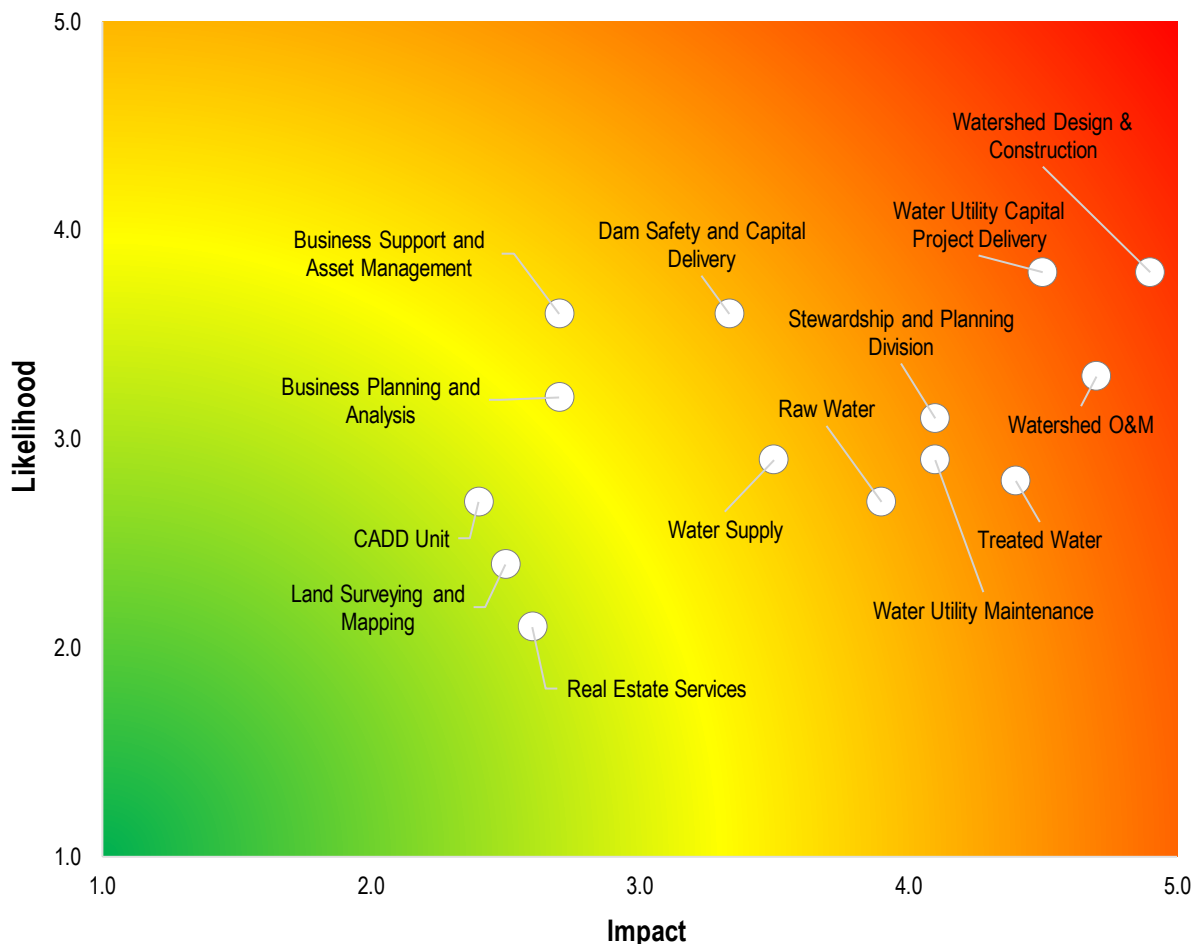
Most of the divisions and programs within Integrated Water perform functions that are central to the mission and purpose of Valley Water, and would be characterized as moderate- to high-risk. Ultimately, this risk assessment identified a small number of audit topics that would cover the bulk of Integrated Water's operations. Integrated Water consumes 80 percent of Valley Water's budget, with substantial resources dedicated to the District's capital infrastructure, including capital project delivery and maintenance. Specifically, capital project delivery encompasses six distinct organizational units within Integrated Water and maintenance operations encompass three organizational units. Decentralization can prove problematic in a variety of ways: project management practices could be inconsistent; parties fulfilling different roles,

such as construction managers and project managers, may not be on the same page in working with contractors; communication could falter; and it could constrain flexibility in assigning personnel across functional lines.

Further, with substantial resources dedicated to capital project delivery, a 2023 performance audit of the Capital Improvement Program raised concerns regarding the availability of staffing resources to carry out the capital projects planned for the District. Hiring substantial project delivery personnel will require additional support and administrative personnel (Human Resources, Facilities, Information Technology), and even if Valley Water outsources project delivery activities, additional in-house staffing resources may be required to manage and oversee the consultants to ensure cost and quality control.

Finally, Integrated Water is responsible for achieving Valley Water's core mission and goals. The Office of Integrated Water Management faces a range of interconnected risks that stem from the complexity of its responsibilities, regulatory compliance demands, and financial considerations. Addressing these risks requires a holistic approach that emphasizes effective communication, robust project management, environmental stewardship, and sound financial planning. Because of this, we find it prudent to prioritize performance audits related to the operations of Integrated Water. With this in mind, we illustrate below the risk rankings of each division or program area in relation to one another.

EXHIBIT 24. PROGRAM RISK RATINGS



Based on this assessment, there are several potential audit topics that warrant consideration for future audit planning.

- 1) Valley Water's capital project delivery activities, including the District's overall approach to project and construction management, the contract vehicles employed on capital projects, methods for monitoring contractors and evaluating contract compliance, and execution. The factors may include project timelines, budget management, staffing resources, inter-departmental coordination, contractor performance, and compliance with environmental and regulatory requirements for capital projects within the watersheds.
- 2) Valley Water's infrastructure maintenance programs, including assessing Valley Water's methods for developing and maintaining asset inventories; determining the condition of existing assets; scheduling predictive and preventative maintenance; monitoring maintenance backlogs; work order scheduling; the extent to which Valley Water relies on outsourced service providers to augment in-house resources; how well inventories are planned, maintained, and optimized to enhance overall operational efficiencies; the use of asset management software or systems to extend the lifespan

of critical infrastructure while minimizing operational costs; and the allocation of resources for ongoing maintenance to ensure the continued functionality and safety of infrastructure assets.

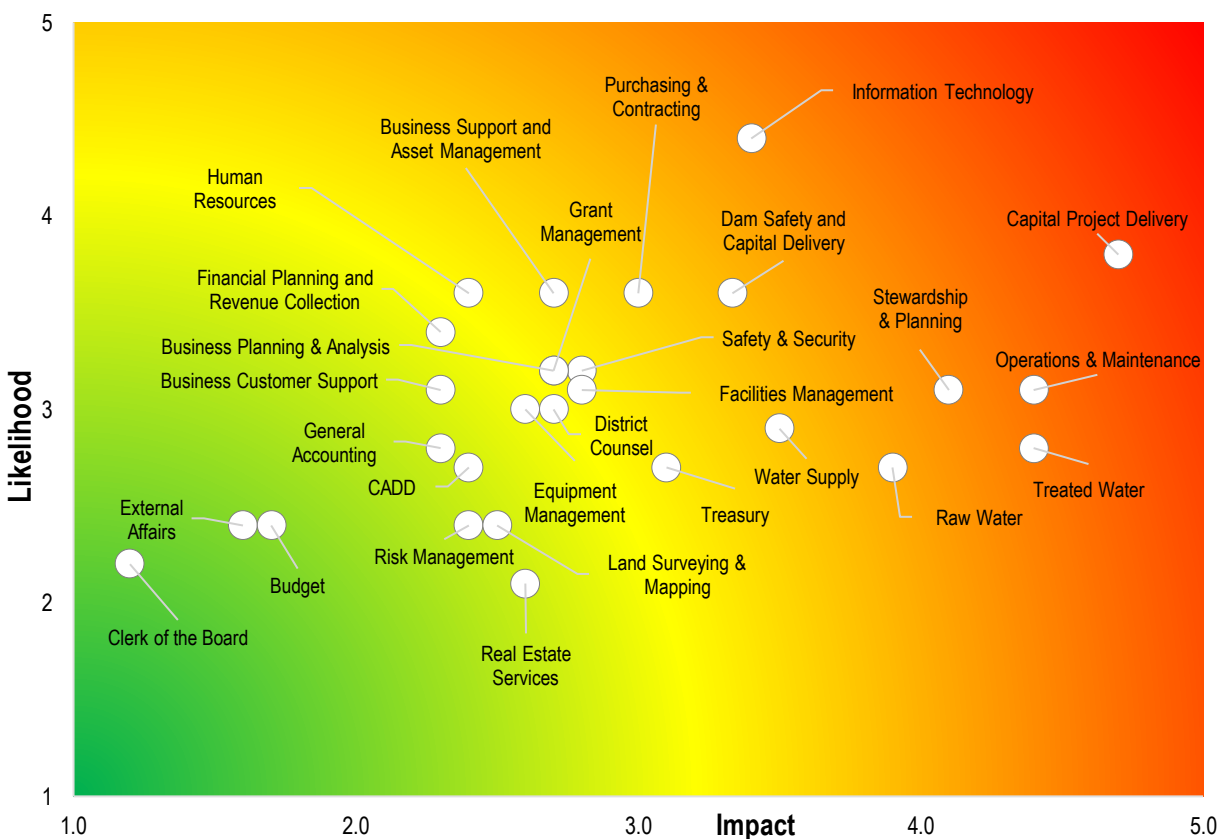
- 3) The Community Projects Unit's processes for receiving applications for permits, processing and issuing permits, and measuring performance in meeting established goals.
- 4) Valley Water's real estate management activities, including the responsibilities of both the Real Estate Unit within Watersheds and the District Lands Management Program within Integrated Water Management, with the intent to evaluate Valley Water's overarching approach to managing real estate assets.
- 5) Valley Water's Watershed management practices, including the effectiveness of Watersheds in managing and preserving natural resources within the region's watersheds. This may cover evaluating the impact of environmental conservation efforts, flood risk reduction measures, and ecological restoration initiatives.
- 6) Valley Water's flood control infrastructure, focusing on the maintenance and performance of flood control infrastructure such as dams, reservoirs, and levees. This could involve assessing the condition of these structures, compliance with safety standards, and preparedness for extreme weather events.
- 7) Valley Water's environmental compliance may include examining the District's adherence to environmental regulations and permits concerning watershed management. This might involve evaluating how well Valley Water manages ecological preservation, land use, and habitat protection within the watersheds.
- 8) Valley Water's emergency response and preparedness, concentrating on the readiness and effectiveness of Water Utility Enterprises' emergency response and preparedness plans. It would assess the procedures in place to respond to natural disasters, water supply disruptions, and other emergencies, such as COVID-19, including communication protocols, resource allocation, and coordination with local authorities to ensure uninterrupted service during crises.

Risk Assessment Results

A Risk Assessment for audit planning purposes is intended to identify ways to optimize the value of limited audit resources. This includes identifying “high-risk” programs or operations—e.g., those involving the most resources, impacting the most residents, experiencing the greatest challenges, etc.—but it is not limited to identifying “high-risk” programs or operations. In addition to identifying Valley Water programs that are considered to be high- or moderate-risk for inclusion in the audit plan, consideration must also be given to ensuring broad coverage over a defined period of time. Below, we provide recommendations for the consideration of the Valley Water Board of Directors in the development of the Fiscal Year 2023-24 through Fiscal Year 2025-26 Three Year Audit Plan.

In considering the departmental profiles described in the prior section, we shift to a broader view of our assessment of risk throughout the District. In Exhibit 25 we provide a districtwide heat map, differentiating our assessment of risk among each of Valley Water’s key programs and operations. In the lower left corner, we have several units or programs that present relatively low risk, including certain departmental administrative operations, the Office of the Clerk of the Board, the Office of the District Counsel, and other lower-risk operations. In the upper right corner, where the yellow meets the red, we find several divisions or programs for which we find reason to prioritize a performance audit. These include those programs or operations involving the most resources and having a substantial impact on Valley Water. The District’s internal service programs tend to fall within the moderate-risk category.

EXHIBIT 25. DISTRICTWIDE PROGRAM RISK RATINGS



It is important to recognize, however, that effective audit plans do not solely focus on program areas that fall into the high-risk category. If this were the case, the same programs would be audited year after year. Rather, an effective audit plan ensures adequate coverage throughout the Valley Water's departments and programs. To achieve this, we recommend establishing an auditing cycle that ensures that the performance, programs, and/or activities of every department or office are audited, at least in part, on a periodic basis—such as on a three- to five-year cycle.

This risk assessment identified a total of 33 potential audit topics, which are presented in **Appendix A** of this report, which we present as the complete Fiscal Year 2023-24 through Fiscal Year 2025-26 Three Year Audit Plan. This list of audit engagements addresses every department within Valley Water, and provides a balance between internal service programs and those departments that fulfill Valley Water's core responsibilities—the Integrated Water, Watershed, and Water Utility business areas.

This, of course, is more than what can be achieved by Valley Water during any three-year period, both in terms of available audit resources and scheduling logistics. While the budget for Independent Board Audit Services will ultimately determine the number and scope of audits that can be completed in a given year, we understand that existing resources exist to perform up to three or four performance audits in a given year. With this in mind, we prioritize 12 audit engagements that we recommend for the three-year period between Fiscal Year 2023-24 and Fiscal Year 2025-26, as shown in Appendix B of this report. The ability to perform all 12, however, will be dependent on available resources and logistical considerations. Should the Board Audit Committee determine that it is not feasible to complete all 12 under current conditions, options available include reducing the number of priority audits, increasing budget resources, or extending the period to conduct the audits from three years to up to four or five years.

These audit topics are proposed as audit priorities for the Board Audit Committee's consideration. It is recognized, however, that prior to establishing each annual audit plan, the Independent Board Auditor will seek input from the Board Audit Committee and members of the Board to obtain input before determining the specific audits to be included in each annual audit plan. This allows for continued input and routine updating to the Three Year Audit Plan as a way to ensure it addresses current and emerging challenges faced by Valley Water.

Appendix A. Proposed Three-Year Audit Plan

This risk assessment resulted in the identification of 33 potential audits for consideration of the Valley Water Board of Directors. The Independent Board Auditor recommends the inclusion of these audit topics in the 2024-2026 Three-Year Audit Plan.

Office of the Chief Executive Officer

- 1) The District's **overall approach to performance measurement**, the purpose of which would be to identify ways to build upon existing performance metrics in a manner that provides the Board reasonable assurances that metrics exist to evaluate progress to achieving Ends Policies, as well as to evaluate the overall efficiency and effectiveness of Valley Water operations.
- 2) The District's **overall compliance with Board policies**, including Board Governance Policies, Ends Policies, and Executive Limitations Policies.

Office of the Clerk of the Board

- 3) Evaluate the Office's **business processes, information systems, and workload management** practices to identify potential inefficiencies or opportunities for improvement in the Office's operational activities and administrative functions.

Office of District Counsel

- 4) Evaluate the Office's **business processes and information systems** to identify potential inefficiencies or opportunities for improvement in the Office's administrative functions.
- 5) Evaluate **risk management practices**, including the District's reliance on third-party administrators and service providers, risk retention and transfer evaluations, claims processing, and workplace health and safety programs, as well as existing workload demands and future opportunities to enhance risk management operations in a growing District government.

Administrative Services

- 6) **Information technology** is generally considered to be a moderate- to high-risk function in any government organization, and recommended performance audits typically focus on:
 - a. Cybersecurity and network hygiene;
 - b. Data management protocols;
 - c. Customer service efficiency;
 - d. Disaster recovery planning;
 - e. Cost-effectiveness of operations, including contracting and purchasing; and
 - f. Information technology project management policies, processes, and practices, and the consistency of the IT Department's efforts with best practices.

- 7) Determine whether the District's **human resources management** activities are consistent with industry standards; sufficient to ensure compliance with federal, state, and local laws and regulations; effective in attracting, retaining, and motivating a highly talented, qualified, and effective workforce; and appropriately resourced and right-sized for Valley Water. This should include key elements of human resources management, such as policies and procedures related to and its administration of the following:
- a. Hiring and recruiting;
 - b. Classification and compensation;
 - c. Employee recordkeeping;
 - d. Human Resources Information System functionality and system controls;
 - e. Employee relations and performance management;
 - f. Benefits administration;
 - g. Workplace investigations;
 - h. Professional and workforce development, training, and succession planning;
 - i. State and federal compliance.
- 8) The **administration of compensation** practices to ensure employer costs are appropriately controlled by determining whether benefit enrollment processes appropriately control employee enrollment and cost-sharing, including the verification of dependent eligibility, and the recording of employee compensation within Infor to ensure compensation (including bonuses and other differential pay) are appropriately approved and authorized.
- 9) **Cashiering processes**, including those performed through differing information and cashiering systems, the impact that staff turnover has had on cashiering operations, and the role of Finance and Administration in ensuring adequate internal and system controls associated with each.
- 10) Valley Water's **facilities maintenance program**, including evaluating the Department's ongoing control, monitoring, assessment, and maintenance of Valley Water facilities and properties to identify opportunities to enhance efficiencies and protect District assets.
- 11) Valley Water's **equipment management program**, including determining the extent to which the acquisition, maintenance, and control of equipment and fleet vehicles are performed in a manner consistent with best practices, controls over sensitive assets are effective to prevent misuse, routine and preventive maintenance is performed in accordance to acceptable guidelines, the potential for abuse of District vehicles/fuel/equipment is appropriately mitigated, and practices are both efficient and effective.
- 12) The overall efficiency of the **Emergency, Safety, & Security Division**, and the extent to which the Division carries out its responsibilities in a manner consistent with best practices and regulatory requirements. As well as assessing the adequacy of emergency preparedness in the face of situations such as unusual weather events, COVID-19, strikes, recessions, and climate change.

- 13) **Warehouse operations**, including the processes and protocols for inventory acquisition and management, conducting inventory audits, and otherwise controlling assets held in inventory, and the efficiency and effectiveness of such processes.
- 14) The **practices of the Business Customer Support program**, including its business and workload management practices, to identify potential inefficiencies or opportunities for improvement in the program's operational activities and administrative functions.
- 15) **Procurement** activities, including General Services' practices relating to the following:
 - a. Ensuring consistency with Valley Water policies, procedures, and other relevant guidance;
 - b. Proper segregation of duties with accounts payable functions and operational activities;
 - c. Consistency with best practices;
 - d. Efficiency in executing procurements in a manner that meets districtwide needs;
 - e. Timeliness of contracting and procurement practices, including the identification of potential bottlenecks;
 - f. Evaluating the appropriateness of the procurement vehicles used for different types of procurements, including the purchases of goods and supplies, professional services, construction contractors, operations and maintenance contractors, and other types of procurements; and
 - g. Benchmarking research, including the extent to which Valley Water's procurement practices compare with other public sector agencies.

External Affairs

- 16) Evaluate the **Office's business processes, information systems, and workload management practices** to identify potential inefficiencies or opportunities for improvement in the Office's operational activities and administrative functions.

Finance

- 17) **Grant management activities**, including determining whether existing policies and procedures; systems of internal control related to the recording, tracking, and monitoring of grant funds to ensure full compliance and recovery; and staffing and system resources are sufficient to administer, optimize, and account for grant monies in an efficient and effective manner.
- 18) **Treasury operations**, including evaluating cash management, investment, treasury functions, and determining the extent to which investment and cash management activities adhere to best practices and established investment policies.
- 19) **Budget processes**, including evaluating budget and financial planning protocols and practices, the sufficiency of budgetary tools available to Valley Water management to monitor budget-to-actual performance, and the overall efficiency and effectiveness of the District's biennial budget cycle.
- 20) The efficiency and effectiveness of **system integration** between the Finance enterprise system, Infor, and other information systems utilized to manage Valley Water fiscal activity.

- 21) The **Completeness of policies and procedures**, including how they are maintained, updated, made available and communicated to all relevant parties.
- 22) **Accounts receivable**, including assessing the manual billing processes employed by Finance to bill and collect from utility customers.
- 23) **Financial analysis and forecasting** practices, including the extent to which revenue forecasting is consistent with best practices in an environment significantly impacted by the pandemic and climate change, particularly within Water Supply, and the extent to which forecasting models and fiscal policies provide an effective framework for ensuring long-term sustainability.
- 24) **Payroll and compensation** practices, including whether practices ensure total compensation and payments to employees, including executive management and Board members, comply with collective bargaining agreements and Board policies.

Integrated Water Management

- 25) Valley Water's **capital project delivery** activities, including the District's overall approach to project and construction management, the contract vehicles employed on capital projects, methods for monitoring contractors and evaluating contract compliance, and execution. The factors may include project timelines, budget management, staffing resources, inter-departmental coordination, contractor performance, and compliance with environmental and regulatory requirements for capital projects within the watersheds.
- 26) Valley Water's **infrastructure maintenance programs**, encompassing various elements related to **operations and maintenance**, including assessing Valley Water's methods for developing and maintaining **asset inventories**, determining the condition of existing assets, scheduling predictive and preventative maintenance, monitoring maintenance backlogs, work order scheduling, the extent to which Valley Water relies on outsourced service providers to augment in-house resources, and how well inventories are planned, maintained, and optimized to enhance overall operational efficiencies. As well as including evaluation of the use of asset management software or systems to extend the lifespan of critical infrastructure while minimizing operational costs. Maintenance assessments may include focusing on maintenance schedules, preventive maintenance programs, inspection procedures, and the allocation of resources for ongoing maintenance to ensure the continued functionality and safety of infrastructure assets.
- 27) The **Community Projects Unit's** processes for receiving applications for **permits**, processing and issuing permits, and measuring performance in meeting established goals.
- 28) Valley Water's **real estate management** activities, including the responsibilities of both the Real Estate Unit within Watersheds and the District Lands Management Program within Integrated Water Management, with the intent to evaluate Valley Water's overarching approach to managing real estate assets.
- 29) Valley Water's **Watershed management practices**, including the effectiveness of Watersheds in managing and preserving natural resources within the region's watersheds. This may cover

evaluating the impact of environmental conservation efforts, stewardship efforts, flood risk reduction measures, and ecological restoration initiatives.

- 30) Valley Water's **flood control infrastructure**, focusing on the maintenance and performance of flood control infrastructure such as dams, reservoirs, and levees. This could involve assessing the condition of these structures, compliance with safety standards, and preparedness for extreme weather events.
- 31) Valley Water's **environmental compliance** may include examining the District's adherence to environmental regulations and permits concerning watershed management. This might involve evaluating how well Valley Water manages ecological preservation, land use, and habitat protection within the watersheds.
- 32) Valley Water's **emergency response and preparedness**, concentrating on the readiness and effectiveness of Water Utility Enterprises' emergency response and preparedness plans. It would assess the procedures in place to respond to natural disasters, water supply disruptions, and other emergencies, such as COVID-19, including communication protocols, resource allocation, and coordination with local authorities to ensure uninterrupted service during crises.
- 33) Valley Water's operations of the **Raw and Treated Water Divisions**, including evaluating both Division's practices and strategies to maintain and ensure long-term sustainability, assessing the efficiency and effectiveness of core business operations, and adhering to leading industry practices.

Appendix B. Prioritized Audit Topics for the Board’s Consideration

We recognize that the actual audit plan will be determined, in part, by the budgetary resources available for the Independent Board Auditor, which currently allow for a maximum of four audits per year. Nevertheless, for the Board’s consideration, we present the following 12 audit engagements that we believe can be completed during the three-year period between Fiscal Year 2023-24 and Fiscal Year 2025-26.

1) Capital Project Delivery

- a. Valley Water’s **capital project delivery** activities, including the District’s overall approach to project and construction management, the contract vehicles employed on capital projects, methods for monitoring contractors and evaluating contract compliance, and execution. The factors may include project timelines, budget management, staffing resources, inter-departmental coordination, contractor performance, and compliance with environmental and regulatory requirements for capital projects within the watersheds.

2) Board Policies

- a. The District’s **overall compliance with Board policies**, including Board Governance Policies, Ends Policies, and Executive Limitations Policies.

3) Clerk of the Board

- a. Evaluate the Office’s **business processes, information systems, and workload management** practices to identify potential inefficiencies or opportunities for improvement in the Office’s operational activities and administrative functions.

4) Human Resources

- a. Determine whether the District’s **human resources management** activities are consistent with industry standards; sufficient to ensure compliance with federal, state, and local laws and regulations; effective in attracting, retaining, and motivating a highly talented, qualified, and effective workforce; and appropriately resourced and right-sized for Valley Water. This should include key elements of human resources management, such as policies and procedures related to and its administration of the following:
 - i. Hiring and recruiting;
 - ii. Classification and compensation;
 - iii. Employee recordkeeping;
 - iv. Human Resources Information System functionality and system controls;
 - v. Employee relations and performance management;
 - vi. Benefits administration;
 - vii. Workplace investigations;
 - viii. Professional and workforce development, training, and succession planning;

ix. State and federal compliance.

5) Operations & Maintenance and Asset Management

- a. Valley Water's **infrastructure maintenance programs**, encompassing various elements related to **operations and maintenance**, including assessing Valley Water's methods for developing and maintaining **asset inventories**, determining the condition of existing assets, scheduling predictive and preventative maintenance, monitoring maintenance backlogs, work order scheduling, the extent to which Valley Water relies on outsourced service providers to augment in-house resources, and how well inventories are planned, maintained, and optimized to enhance overall operational efficiencies. As well as including evaluation of the use of asset management software or systems to extend the lifespan of critical infrastructure while minimizing operational costs. Maintenance assessments may include focusing on maintenance schedules, preventive maintenance programs, inspection procedures, and the allocation of resources for ongoing maintenance to ensure the continued functionality and safety of infrastructure assets.

6) Information Technology

- a. **Information technology** is generally considered to be a moderate- to high-risk function in any government organization, and recommended performance audits typically focus on:
 - i. Cybersecurity and network hygiene;
 - ii. Data management protocols;
 - iii. Customer service efficiency;
 - iv. Disaster recovery planning;
 - v. Cost-effectiveness of operations, including contracting and purchasing; and
 - vi. Information technology project management policies, processes, and practices, and the consistency of the IT Department's efforts with best practices.

7) Purchasing and Contracting

- a. **Procurement** activities, including General Services' practices relating to the following:
 - i. Ensuring consistency with Valley Water policies, procedures, and other relevant guidance;
 - ii. Proper segregation of duties with accounts payable functions and operational activities;
 - iii. Consistency with best practices;
 - iv. Efficiency in executing procurements in a manner that meets districtwide needs;
 - v. Timeliness of contracting and procurement practices, including the identification of potential bottlenecks;
 - vi. Evaluating the appropriateness of the procurement vehicles used for different types of procurements, including the purchases of goods and supplies,

professional services, construction contractors, operations and maintenance contractors, and other types of procurements; and

- vii. Benchmarking research, including the extent to which Valley Water's procurement practices compare with other public sector agencies.

8) Safety & Security

- a. The overall efficiency of the **Emergency, Safety, & Security Division**, and the extent to which the Division carries out its responsibilities in a manner consistent with best practices and regulatory requirements. As well as assessing the adequacy of emergency preparedness in the face of situations such as unusual weather events, COVID-19, strikes, recessions, and climate change.

9) Raw and Treated Water

- a. Assessing the infrastructure maintenance and sustainability within Valley Water's **Raw and Treated Water Divisions** would include a thorough evaluation of both Division's practices and strategies to maintain and ensure long-term sustainability of its critical infrastructures. This would assess the performance of the two Divisions in managing the aging infrastructure, assessing the risks associated with deferred maintenance, as well as the focus on optimizing the allocation of resources.

10) Stewardship and Planning

- a. Valley Water's **flood control infrastructure**, focusing on the maintenance and performance of flood control infrastructure such as dams, reservoirs, and levees. This could involve assessing the condition of these structures, compliance with safety standards, and preparedness for extreme weather events.

11) Treasury

- a. **Treasury operations**, including evaluating cash management, investment, treasury functions, and determining the extent to which investment and cash management activities adhere to best practices and established investment policies.

12) Water Supply

- a. **Financial analysis and forecasting** practices, including the extent to which revenue forecasting is consistent with best practices in an environment significantly impacted by the pandemic and climate change, particularly within Water Supply, and the extent to which forecasting models and fiscal policies provide an effective framework for ensuring long-term sustainability.

SANTA CLARA VALLEY WATER DISTRICT

Audit Scoping Document

2025 Audit Plan Item

Performance Audit of Valley Water's Capital Project Delivery Activities

Audit Objectives

Evaluate the cost-effectiveness of Valley Water's approach to capital project delivery, and identify opportunities for improvement.

Audit Scope

Capital project delivery activities between January 1, 2020, and December 31, 2024, including the District's overall approach to project and construction management, the contract vehicles employed on capital projects, methods for monitoring contractors and evaluating contract compliance, and execution. The factors may include project timelines, budget management, staffing resources, inter-departmental coordination, contractor performance, and compliance with environmental and regulatory requirements for capital projects within the watersheds.

Audit Approach

- Conduct interviews with key management and staff regarding Valley Water's capital project delivery system.
- Obtain and review policies, procedures and other guidelines that address key aspects of Valley Water's capital project delivery system, including project management, construction management and oversight, project delivery methods and contracting methods, construction contract management, pay application testing, and project closeout.
- Review and assess Valley Water's approach to staffing capital projects, including how it allocates internal and contract resources to project planning, management, and oversight activities.
- Identify roles and responsibilities of key personnel and departments that play a role in Valley Water's capital project delivery system.
- Conduct benchmarking research to identify potential opportunities for improvement.
- Select a sample of capital projects for review and evaluation, including examining the project for compliance with executed contracts, Valley Water policies and procedures, and best practices.

Proposed Schedule

This audit is proposed to commence in February 2025 with an estimated completion date of November 2025.

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SANTA CLARA VALLEY WATER DISTRICT

Audit Scoping Document

2024 Audit Plan Item

Performance Audit of Valley Water's Centralized and De-Centralized Contracting Processes

Audit Objectives

To Determine the efficiency, effectiveness, and timeliness of contracting procedures.

Audit Scope

Valley Water's contracting processes, procedures, and activities January 1, 2022, and December 31, 2024, particularly as they relate to professional services and construction contracts used in the process of delivering capital projects.

Audit Approach

- Review Valley Water's contracting policies, procedures, and processes.
- Obtain and review a listing of professional services and construction contracts.
- Select a sample of contracts to evaluate the processes employed to develop solicitation documents, advertise the opportunity, award the contract, develop the contract, and execute the contract.
- Determine consistency with Valley Water's policies, procedures, best practices, and other relevant guidance.
- Assess timeliness of contracting and procurement practices, including the identification of potential bottlenecks.
- Evaluate the appropriateness of the procurement vehicles used for different types of procurements, including the purchases of goods and supplies, professional services, construction contractors, operations and maintenance contractors, and other types of procurements.
- Conduct benchmark research, including the extent to which Valley Water's procurement practices compare with other public sector agencies.

Proposed Schedule

This audit is proposed to commence in February 2025 with an estimated completion date of November 2025.

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SANTA CLARA VALLEY WATER DISTRICT

Audit Scoping Document

2024 Audit Plan Item

Review of Valley Water's Conservation Strategies and Activities

Audit Objectives

To evaluate the District's overall approach to conservation and to identify best practices, opportunities to further enhance its strategic approach to promoting or incentivizing conservation, and lessons learned from past practices within Valley Water and other water districts.

Audit Scope

Valley Water conservation efforts between January 1, 2020, and December 31, 2024.

Audit Approach

- Review Valley Water's Water Supply Master Plan and other strategic planning resources, policies and procedures, informational materials, and other documentation to gain a comprehensive understanding of Valley Water's approach to promoting or incentivizing conservation.
- Conduct interviews with key management and staff regarding Valley Water's conservation programs.
- Identify roles and responsibilities of key personnel and departments that play a role in Valley Water's conservation programs.
- Understand Valley Water's relationships with other water agencies, evaluating best practices among water districts,
- Conduct benchmarking research to identify potential opportunities for improvement,
- Evaluate how monies dedicated to conservation activities are being spent, and
- Identify opportunities to enhance Valley Water's conservation goals.

Proposed Schedule

This audit is proposed to commence in March 2025 with an estimated completion date of October 2025.

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SANTA CLARA VALLEY WATER DISTRICT

Audit Scoping Document

2025 Audit Plan Item

Performance Audit of Valley Water's Water Usage and Demand Forecasting

Audit Objectives

Evaluate the methods and approaches taken by Valley Water to forecast water usage and demand, including identifying best practices employed by benchmark agencies, and how forecasting models are used to inform the Water Supply Master Plan.

Audit Scope

Valley Water's forecasting practices January 1, 2020, and December 31, 2024, including evaluations employed to determine the reliability of past forecasts.

Audit Approach

- Conduct interviews with key management and staff regarding Valley Water's water usage and demand forecasting.
- Obtain and review policies, procedures and other guidelines that address forecasting methods, approaches, and requirements.
- Review the roles and responsibilities of key personnel involved in forecasting activities, and Valley Water's reliance on third-party service providers.
- Evaluate the methodology employed to forecast water usage.
- Examine past forecasts and evaluate their accuracy and reliability.
- Conduct benchmarking research to identify potential opportunities for improvement, including how peer water agencies are incorporating the potential effects of climate change in their forecasting models.

Proposed Schedule

This audit is proposed to commence in February 2025 with an estimated completion date of November 2025.

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Santa Clara Valley Water District

File No.: 24-1009

Agenda Date: 1/14/2025

Item No.: 7.1.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Accept the Corrected Fiscal Year 2024-25 Safe, Clean Water and Natural Flood Protection Special Tax Summary Report and Adopt a Corrected Resolution Providing for Levy of the Special Tax Rates and Authorizing a Procedure for Correcting Special Tax Amounts for Fiscal Year 2024-2025.

RECOMMENDATION:

- A. Accept the Corrected Fiscal Year 2024-25 Safe, Clean Water and Natural Flood Protection Special Tax Summary Report; and
- B. Adopt the Resolution PROVIDING FOR CORRECTED LEVY OF THE SPECIAL TAX PURSUANT TO THE SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION MEASURE IN THE COMBINED FLOOD CONTROL ZONE OF THE SANTA CLARA VALLEY WATER DISTRICT AND AUTHORIZING A PROCEDURE FOR CORRECTING SPECIAL TAX AMOUNTS FOR FISCAL YEAR 2024-2025.

SUMMARY:

On May 14, 2024, the Board adopted the staff recommended special tax rates for FY 2024-25 to pay for the cost of the Safe, Clean Water and Natural Flood Protection Program in the combined flood control zone of the Santa Clara Valley Water District (Valley Water).

In August 2024 it came to staff's attention that one special tax rate was incorrectly recommended due to an administrative error for land use category Group B: *Land used for institutional purposes such as churches and schools or multiple dwellings in excess of four units, including apartment complexes, mobile home parks, recreational vehicle parks, condominiums and townhouses* standard rate per acre, for parcels that are greater than 0.25 acres in size.

The proposed correction is shown below in yellow highlight. Note that the Group B minimum rate for parcels up to 0.25 acre, as well as the rate for condominiums and townhouses, do not need to be corrected.

Group A: Land used for commercial or industrial purposes: \$626.59 per acre, \$156.63 minimum for parcels up to 0.25 acre.

-
- Group B: (1) apartment complexes, mobile home parks, recreational vehicle parks: ~~\$446.29~~ **469.94** per acre, \$117.49 minimum for parcels up to 0.25 acre; and (2) condominiums and townhouses: \$38.12 per unit.
- Group C: Parcels up to 0.25 acres used for single family residences and multiple family units up to four units: \$78.29. The first 0.25-acre of a parcel of land used for single family residential purposes: \$78.29.
- Group D: (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses and similar uses: \$4.02 per acre, \$40.15 minimum on parcels less than 10 acres. (2) The portion of the parcel, if any, in excess of 0.25 acre of a parcel used for single family residential purposes: \$4.02 per acre.
- Group E: Vacant undisturbed land (1) in urban areas: \$1.18 per acre, \$11.83 minimum on parcels less than 10 acres; and (2) in rural areas: \$0.16 per acre, \$11.83 minimum equal to the Group E urban category minimum.

Approximately 4,000 parcels are impacted by the correction. If the rate is not corrected with the Santa Clara County Assessor's Office, the Safe, Clean Water fund would receive revenue that is \$238,000 lower than the FY 2024-25 budget. In addition, revenue loss would continue in future years because future year special tax rates are indexed to the adopted special tax rates from the prior year. If the Board adopts the corrected resolution, staff will work with County staff to determine the economic feasibility of processing a corrected tax rate for the parcels included in the Group B land use category impacted by the rate correction for FY 2024-25. Initial inquiry suggests that the cost to process corrected tax bills for the affected parcels would exceed the lost revenue for FY 2024-25. Most importantly, if the Board adopts the corrected resolution, the special tax rates for FY 2025-26 would be indexed to the corrected FY 2024-25 special tax rates.

Background for Reference

Provisions of Resolution 20-64 (Providing for the continuation and levy of special tax to pay the cost of a Safe, Clean Water and Natural Flood Protection Program in the combined flood control zone of the Santa Clara Valley Water District (Valley Water) subject, nevertheless, to specified limits and conditions) require Valley Water's Chief Executive Officer to prepare a written report recommending rates for the Safe, Clean Water and Natural Flood Protection (Safe, Clean Water) Special Tax, which was approved by voters on November 3, 2020. Rate limits as specified in the Safe, Clean Water ballot measure are indexed to the fiscal year (FY) 2023-24 rates plus the change in the Bay Area Consumer Price Index (CPI) or 2 percent, whichever is greater.

Based on projected costs of the Safe, Clean Water Program activities, and reports released by the Bureau of Labor Statistics indicating that the change in CPI from February 2023 to February 2024 was 2.4 percent, staff recommended that the special tax rates for FY 2024-25 be set at their maximum level, which would reflect a 2.4 percent increase. The Corrected Staff Report (Attachment 1) reflects the corrected Group B rate.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

The Safe, Clean Water and Natural Flood Protection Parcel Tax was approved by voters in November 2020. Revenues from the parcel tax fund critical flood protection projects, such as the Coyote Creek Flood Protection project which benefits disadvantaged communities.

FINANCIAL IMPACT:

Accepting the corrected Group B rate for the Safe, Clean Water and Natural Flood Protection Special Tax for FY 2024-25 would allow future year tax rates to be established at the correct rate. Not accepting the corrected Group B rate would result in lost revenue to the Safe, Clean Water fund in perpetuity.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Corrected Staff Report
Attachment 2: Resolution

UNCLASSIFIED MANAGER:

Christopher Hakes, 408-630-3796

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Corrected FY 2024–25 Safe, Clean Water & Natural Flood Protection Special Tax Summary Report

SUMMARY:

Applicable laws and provisions of Resolution 20-64 require Valley Water’s Chief Executive Officer to prepare a written report recommending the rates for the Safe, Clean Water and Natural Flood Protection Special Tax, which was approved by voters on November 3, 2020. Rate limits as specified in the Safe, Clean Water ballot measure are indexed to the fiscal year (FY) 2023–24 rates plus an increase based on the Consumer Price Index for all urban consumers (or CPI-U) for San Francisco-Oakland-San Jose in the preceding year or 2 percent, whichever is greater. The CPI-U for San Francisco-Oakland-San Jose from February 2023 to February 2024 was 2.4%. Staff recommends that the special tax rates for FY 2024–25 be set at their maximum level, which would reflect a 2.4% percent increase versus FY 2023–24.

The rate trend for the Single Family Residential and Small Multiples (2-4 units) group, referred to as Group C, is summarized below:

Fiscal Year	Group C Rate	Annual % Increase
2001–02	\$39.00	N/A
2002–03	\$40.16	3.0%
2003–04	\$41.36	3.0%
2004–05	\$42.60	3.0%
2005–06	\$43.88	3.0%
2006–07	\$45.26	3.16%
2007–08	\$46.76	3.32%
2008–09	\$48.16	3.0%
2009–10	\$49.61	3.0%
2010–11	\$51.10	3.0%
2011–12	\$52.64	3.0%
2012–13	\$54.22	3.0%
2013–14	\$55.84	3.0%
2014–15	\$57.52	3.0%
2015–16	\$59.24	3.0%
2016–17	\$61.01	3.0%
2017–18	\$63.11	3.44%
2018–19	\$65.36	3.56%
2019–20	\$67.67	3.53%
2020–21	\$67.67	0.0%
2021–22	\$69.02	2.0%
2022–23	\$72.60	5.19%
2023–24	\$76.45	5.3%
2024–25	\$78.29	2.4%

STAFF ANALYSIS:

Introduction

This Summary Report is prepared in accordance with the voter-approved Santa Clara Valley Water District (Valley Water) Resolution 20-64. It presents the uniform rates for the special tax in the combined flood control zone to generate revenue for designated voter approved purposes.

The revenue generated by the special tax will be used to continue meeting the Safe, Clean Water program commitments and to produce the following program renewal enhanced outcomes:

- Priority A: Ensure a safe, reliable water supply.
- Priority B: Reduce toxins, hazards and contaminants in our waterways.
- Priority C: Protect our water supply and dams from earthquakes and other natural disasters.
- Priority D: Restore wildlife habitat and provide open space.
- Priority E: Provide Flood Protection to homes, businesses, schools, streets and highways.
- Priority F: Support public health and public safety for our community

Attachment 3 of the Board Agenda Memo shows a further breakdown of the activities under each of the Safe, Clean Water program outcomes. This report has been reviewed and approved by District Counsel as meeting the requirements of applicable laws. Information on the special tax levy for an individual parcel, as well as the detailed Valley Water report describing the purpose of the special tax: "Safe, Clean Water and Natural Flood Protection, Community Preferred Program Report", are available for review on <https://www.valleywater.org/safecleanwater>.

Passage of Clean, Safe Creeks and Natural Flood Protection

The June 2000 sunset of benefit assessments for Valley Water's flood protection program decreased revenue available to Valley Water to provide additional flood protection capital improvements. Beginning in 1996, Valley Water implemented a program to solicit community input, conduct needs assessments, and propose and refine a comprehensive plan to preserve the quality of life in Santa Clara County as it relates to water resources. Valley Water evaluated available funding alternatives authorized by applicable laws, and determined that a uniform, special tax throughout the combined zone that overlays Valley Water's five flood control zones was the appropriate funding mechanism for the adopted plan. Valley Water placed the Clean, Safe Creeks and Natural Flood Protection measure on the November 7, 2000 ballot and received more than the necessary two-thirds approval by the electorate voting.

In 2011, Valley Water began an intensive outreach effort to reassess community priorities and formulate an updated program because Valley Water could not continue to provide services that the community demanded beyond the sunset of the program in June, 2016. At that time, all of the many high priority projects under the 2000 measure had been completed or exceeded, or were on track to be completed or exceeded.

Passage of 2012 Safe, Clean Water and Natural Flood Protection Program

An 18-month period of public input and program refinement resulted in the Safe, Clean Water program, which includes new projects based on stakeholder input, as well as the continuation of important services provided by the old program. The Safe, Clean Water program received the necessary two-thirds approval by voters on November 6, 2012.

Passage of Safe, Clean Water and Natural Flood Protection Measure S

On November 3, 2020, voters in Santa Clara County overwhelmingly approved Measure S, a renewal of Valley Water's Safe, Clean Water and Natural Flood Protection Program that was approved in 2012. The renewed Safe, Clean Water Program identifies six key community priorities, established in collaboration with tens of thousands of residents and stakeholders. It will also continue to honor prior commitments made under the 2012 Safe, Clean Water Program in carrying forward all active projects and meeting associated KPI's.

Under current authorization, the program renewal will be funded by a combination of debt financing and pay-as-you-go funding from annual revenues supplemented by reserves from unspent funds, and state and federal funding. The use of debt financing will help fund the Safe Clean Water capital program, rather than waiting for reserves to build up. Valley Water will track the revenues and expenses for the special tax, and as the program progresses, the rates will be evaluated each year to determine what, if any, annual increase is needed.

General Rate Provisions

The special tax revenues estimated to meet the projected costs of the program are based on an initial set of rates for FY 2023–24 in which the residential rate was \$76.45.

Future rate limits are indexed to the annual San Francisco-Oakland-San Jose Consumer Price Index for all urban users in the immediate preceding year (Bay Area Consumer Price Index) or 2 percent, whichever is greater. Should declaration of a state or federal disaster area by reason of flooding or other natural disaster occur, the maximum rates will be indexed to the Bay Area Consumer Price Index plus up to 4.5 percent for the three years following the disaster.

The special tax is levied on a parcel by parcel basis according to proportionate storm water runoff. Each assessment is computed by determining the area of a parcel (in acres or fractions thereof) and applicable land use category (as hereinafter defined) and then multiplying the area by the special tax rate applicable to land in such land use category. The land use categories are as follows:

- Group A: Land used for commercial or industrial purposes
- Group B: Land used for institutional purposes such as churches and schools or multiple dwellings in excess of four units, including apartment complexes, mobile home parks, recreational vehicle parks, condominiums and townhouses.
- Group C: (1) Land used for single family residences and multiple family units up to four units. (2) The first 0.25 acre of a parcel of land used for single family residential purposes.
- Group D: (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses and similar uses. (2) The portion of the land, if any, in excess of 0.25 acre of a parcel used for single family residential purposes.

- Group E: Vacant undisturbed land (1) in urban areas; and (2) in rural areas including dry farmed land, grazing and pasture land, forest and brush land, salt ponds and small parcels used exclusively as well sites for commercial purposes.
- Group F: Parcels used exclusively as well sites for residential uses are exempt from the special tax.

A minimum special tax is levied on each parcel of real property having a land area up to 0.25 acre for Groups A, B, and C, and up to 10 acres for Groups D and E Urban. For Group E Rural, the minimum Special Tax is as calculated for the E Urban category, but applies to parcels of 80 acres or less. A minimum special tax is also levied on condominiums and townhouses without regard to parcel size. Parcels owned by federal, state, or local agencies are exempt from this special tax.

Transition from Clean, Safe Creeks to Safe, Clean Water

Approximately \$162.4 million in reserves were set aside at year end FY 2012–13 from unspent funds of the Clean, Safe Creeks program. Most of this accumulated amount is from set-aside revenue designated for capital project construction, and some is from cost savings. These funds will help construct and maintain the capital projects continued from the Clean, Safe Creeks plan. In FY 2024-25, capital spending is projected to continue on several projects carried forward from Clean, Safe Creeks that will provide flood protection including Berryessa Calaveras/Old Piedmont, Llagas Creek, San Francisco Bay Shoreline, and San Francisquito Creek.

2024–2025 Special Tax Rates

For FY 2024–25 staff proposes that the Safe, Clean Water and Natural Flood Protection Special Tax be levied at the maximum level to generate \$53.5 million to meet the program outcomes. Projected capital design and construction appropriations are \$127.7 million. Projected operations, operating projects, debt service and transfer appropriations are \$29.8 million. The operating and capital reserve is projected to be \$58.3 million by the end of FY 2024–25.

The proposed special tax rates at the rate limits are indicated below and reflect a 2.4% increase over last year's rates under the Safe, Clean Water Program:

- Group A: Land used for commercial or industrial purposes: \$626.59 per acre, \$156.63 minimum for parcels up to 0.25 acre.
- Group B: (1) apartment complexes, mobile home parks, recreational vehicle parks: ~~\$446.29~~\$469.94 per acre, \$117.49 minimum for parcels up to 0.25 acre; and (2) condominiums and townhouses: \$38.12 per unit.
- Group C: Parcels up to 0.25 acres used for single family residences and multiple family units up to four units: \$78.29. The first 0.25-acre of a parcel of land used for single family residential purposes: \$78.29.
- Group D: (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses and similar uses: \$4.02 per acre, \$40.15 minimum on parcels less than 10 acres. (2) The portion of the parcel, if any, in excess of 0.25 acre of a parcel used for single family residential purposes: \$4.02 per acre.
- Group E: Vacant undisturbed land (1) in urban areas: \$1.18 per acre, \$11.83 minimum on parcels less than 10 acres; and (2) in rural areas: \$0.16 per acre, \$11.83 minimum equal to the Group E urban category minimum.

A summary comparing the current year rates with the proposed FY 2024–25 rates is shown in Figure 1.

FIGURE 1
Actual FY 2023–24 Versus Proposed FY 2024–25
Safe, Clean Water and Natural Flood Protection Special Tax Rates

Land Use Categories	Actual FY 2023-24	Proposed FY 2024-25
A – Commercial, Industrial		
Rate (\$/Acre)	\$611.91	\$626.59
Minimum Assessment ⁽¹⁾	\$152.96	\$156.63
B – Apartment, Schools, Churches, Condominiums & Townhouse		
Rate (\$/Acre)	\$435.83 458.93	\$446.29 469.94
Minimum Assessment ⁽¹⁾	\$114.73	\$117.49
Condominiums & Townhouses (\$/unit)	\$37.23	\$38.12
C – Single Family Residential, Small Multiples (2-4 units) ⁽²⁾		
Minimum Assessment ⁽¹⁾	\$76.45	\$78.29
D – Utilized Agriculture ⁽²⁾		
Rate (\$/Acre)	\$3.92	\$4.02
Minimum Assessment ⁽¹⁾	\$39.21	\$40.15
E – Urban – Nonutilized Agricultural, Grazing Land, Salt Ponds, Well Site in Urban Areas		
Rate (\$/Acre)	\$1.16	\$1.18
Minimum Assessment ⁽¹⁾	\$11.55	\$11.83
E – Rural – Nonutilized Agricultural, Grazing Land, Well Sites in Rural Areas		
Rate (\$/Acre)	\$0.16	\$0.16
Minimum Assessment ⁽¹⁾	\$11.55	\$11.83
⁽¹⁾ The minimum assessments shown for Categories A, B, and C apply to parcels ¼ acre or less in size. Category C parcels larger than ¼ acre pay the minimum assessment for the first ¼ acre and the remaining acreage is assessed at the Category D rate. For Category D, the minimum assessment applies to parcels less than 10 acres. The minimum assessment for Group E parcels is the amount charged for 10 acres of urban undeveloped land; the minimum assessment is the same for both the Urban Category and the Rural Category parcels, however the Rural Category applies to parcels of 80 acres or less.		
⁽²⁾ Residential land in excess of ¼ acre is assessed at the “D” rate.		

Senior Exemption

Legislation was passed in July 2001 to provide Valley Water with the discretion to exempt low-income parcel owners over 65 from the special tax consistent with Resolution 20-64. The exemption program was put in place for FY 2001–02. In 2018, Valley Water reformed the parcel tax exemption process through Assembly Bill 1889. This bill clarifies the need for Valley Water to confirm low income only once, making it easier for the seniors to stay on the exemption rolls. To date in FY 2023–24, 4,897 households have received the exemption, totaling approximately \$331,000. Exemptions and refunds total approximately \$5 million to date since program inception.

Staff continues its outreach program to inform the senior population of the tax exemption program, which includes a four (4)-step approach.

Step 1: Identify ways to collect existing data on homeownership and household income for seniors to estimate the potential number of qualified senior exemptions in the county. By utilizing targeted marketing, staff is able to reach those seniors that meet the program’s exemption requirements.

Step 2: Develop outreach strategies to provide program information directly to seniors and/or other agencies and organizations that provide senior services. The outreach steps include:

- a. Update program materials annually (flyers, website content, mailers, press releases, newsletters etc.) to provide more information and be more senior-oriented.
- b. Partner with Sourcewise, the designated Area Agency on Aging for Santa Clara County to disseminate the program specifics through their varied community contacts.
- c. Identify geographic areas that are underrepresented to ensure potential applicants are educated with appropriate marketing materials. If there are areas where seniors could potentially qualify for the exemption, staff will target outreach efforts in those areas.

Step 3: Implement the outreach strategies once the informational materials are complete. The open enrollment period for the Senior Parcel Tax Exemption Program is April 15 to June 30, 2024. Staff will field phone calls, emails from a dedicated email address, provide in-person support for those who need additional information or assistance with the enrollment, attend resource fairs and community collaborative meetings to conduct presentations and help train/inform staff from other organizations about the exemption program so they can also help disseminate the information, and drop off information packets and enrollment applications at Senior Centers and other community based organizations throughout the county.

Step 4: Monitor the exemption program to ensure that accurate information is being disseminated throughout the county and that seniors are receiving the adequate support they need to enroll in the program if they qualify. Staff will also collect data on how participants learn about the program in order to track which outreach strategies are most effective in reaching the senior population.

Special Tax Levy Rolls and Collection

Applicable law provides that the special tax may be levied and collected by the County Tax Collector at the same time and in the same manner as the general tax levy. Following adoption of the special tax rates and receipt of updated assessor parcel data for FY 2024–25, Valley Water will prepare a Special Tax Roll identifying each parcel of land subject to the special tax and the associated tax amount. This information will be made available for review at Valley Water through the Clerk of the Board. The

Special Tax Roll showing parcel number and levy amount will be forwarded to the County Tax Collector in August 2024 to facilitate County collection of the special tax.

FINANCIAL IMPACT:

Setting the Safe, Clean Water and Natural Flood Protection special tax rates at staff recommended level for FY 2024–25 would provide adequate funding to meet operations, operating projects, debt service and transfer costs of \$29.8 million, as well as a projected capital appropriation of approximately \$127.7 million. Planned future expenditures reasonably indicate that the revenue raised next year will be spent according to the Safe, Clean Water and Natural Flood Protection program renewal report.

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**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 2025-

**PROVIDING FOR CORRECTED LEVY OF THE SPECIAL TAX PURSUANT TO
THE SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION MEASURE
IN THE COMBINED FLOOD CONTROL ZONE OF THE SANTA CLARA VALLEY
WATER DISTRICT AND AUTHORIZING A PROCEDURE FOR CORRECTING
SPECIAL TAX AMOUNTS FOR FISCAL YEAR 2024-2025**

WHEREAS, the Santa Clara Valley Water District (Valley Water) owns property and builds, operates, and maintains infrastructure in Santa Clara County to: ensure a safe, reliable water supply for the future; reduce toxins, hazards, and contaminants, such as mercury and pharmaceuticals, in our waterways; protect our water supply and local dams from the impacts of earthquakes and natural disasters; restore fish, bird, and wildlife habitat and provide open space access; and provide flood protection to homes, business, schools, streets, and highways; and

WHEREAS, more than two-thirds of the electors voting in Santa Clara County did favor a special tax measure in the November 3, 2020, General Election thereby approving the special tax specified in Resolution No. 20-64 for designated purposes.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors (Board) of the Santa Clara Valley Water District as follows:

FIRST: The Chief Executive Officer (CEO) of Valley Water has directed a summary report to be prepared for fiscal year July 1, 2024, through June 30, 2025, that includes the proposed special tax rates for that year ("Report"), and presented that Report on May 14, 2024, as an attachment to an agenda memorandum with the subject "Safe, Clean Water and Natural Flood Protection Special Tax Summary Report and Resolution Setting the Special Tax Rates for Fiscal Year 2024-2025 (FY 2024-25)."

SECOND: A special tax is hereby levied on each parcel of real property in the Combined Zone consisting of the aggregate metes and bounds of District Zones One, Two, Three, Four, and Five as presently existing ("Combined Zone") for the purposes stated in the Report, and as authorized according to the minimums and methods described in this resolution. Except for the minimum special tax as hereinafter indicated, the special tax for each parcel of real property in the Combined Zone is computed by determining that parcel's area in acres or fractions thereof, its land use category (as hereinafter defined), and then multiplying the area by the special tax rate applicable to land in such land use category. A minimum special tax shall be levied on each parcel of real property having a land area up to: (1) 0.25 acre for Groups A, B, and C; and (2) up to 10 acres for Groups D and E Urban. For Group E Rural, the minimum special tax shall be that as calculated for the E Urban category, but shall apply to parcels of 80 acres or less. A minimum special tax shall be levied in Group B per unit for condominiums and townhouses without regard to parcel size.

THIRD: Special tax rates for land use categories for each parcel of land in the Combined Zone are defined and established as follows:

Group A: Land used for commercial or industrial purposes: \$626.59 per acre, \$156.63 minimum for parcels up to 0.25 acre.

Group B: Land used for institutional purposes such as churches and schools or multiple dwellings in excess of four units, including (1) apartment complexes, mobile home parks, and recreational vehicle parks: \$469.94 per acre, \$117.49 minimum for parcels up to 0.25 acre; and (2) condominiums and townhouses: \$38.12 per unit.

Providing for Levy of the Special Tax Pursuant to the Safe, Clean Water and Natural Flood Protection Measure in the Combined Flood Control Zone of the Santa Clara Valley Water District and Authorizing a Procedure for Correcting Special Tax Amounts for Fiscal Year 2024-2025
Resolution No. 2025-

Group C: Parcels up to 0.25 acre used for single-family residences and multiple-family units up to four units: \$78.29. The first 0.25 acre of a parcel of land used for single-family residential purposes: \$78.29.

Group D: (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses, and similar uses: \$4.02 per acre, \$40.15 minimum on parcels less than 10 acres. (2) The portion of a parcel, if any, in excess of 0.25 acre used for single-family residential purposes: \$4.02 per acre.

Group E: Vacant undisturbed land (1) in urban areas: \$1.18 per acre, \$11.83 minimum on parcels less than 10 acres; and (2) in rural areas: \$0.16 per acre, with a \$11.83 minimum.

Group F: Parcels used exclusively as well sites for residential uses are exempt from the special tax.

Parcels owned by federal, state, or local government agencies are exempt from this special tax.

FOURTH: Valley Water will provide an exemption from the special tax for low-income owner-occupied residential properties for taxpayer-owners 65 years of age or older as follows:

Residential parcels where the total annual household income does not exceed 75 percent of the latest available figure for state median income at the time the annual tax is set, and where such parcel is owned and occupied by at least one person who is aged 65 years or older, shall be exempt from the applicable special tax for fiscal year 2024-2025 upon requesting such exemption from Valley Water between April 15, 2024 – June 30, 2024. Granting similar exemptions for fiscal years beyond fiscal year 2024-2025 will be made at the discretion of the Board.

FIFTH: Any special tax amount found to be in error and that results in an overstatement of tax to a property owner may be corrected by a check or checks drawn upon the Safe, Clean Water and Natural Flood Protection Fund upon approval by the Valley Water Chief Financial Officer and pursuant to procedures approved by Valley Water's CEO and District Counsel.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on January 14, 2025:

AYES: Directors

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

TONY ESTREMER
Chair, Board of Directors

ATTEST: MAX OVERLAND, CMC

Interim Clerk, Board of Directors



Santa Clara Valley Water District

File No.: 24-0990

Agenda Date: 1/14/2025

Item No.: 8.1.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Approve a Budget Adjustment in the Amount of \$409,018.18, Accept the Work as Complete and Direct the Clerk to File the Notice of Completion of Contract and Acceptance of Work for the Cross Valley Pipeline Extension Project, as Part of the Anderson Dam Federal Energy Regulatory Commission Order Compliance Project, Garney Pacific Construction, Inc., Contractor, Project No. 91864010, Contract No. C0676 (Morgan Hill, District 1).

RECOMMENDATION:

- A. Approve a Fiscal Year 2025 budget adjustment in the amount of \$409,018.18;
- B. Accept the work on the Cross Valley Pipeline Extension Project, as part of the Anderson Dam Federal Energy Regulatory Commission Order Compliance Project, Project No. 91864010, Contract No. C0676 as complete; and
- C. Direct the Clerk of the Board to sign the Notice of Completion of Contract and Acceptance of Work and submit for recording to the Santa Clara County Clerk-Recorder

SUMMARY:

The construction contractor, Garney Pacific Construction, Inc. (Contractor), has completed the Cross Valley Pipeline Extension Project (Project), as part of the Anderson Dam Federal Energy Regulatory Commission Order Compliance Project.

Project Background

Santa Clara Valley Water District (Valley Water) is undertaking the Anderson Dam Federal Energy Regulatory Commission Order Compliance Project (FOCP) as a result of the February 20, 2020, directive from the Federal Energy Regulatory Commission (FERC) to implement interim risk reduction measures at Anderson Dam. One of those measures is the Cross Valley Pipeline Extension Project (Project).

This Project entailed constructing a new pipeline to convey imported water from the Cross Valley Pipeline to Coyote Creek to supplement flows downstream of Ogier Ponds during construction of FOCP. The Project scope included constructing an outfall, which included an energy dissipator, and

creek bank improvements.

The completed improvements consist of a 36-inch diameter, approximately 7,100-foot-long pipeline, which releases average flows of 30 cubic feet per second (CFS) during the dry season to ensure the continued recharge of the groundwater. The outfall includes an energy dissipation structure to reduce flow velocities and convey water onto a rock slope protection apron (cascade). The cascade encourages flow-spreading and further reduces water velocity while also stabilizing the banks and inhibiting fish from entering the energy dissipation structure. Lastly, the outfall also includes a bank rehabilitation zone downstream of the cascade.

During construction of this Project, the following work was completed: installed a 7,100 feet of 36" diameter mortar lined and coated steel pipe in northern Morgan Hill to an outfall at Coyote Creek; installed in concrete vaults, a rectifier with deep well anodes for cathodic protection along the pipeline; installed three new butterfly valves (BFV's); in new a concrete vault, installed a plunger valve, magnetic flowmeter, and gate valve; at the creek outfall, installed a concrete dissipation structure with a rock slope protection apron; and completed bank rehabilitation work, which included willow plantings and tree log structures.

Throughout Project construction, a range of challenges contributed to significant delays. Heavy rainfall not only interrupted the work schedule but also led to multiple trench failures along the pipeline alignment. These failures necessitated the costly and time-consuming task of repaving, as the original trenchwork could not withstand the conditions. Furthermore, the Project faced additional setbacks due to the late arrival of crucial construction materials, which disrupted the workflow and brought progress on the site to a complete standstill.

Relevant Prior Board Actions

On June 9, 2020, the Board adopted Resolution No. 20-57 setting the time and place of the public hearing on the Engineer's Report and CEQA exemption determination for the Anderson Dam Federal Energy Regulatory Commission Compliance Order Project.

On June 23, 2020, the Board approved the CEQA emergency exemption determination for the FOCP; adopted Resolution No. 20-59 approving the Engineer's Report for the FOCP; and approved the Project.

On December 8, 2020, the Board approved a budget adjustment in the amount of \$21 million from the Capital Warranty Services Project No. 95074001 to the Anderson Dam Seismic Retrofit Project No. 91864005.

On July 13, 2021, the Board adopted the plans and specifications and authorized advertisement for bids for the construction of the Project per the Notice to Bidders; and authorized the Designated Engineer to issue addenda, as necessary, during bidding.

On November 9, 2021, the Board ratified Addenda No. 1, 2, 3, 4 and 5 to the Contract Documents for the Project; awarded the Contract to Garney Pacific Construction, Inc in the sum of \$12,867,059; and approved a contingency sum of \$1,930,059 and authorized the Chief Executive Officer or designee to

approve individual change orders up to the designated amount.

Contract Change Orders

Ten (10) contract change orders totaling a net increase of \$1,176,399.18 were executed for this contract to address various issues, including unforeseen site conditions, conditions regarding utilities, Valley Water requested changes, post-design clarifications, and credits back to the contract for adjustments to bid items based on the final quantity measurements.

These changes included:

- A. \$96,106.25 in additional work required to address unforeseen site conditions such as additional potholing needed within the Union Pacific Railroad Right of Way, a modified dewatering effort required to compensate for the use of ineffective construction materials, and an unforeseen sink hole that needed repair.
- B. \$11,050.36 for additional work required to address utility conflicts. This includes encountering unmarked PG&E gas and electrical service lines while trenching that needed repair.
- C. \$234,063.92 for additional Valley Water requested changes. This extra work was requested by Valley Water Operations and Maintenance staff in order to restore the Santa Clara conduit appurtenances to their previous conditions and improve access and safety to the new CVPE finished product.
- D. \$181,216.42 for additional work required to address post-design clarifications. This work included changing Valley Water furnished parts to those more readily available and addressing Valley Water Operations and Maintenance staff requests.
- E. <\$546,037.77>credit back to the contract associated with the unused portion of Supplemental Bid Items for additional pavement restoration, filter fabric, and gravel subgrade as well as the remainder of the Allowable bid items for Completion of County and City permits and support for internal pipe work.
- F. \$1,200,000 trench remediation work.

The final total contract amount is \$14,043,458.18.

Table 1 presents a summary of the construction contract and contingency amounts.

TABLE 1
SUMMARY OF CONSTRUCTION CONTRACT
AND CONTINGENCY AMOUNTS

	Contract Amount	Contingency Amount
Original Contract	\$12,867,059.00	\$1,930,059.00
Change Order No. 1 (Staff approved)	\$0.00	\$1,930,059.00
Change Order No. 2 (Staff approved)	\$68,519.46	\$1,861,539.54
Change Order No. 3 (Staff approved)	\$17,145.53	\$1,844,394.01
Change Order No. 4 (Staff approved)	\$0.00	\$1,844,394.01
Change Order No. 5 (Staff approved)	\$48,599.53	\$1,795,794.48
Change Order No. 6 (Staff approved)	\$66,190.91	\$1,729,603.57
Change Order No. 7 (DOO approved)	\$108,594.30	\$1,621,009.27
Change Order No. 8 (DOO approved)	\$84,209.08	\$1,536,800.19
Change Order No. 9 (DOO approved)	\$129,178.14	\$1,407,622.05
Change Order No. 10 (CEO approved)	\$653,962.23	\$753,659.82

Final Change Order Amount	\$1,176,399.18	\$753,659.82
Final Contract Amount and Remaining Contingency Amount	\$14,043,458.18	\$753,659.82

Budget Adjustment Recommendation

Delays during the Project extended the schedule, necessitating additional funds for labor, and services and supplies. To cover the payment for trench remediation work, staff recommends a budget adjustment, which is detailed in the Financial Impact section below.

Acceptance of the Work and Recording Notice of Completion of Contract

The California Civil Code allows an owner or agent to execute a Notice of Completion of Contract after acceptance of the work by the Board. The Notice of Completion of Contract and Acceptance of Work is included in Attachment 1. The Designated Engineer has determined that the work has been completed, to the best of his knowledge, in accordance with the plans and specifications, and recommends acceptance. The Designated Engineer's Representative's recommendation of construction acceptance is included in Attachment 2. The Project Completion Letter is included as Attachment 3. Photos of the completed Project are included in Attachment 4. The Project Delivery

Process Chart is included in Attachment 5.

Construction Contract Retention

California law requires Valley Water to release contract retention in accordance with certain time frames, which will commence once the Notice of Completion is recorded. Interest payment on retention due to the contractor may be avoided by meeting the requisite deadlines.

Valley Water is currently withholding retention funds totaling approximately 5 percent (5%) of the contract items (\$724,672.91) in accordance with the Public Contract Code. Per the construction Contract Documents, Valley Water is required to release retention funds associated with the contract 35 days after recording the Notice of Completion of Contract and Acceptance of Work, subject to any withholds required by law or the contract.

Recording a Notice of Completion is recommended. Retention withheld will be released as a result of the Board's acceptance and the Notice of Completion is recorded.

Total Project Expenditures

As indicated in the Summary of Construction Contract and Contingency Amounts (Table 1), the original contract amount of \$12,867,059.00 has been increased by \$1,176,399.18 to \$14,043,458.18 an increase of approximately 9.1 percent (9.1%).

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

There are no environmental justice impacts associated with this item. This action is unlikely to or will not result in adverse impacts and is not associated with an equity opportunity.

FINANCIAL IMPACT:

The Cross Valley Pipeline Extension Project, as part of the Anderson Dam Federal Energy Regulatory Commission Order Compliance Project, Project No. 91864010, is included in the Capital Improvement Program (CIP) FY 2025-29 Five-Year Plan and in the FY 2024-25 Adopted budget.

Approval of Recommendation A would increase the Total Project Cost (TPC) reflected in the CIP's FY 2025-29 Five-Year Plan by approximately \$409,018.18. An FY 2024-25 Budget Adjustment of \$409,018.18 is recommended to transfer funds from the Operation and Capital Reserve (\$409,018.18) to pay for increased to FY25 planned expenditures and restore funds allocated for the construction contract contingency that were spent in prior years on Valley Water labor and services and supplies. These updates will be incorporated into the CIP's Draft FY 2026-30 Five-Year Plan. The Project is funded by the Water Utility Enterprise Fund (Fund 61) with 81.37% of the costs allocated to North County Zone W-2, 7.85% to South County Zone W-5, and 10.78% to South County Zone W-7.

Remaining Balances

The original contract amount of \$12,867,059.00, combined with the Board approved contingency encumbrance of \$1,930,059.00, totals \$14,797,118.00, which sum was allocated to pay for construction of the Project. The original contract amount (\$12,867,059.00), plus the total amount of change orders \$1,176,399.18 resulted in the final contract amount of \$14,043,458.18 and a remaining contingency amount of \$753,659.82.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Notice of Completion and Acceptance of Work
Attachment 2: Construction Contract Acceptance
Attachment 3: Project Completion Letter
Attachment 4: Construction Summary
Attachment 5: Project Delivery Process Chart

UNCLASSIFIED MANAGER:

Ryan McCarter, 408-630-2983



Recording Requested by: Michele L. King, Clerk, Board of Directors

When Recorded, Mail to:

**Max Overland, Interim Clerk, Board of Directors
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118-3686**

NOTICE OF COMPLETION OF CONTRACT AND ACCEPTANCE OF WORK

NOTICE IS HEREBY GIVEN by order of the Board of Directors of Santa Clara Valley Water District, State of California, pursuant to law, that work to be performed under the contract heretofore made and executed by and between Santa Clara Valley Water District, as Owner therein, and **Garney Pacific Construction, Inc., 324 E 11th St, Tracy, CA, 95376** as Contractor therein (Contractor), bearing the date **November 9, 2021** for construction of the **Cross Valley Pipeline Extension Project, Contract No. C0676, Project No. 91864010 (Project)**, and appurtenant facilities upon lands of said District known as **public right-of-way and owned by County of Santa Clara The Project pipeline location commences in unincorporated Santa Clara County at the intersection of Hale and San Bruno Avenues and continues east down San Bruno Avenue and turns north onto Dougherty Avenue. The pipeline then turns to run east on Kalana Avenue until the it is located in the City of San Jose right-of-way just before the pipeline crosses underneath the Union Pacific Railroad right-of-way. The pipeline then continues to the eastern shoulder of northern Monterey Highway and turns easterly onto the County of Santa Clara's property, APN 72506008, at Coyote Creek downstream of Ogier Ponds** situated in the County of Santa Clara, State of California, was completed as called for and in the manner designated by the plans and specifications, by the Contractor, and the work was accepted by the District's Board of Directors on behalf of the District on **January 14, 2025**.

That upon said contract, **Continental Insurance Company, 151 North Franklin Street, Chicago, Illinois 60606 (Bond No. 30131957)** and **Liberty Mutual Insurance Company, 175 Berkeley Street, Boston, Massachusetts 02117 (Bond No. 674216381)** were the sureties on the bonds given by **Garney Pacific Construction, Inc.**, the Contractor, as required by law;

That the title of said District to the real property upon which said work and contract was performed is that of **an easement and agreement** and;

That the District's address is 5750 Almaden Expressway, San Jose, California 95118.

IN WITNESS WHEREOF, pursuant to the order of the Board of Directors made and given on **January 14, 2025** authorizing and directing the execution of this instrument, the District has caused these presents to be executed in its name, authenticated by the signature of the Clerk of the Board of Directors on **January 14, 2025**.

Max Overland, CMC
Interim Clerk, Board of Directors
Santa Clara Valley Water District

I, the undersigned, say that I am Clerk of the Board of Directors of the Santa Clara Valley Water District; that I make this declaration on its behalf; that District is the owner of the real property interest described in the foregoing Notice; that declarant has read the foregoing Notice and knows the contents thereof, and the same is true of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on **January 14, 2025**, at San Jose, California.

Max Overland, CMC
Interim Clerk, Board of Directors
Santa Clara Valley Water District

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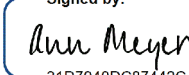
SANTA CLARA VALLEY WATER DISTRICT

RECOMMENDATION OF CONSTRUCTION CONTRACT ACCEPTANCE

In accordance with **Article 22.01.03., Acceptance of Work**, of the Contract Specifications, a final inspection was conducted on December 21, 2023, for the Cross Valley Pipeline Extension Project, Contract No. C0676, Project No. 91864010. The Project Completion Letter dated November 14, 2024, indicates that the work was completed in accordance with the requirements of the contract.

It is recommended that the work under this contract be accepted by the District.

Recommended By:

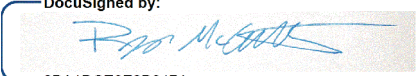
Signed by:

31D7940DC87442C...

Ann Meyer
Designated Engineer's
Representative

11/15/2024

Date

Concurrence:

DocuSigned by:

8BA1DCE0E8B6474...

Ryan McCarter, P.E.
Deputy Operating Officer
Dam Safety & Capital
Delivery Division

11/15/2024

Date

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Clean Water • Healthy Environment • Flood Protection

November 14, 2024

Mr. Isiah Quintanilla, Project Manager
Garney Pacific, Inc.
324 E 11th St. Suite E2
Tracy, CA 95376

Subject: Cross Valley Pipeline Extension Project
Contract No. C0676, Project No. 91864010
Project Completion Letter

Dear Mr. Quintanilla:

The Santa Clara Valley Water District (Valley Water) is in receipt of the Project Completion Certification, dated November 07, 2024, from Garney Pacific, Inc. All work for the construction of the subject contract has been completed as attested to by Valley Water and all required closeout documents have been received.

In accordance with **Article 11.01.05 Project Completion**, this serves as the Project Completion letter for the subject contract and establishes the completion of the project.

Therefore, in accordance with **Article 11.01.06 Acceptance of Work**, I will recommend that the Valley Water Board of Directors formally accept the work of this contract.

Should you have any questions or concerns regarding this letter, please feel free to contact me at 408-613-1978 or e-mail at ameyer@valleywater.org.

Sincerely,

A handwritten signature in black ink that reads "Ann Meyer".

Ann Meyer, P.E.
Senior Engineer
Construction Management Services Unit

cc: Contract File, H. Angeles, L. Gregory, M. Salib, S. De La O, G. Ohea, M. Garcia, R. McCarter, S. Pe-Wong, J. Luna, N. Bullock



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CROSS VALLEY PIPELINE EXTENSION PROJECT

Contract C0676, Project No. 91864010

Construction Photos



New 36" Cross Valley Pipeline Tie-In to 78"
Cross Valley Pipeline



New 36" Mortar Coated and Lined Welded Steel Pipe Installation



Pipe Jack and Bore Operation Underneath UPRR



Before



After

Entrance to Plunger Vault and Outfall



Before



After

Plunger Vault at Outfall



New Plunger Valve, Magnetic Flowmeter
and Gate Valve





Before



After

Coyote Creek Outfall Area

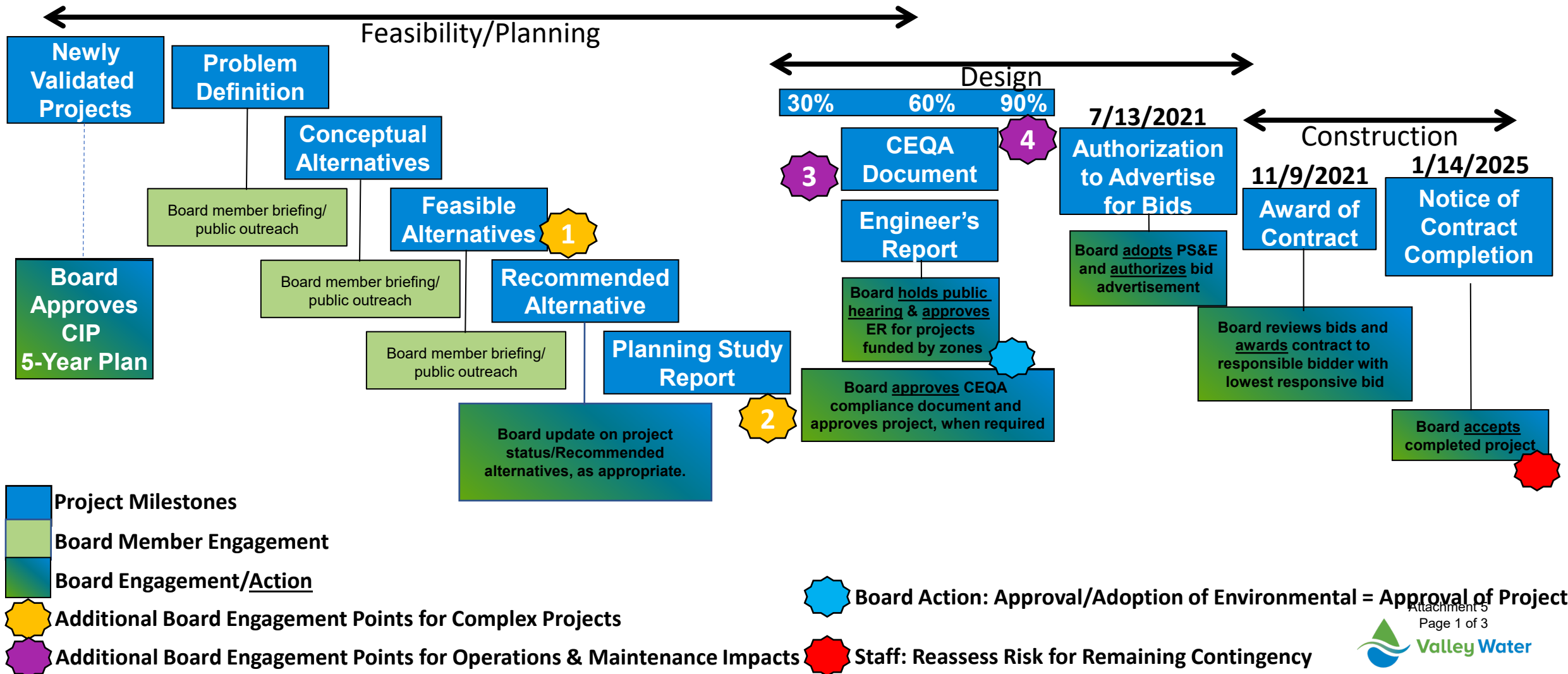
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Cross Valley Pipeline Extension Project

Project No. 91864010, Contract No. C0676

BOARD ACTION & ENGAGEMENT: CAPITAL PROJECT DELIVERY PROCESS*

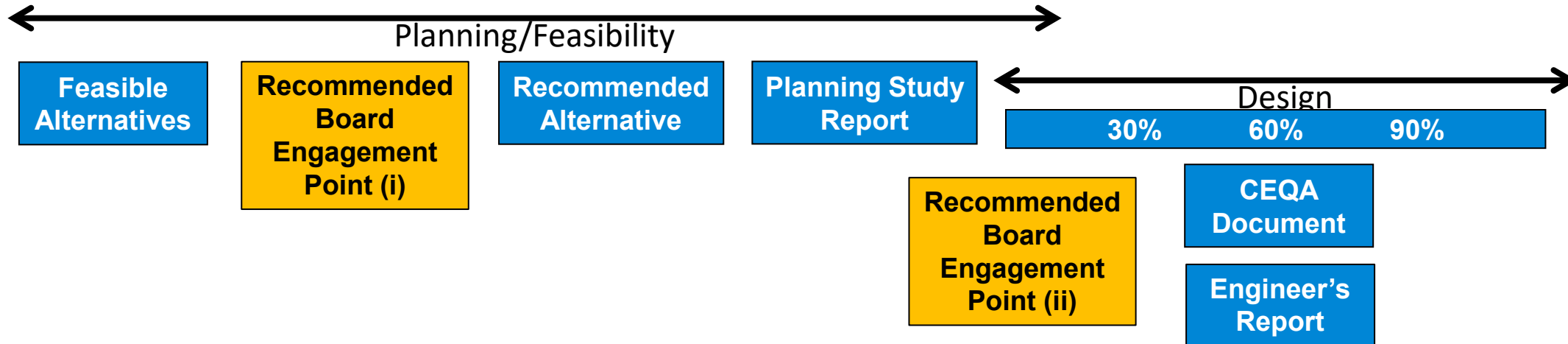
* This is an example of the Project Delivery Process that may be followed and may not apply to all capital projects.



Capital Improvement Program (CIP) Project Delivery Process*

Board Engagement/Actions

Additional Recommended Points for Board Engagement



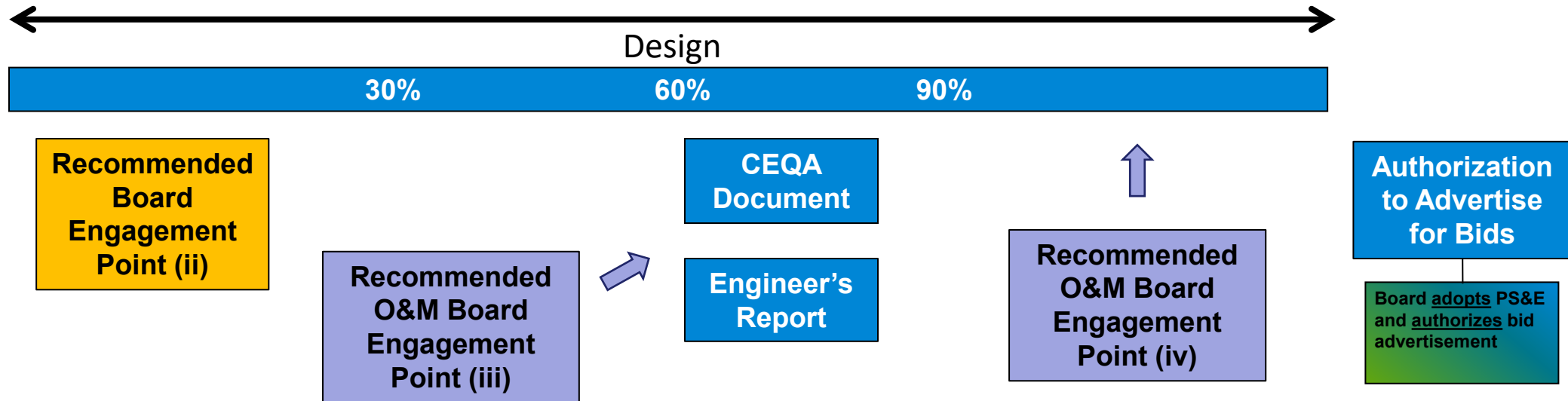
For capital projects with unusually complex fiscal, jurisdictional, environmental, or community considerations:

- i. During the Planning/Feasibility Phase, after identifying the Feasible Alternatives but before selecting the Recommended Alternative, present the Feasible Alternatives and staff's initially proposed Recommended Alternative to the Capital Improvement Program (CIP) Committee. If recommended by the CIP Committee, present them to the Board for feedback to inform the selection of the Recommended Alternative; and
- ii. For the projects for which the Board provided feedback regarding the Recommended Alternative, should changes to the project occur during the Planning and initial Design Phases that result in a significant deviation from the Recommended Alternative, staff will return to both the CIP Committee and the Board to provide information and receive feedback, as necessary, prior to the public review of the California Environmental Quality Act (CEQA) document.

Capital Improvement Program (CIP)

Project Delivery Process*

Additional Recommended Points for O&M Engagement



For all capital projects:

- iii. As part of the Board memo on either the Engineer's Report or CEQA document, include an O&M cost and impact assessment
- iv. If significant changes occur after the Engineer's Report or CEQA document is approved by the Board, present an updated O&M cost and impact assessment to the Capital Improvement Program (CIP) Committee

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Santa Clara Valley Water District

File No.: 25-0017

Agenda Date: 1/14/2025

Item No.: 8.2.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Approve a Budget Adjustment in the Amount of \$5,000,000 and Approve an Increase of \$4,500,000 to the Construction Contract Contingency Sum for the Anderson Dam Federal Energy Regulatory Commission Order Compliance Project, Coyote Creek Stream Augmentation Fish Project Measure: Chillers Plant Project, Project No. 91864008, Contract No. C0701 (Morgan Hill, District 1).

RECOMMENDATION:

- A. Approve a Fiscal Year 2025 budget adjustment in the amount of \$5,000,000 to the Coyote Creek Stream Augmentation Fish Protection Measure: Chillers Plant Project; and
- B. Approve an increase of \$4,500,000 to the construction contract contingency sum, bringing the total contingency sum to \$5,304,592 for the Coyote Creek Stream Augmentation Fish Project Measure: Chillers Plant Project.

SUMMARY:

The objective of the Coyote Creek Stream Augmentation Fish Project Measure: Chillers Plant Project (Project) is to decrease the temperature of imported water and deliver the chilled water to the Coyote Creek functional cold-water zone.

Project Background

The Project is being undertaken as part of the Anderson Seismic Retrofit Project. Santa Clara Valley Water District (Valley Water) is undertaking the Anderson Dam Seismic Retrofit Project (ADSRP) Federal Energy Regulatory Commission (FERC) Order Compliance Project (FOCP) as a result of the February 20, 2020, directive from the FERC to implement interim risk reduction measures at Anderson Dam. In addition to lowering the reservoir at Anderson Dam to its lowest point, Valley Water collaborated with environmental regulatory agencies to develop additional measures to reduce impacts from the lowered reservoir. One of those measures is the Coyote Creek Stream Augmentation Fish Protection Measure, which is intended to maintain suitable aquatic habitat for native species, and to provide habitat sufficient for rainbow trout (*Oncorhynchus mykiss*) survival within the Creek's functional cold-water zone, during the implementation of this FOCP measure.

The Project entails installing a Modular Chillers Plant (MCP), at the southwest corner of the existing

Coyote Pumping Plant, which consists of three 1,500-ton capacity water-cooler packaged chillers, with one of the three being used as a redundant chiller unit. The Coyote Pumping Plant is located at 18300 Peet Road, Morgan Hill as shown in the Project Map (Attachment 1). A new 24-inch pipe will be installed to connect to an existing 36-inch nozzle on the Cross Valley Pipeline, to allow the chillers to receive imported water. The imported water would be chilled by the chiller system to the required temperature, before being released into the creek to maintain the suitable aquatic habitat.

Previous Board Actions

On June 9, 2020, the Board adopted Resolution No. 20-57 setting the time and place of the public hearing on the Engineer's Report and CEQA exemption determination for the Anderson Dam Federal Energy Regulatory Commission Compliance Order Project.

On June 23, 2020, the Board approved the CEQA emergency exemption determination for the FOCP; adopted Resolution No. 20-59 approving the Engineer's Report for the FOCP; and approved the Project.

On July 12, 2022, the Board adopted Plans and Specifications and authorized advertisement for bids for construction of the Anderson Dam Federal Energy Regulatory Commission Order Compliance Project, Coyote Creek Stream Augmentation Fish Protection Measure: Chillers Plant Project, Project No. 91864008, Contract No. C0684, per the Notice to Bidders; and authorized the Designated Engineer to issue addenda, as necessary, during the bidding process.

On October 11, 2022, the Board ratified Addenda 1,2, 3, 4 and 5 to the Contract Documents; received report of bids; and rejected all bids for construction.

On June 27, 2023, the Board adopted the Plans and Specifications and authorized advertisement for bids for the construction of the Anderson Dam Federal Energy Regulatory Commission Order Compliance Project, Coyote Creek Stream Augmentation Fish Protection Measure: Chillers Plant Project, Project No. 91864008, Contract No. C0684, per the Notice to Bidders; and authorized the Designated Engineer to issue addenda, as necessary, during the bidding process.

On September 12, 2023, the Board ratified Addenda No. 1 through 4 to the Contract Documents for the Coyote Creek Stream Augmentation Fish Protection Measure Chillers Plant Project (Project); awarded the Contract to AES Industrial, located in San Leandro, CA in the sum of \$5,363,944; approved a contingency sum of \$804,592 and authorized the Chief Executive Officer or designee to approve individual change orders up to the designated amount.

Valley Water-Furnished Modular Chillers Plant Units and Electrical Substation

To expedite Project construction, Valley Water elected to procure and supply to the Contractor, the Modular Chillers Plant, and an associated electrical substation. This decision was made due to the long lead times associated with the design and fabrication of this specialty equipment.

Engineering design consultant, Kennedy Jenks (Engineer of Record), was retained by Valley Water

to design all elements of the Project, including the owner-furnished equipment, and to coordinate the equipment's technical aspects to ensure compatibility with the overall design intent of the Project. It should be noted that at the time of advertisement for bids and award of the Contract, the final product specifications of the owner furnished MCP units and electrical substation were not fully complete. The suppliers were required to coordinate with the design team on the final product details. The challenges related to synchronizing this work led to unanticipated and significant design revisions that are detailed below, that ultimately resulted in schedule delays and cost increases, also detailed below.

Project Design Revisions

Soon after construction began in January 2024, it became apparent that significant design changes to many elements of the Project were needed. While design changes relating to the specialized equipment were being coordinated between Kennedy Jenks and the vendors, the Contractor was forced to pause work.

Despite the Project Team's efforts to accelerate completion of the required design changes, the complexity of having multiple parties, working independently of each other, proved too difficult to accomplish an expedient manner. During this time, multiple strategy meetings and an informal owner/Contractor Partnering session were held to determine if the Contractor should demobilize from the site until the critical design changes were finalized and issued. Upon favorable schedule commitments from Kennedy Jenks and the vendors of the owner-furnished equipment, a decision was made to keep the Contractor mobilized and working as much as possible to avoid additional demobilization and remobilization costs.

Schedule Delays and Impacts

By September 2024, most of the design changes were finalized and issued to the Contractor to develop cost proposals and to advise on the schedule impacts. To minimize further schedule delays and associated impact costs, it was mutually agreed to have the Contractor prioritize focusing on the design changes which involved the procurement of long lead time equipment and materials, and those which would allow them to recommence work. Contract Change Order No. 5 was executed to accommodate this strategy and Contract Change Order No. 6 is being finalized for signatures in order to further progress construction. Once the remaining design changes currently in progress are finalized, additional change orders will be necessary for them to be implemented. The estimate for additional change orders is \$425,000 and is included in the recommended contingency increase and budget adjustment.

The construction schedule was also delayed due to the unanticipated presence of contaminated soil which had to be addressed with additional handling and disposal requirements. Despite this unanticipated delay, the Contractor was able to complete the critical pipeline connections on the Santa Clara Conduit.

Because of the current schedule delays and the recently issued design changes, the Contractor is estimating Project completion in late May 2025, approximately one year later than the original Project

completion date. Along with the financial impact of the estimated one-year schedule delay, the Contractor has also submitted an estimate of overhead and other costs associated with the extended schedule.

The Project team has reviewed the Contractor's estimate of approximately \$3,500,000, and determined further detailed analysis of the forecasted schedule and delay costs will be required to respond and negotiate an acceptable amount; this effort is underway.

Contract Change Orders

A total of five (5) Contract Change Orders, totaling a net increase of \$778,059, have been executed to date for this contract to address various issues, including unforeseen site conditions, Valley Water requested changes, and post-design clarifications.

Table 1 presents a summary of the current construction contract and contingency amounts.

**TABLE 1
SUMMARY OF CONSTRUCTION CONTRACT
AND CONTINGENCY AMOUNTS**

	Contract Amount	Contingency Amount
Original Contract	\$5,363,944	\$804,592
Change Order No. 1 (Deputy Approved)	\$288,346	\$516,246
Change Order No. 2 (Staff Approved)	\$63,759	\$452,487
Change Order No. 3 (Staff Approved)	\$64,039	\$388,448
Change Order No. 4 (Staff Approved)	\$86,178	\$302,270
Change Order No. 5 (Deputy Approved)	\$275,737	\$26,533
Current Contract Amount and Remaining Contingency	\$6,142,003	\$26,533

Budget Adjustment Recommendation

The delayed Project completion is forecasted for May 2025 and necessitates additional funding for Valley Water staff labor, services and supplies costs, and anticipated further change orders including for the Contractor's delay impact costs. Staff recommends a budget adjustment as detailed in the Financial Impact below.

Increased Construction Contingency Recommendation

The remaining contract contingency of \$26,533 is not sufficient to complete the Project as designed. To compensate the Contractor for negotiated Contract Change Order No. 6 (\$258,969), future known

change order work, future unknown changes that may occur during construction, and the estimated delay cost impacts, staff recommends the Project contingency be increased to the amount of \$5,304,592. The recommended incremental increase to the contingency is \$4,500,000, with no revisions to the previously approved delegated authority in designated amounts for the Engineering Unit Manager, Deputy Operating Officer, Assistant CEO, and the Chief Executive Officer, up to the full amount of the increased contingency amount. This will allow staff to advance the work without adding administrative delays in order to complete and close out this Project in time for operation in the summer of 2025.

An increase of \$4,500,000 in the contingency sum would allow staff to immediately fund the negotiated Contract Change Order No. 6; fund the known, future change orders to be executed; and quickly address any additional unanticipated occurrences during construction without causing unnecessary delays or consequential costs to the Project.

Following a comprehensive evaluation of the Contractor's forecasted schedule, delays to date, and associated delays costs, staff will negotiate the value and execute associated contract change orders to complete the work and close out the Project as quickly as possible.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

There are no environmental justice impacts associated with this item. This action is unlikely to or will not result in adverse impacts and is not associated with an equity opportunity.

FINANCIAL IMPACT:

The Coyote Creek Steam Augmentation Fish Protection Measure: Chillers Plant Project, Project No. 91864008, as part of the Anderson Dam FOCP, is included in the Capital Improvement Program (CIP) FY 2025-29 Five-Year Plan and in the FY 2024-25 Adopted budget.

Approval of Recommendations A and B would increase the Total Project Cost (TPC) reflected in the CIP's FY 2025-29 Five-Year Plan by approximately \$5,000,000. An FY 2024-25 Budget Adjustment of \$5,000,000 is recommended to transfer funds from Operating and Capital Reserve to accommodate the increase to FY 2025 planned expenditures. Funding from the budget adjustment will allow adequate funds to increase the labor budget by \$400,000; services and supplies budget by \$100,000; and construction contract contingency by \$4,500,000 to pay the proposed and potential change orders needed to complete the Project. These updates will be incorporated into the CIP's Draft FY 2026-30 Five-Year Plan.

The Project is funded by the Water Utility Enterprise Fund (Fund 61) with 81.37% of the Fund 61 costs allocated to Zone W-2 (North County), 7.85% to Zone W-5 (South County), and 10.78% to Zone W-7 (South County).

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a

potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Map

UNCLASSIFIED MANAGER:

Ryan McCarter, 408-630-2983

Coyote Creek Chiller Plant Project

Location Map

Legend

- Existing Pipeline Alignment
- New Pipe Alignment
- Storage & Staging Area
- Modular Chillers Plant

Ex. Anderson Force Main

Cochrane Rd

Ex. Cross Valley Pipeline

Anderson Reservoir

Ex. Coyote Discharge Line

Coyote Pump Station & Project Location

Ex. Santa Clara Conduit

Ex. Anderson Force Main

Ex. Coyote Discharge Line

HWY 101



Google Earth themes are for illustration and general analysis purposes only and are not accurate to surveying or engineering standards. Information is not guaranteed to be accurate, current, or complete and use of this information is your responsibility.



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Santa Clara Valley Water District

File No.: 24-1071

Agenda Date: 1/14/2025
Item No.: 8.3.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Receive an Informational Update on the Draft Fiscal Year 2026-2030 Water Utility Enterprise and Watersheds Asset Renewal Plans.

RECOMMENDATION:

Receive information on the Draft Fiscal Year 2026-2030 Water Utility Enterprise and Watersheds Asset Renewal Plans.

SUMMARY:

The purpose of the Fiscal Year 2026-2030 Water Utility Enterprise and Watersheds Asset Renewal Plans (Plans) is to identify recommended asset renewal work for existing water supply and flood protection infrastructure for the next five fiscal years. Asset renewals are asset replacements or rehabilitation to 'like new' condition. The Plans also summarize the resources needed for operations and maintenance activities, including corrective and preventive maintenance work, operator labor, power and chemical costs, and engineering and environmental staff support.

The Plans are rolling five-year plans and are updated annually. The draft Plans were prepared using budget and long-term forecast data as of November 2024. The Fiscal Year 2026 (FY26) budget requests and unfunded needs will continue to be evaluated throughout the budget and groundwater charge-setting processes. The Plans will be finalized in July of 2025, following Board adoption of Valley Water's final budget and groundwater production charges for FY26. The draft Plans are included in Attachments 2 and 3.

Water Utility Summary

The draft Water Utility Plan identifies recommended asset renewal work for budgeting for the next five fiscal years. These activities are identified by the asset management program and the Raw and Treated Water Divisions and are typically budgeted and executed in one of six water utility small capital improvement projects. When many assets at a single facility are due for renewal, the plan may recommend a new individual capital project.

In FY26, 74 planned asset renewal activities are scheduled at an estimated cost of \$10.1 million. A

total of \$59.8 million is projected for asset renewal work from FY26-30. This figure does not include the cost of asset renewal improvements in larger, multi-benefit capital projects such as the Anderson Dam Seismic Retrofit Project. Additional details on the work scheduled for FY26 are provided in Appendix A of the draft Water Utility Plan.

The draft Water Utility Plan also summarizes the funded and unfunded resources needed for the operations and maintenance of Water Utility facilities for the next five fiscal years. The Raw and Treated Water Operations Divisions have identified funded resource needs of approximately \$579.5 million, and an unfunded need of approximately \$22.5 million. These figures do not include resource needs for the Water Utility Capital Division or Water Supply Division. They also do not include the cost of imported water purchases.

Watersheds Summary

The draft Watersheds Plan identifies recommended asset renewal work for budgeting for the next five fiscal years. These activities are identified by the asset management program and the Watersheds Operations and Maintenance Division and are typically budgeted and executed in the Watersheds Asset Rehabilitation Program (WARP) small capital improvement project. When many assets at a single creek are due for renewal, the plan may recommend a new individual capital project.

In FY26, eight WARP projects have been scheduled at an estimated cost of \$16.6 million. A total of \$55.2 million is projected for asset renewal work from FY26-30. This figure does not include the cost of asset renewal improvements in larger, multi-benefit capital projects such as the Lower Llagas and Lower Guadalupe River Capacity Restoration Projects. Additional detail on work scheduled for FY26 is provided in section three of the draft Watersheds Plan.

The draft Watersheds Plan also summarizes the funded and unfunded resources needed to operate and maintain watershed assets for the next five fiscal years. The Watersheds Operations and Maintenance Division has identified funded resource needs of \$365.6 million and an unfunded need of \$12.3 million. These figures do not include the resource needs of the Watersheds Design and Construction Division or Stewardship and Planning Division.

Next Steps

The activities and resource needs described in the draft Plans will be evaluated throughout the budget and groundwater charge-setting processes through May 2025. The Plans will be finalized in July 2025 following the Board's adoption of Valley Water's final budget and groundwater production charges for FY26 and will be provided to the Board at that time.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

There are no Environmental Justice impacts associated with this item.

FINANCIAL IMPACT:

There is no financial impact associated with this item. The five-year Water Utility Enterprise and

Watersheds Asset Renewal Plans summarize asset renewal activities and funded and unfunded future resource needs for continuing operations and maintenance of Valley Water facilities. These resource needs will be further evaluated through Valley Water's budget process.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: PowerPoint

Attachment 2: Draft FY 2026-30 Asset Renewal Plan, WUE

Attachment 3: Draft FY 2026-30 Asset Renewal Plan, Watersheds

UNCLASSIFIED MANAGER:

Luz Penilla, 408-630-2228

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DRAFT Fiscal Year 2026-2030 Water Utility Enterprise and Watersheds Asset Renewal Plans

Presented by:
Business Support and Asset Management Unit

Agenda

2

1. Goals & Objectives
2. Asset Renewal
3. Planning Timeline
4. FY26-30 Water Utility and Watersheds Forecasts

Goals & Objectives

3



FY 2026-2030

Water Utility Enterprise Asset Renewal Plan

Identify resources needed for O&M and asset renewal activities for the next five fiscal years

Water Supply Ends Policy E-2.3

Protect and maintain existing water infrastructure.

Natural Flood Protection Ends Policy E-3.1

Maintain flood protection facilities to design levels of protection.



FY 2026-2030

Watersheds Asset Renewal Plan

1. Plan for infrastructure maintenance and replacement to reduce risk of failure. **(E-2.3.1)**
2. Prioritize funding for maintenance and replacement of existing water infrastructure over investments in new infrastructure. **(E-2.3.2) (E-3.1.1)**

Definitions - Asset Renewal Work

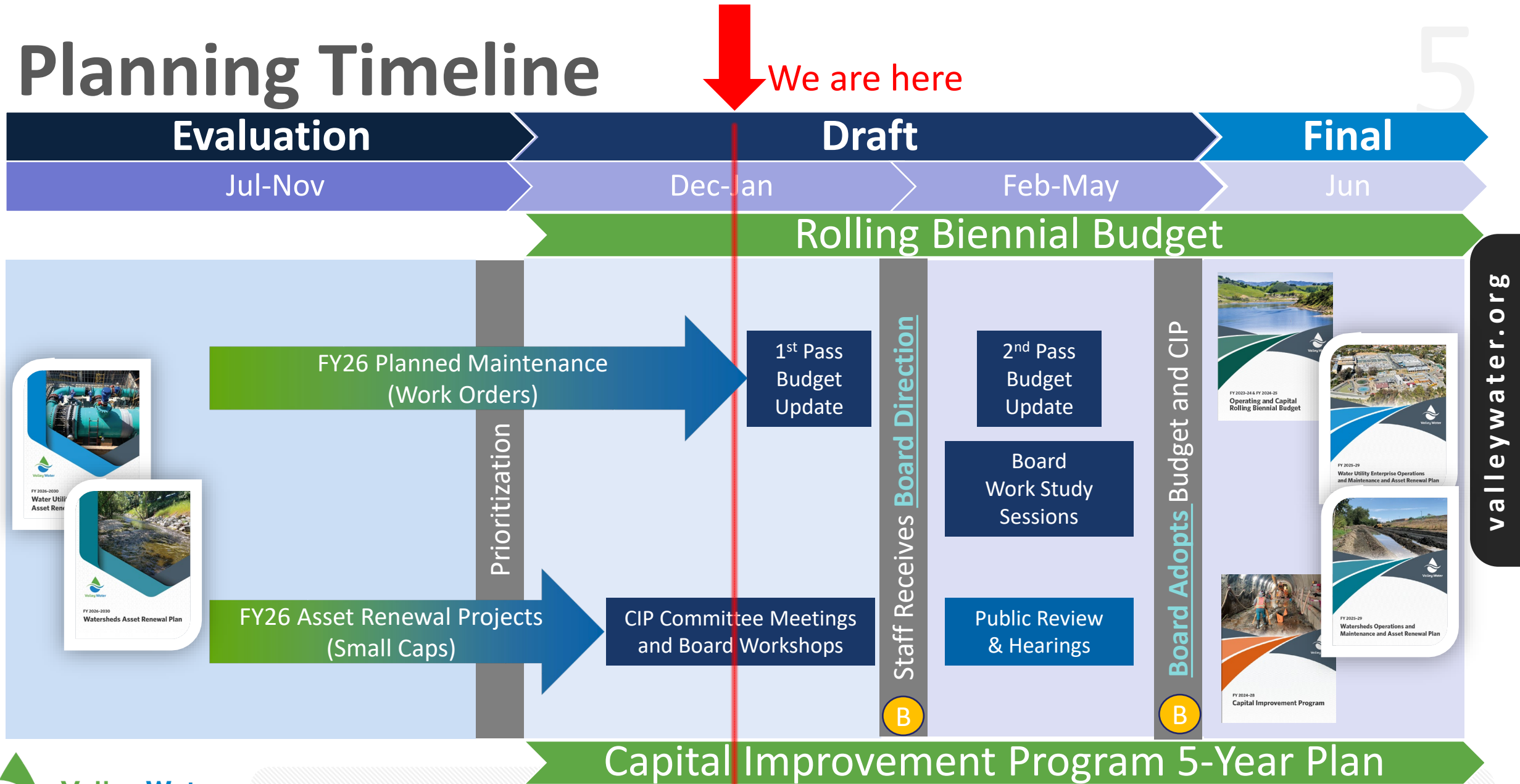
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Asset Renewal

1. Replacement or rehabilitation to extend service life
2. Accounting for social, environmental, and economic impacts
3. Small capital projects:
 - A. non-recurring rehab or repair
 - B. additions to existing facilities
 - C. cost less than \$5M
 - D. completed within two years
 - E. funds do not carry forward



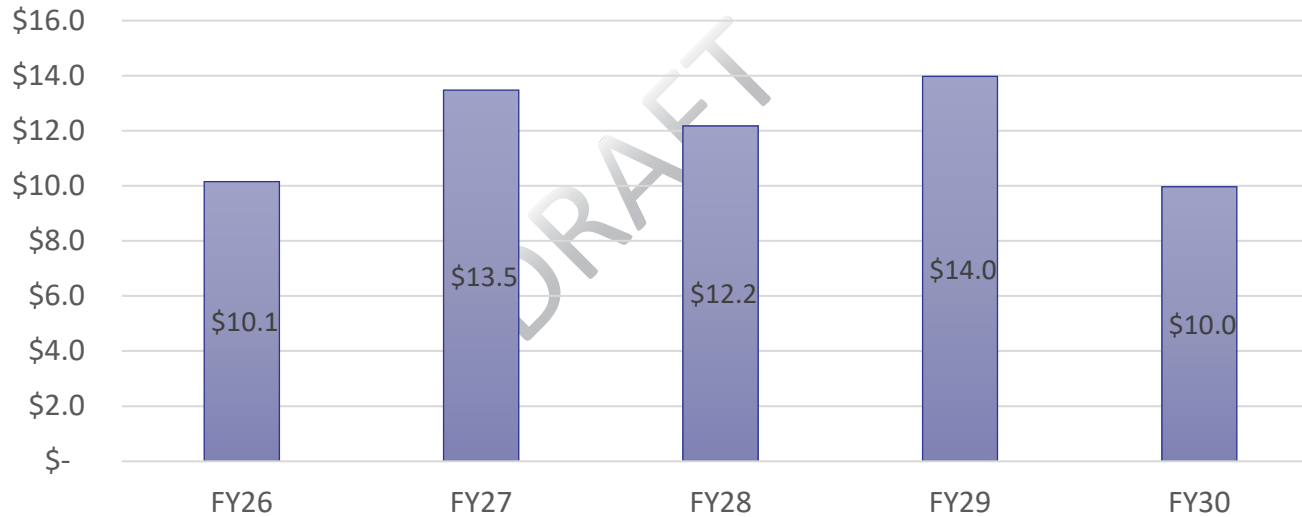
Planning Timeline



Water Utility Asset Renewal Forecast

6

FY26-30 WU Small Caps Budget*
(\$ in millions)



FY26-30 Total: \$59.8 M

Does not include capital projects > \$5 Million
(e.g., Anderson Dam Seismic Retrofit, Rinconada WTP Reliability Improvement)

FY26 work includes:

1. Replacements of uninterruptible power supplies at RWTP
2. Rebuilding two pumps at Coyote Pumping Plant (CPP)
3. Rebuilding one pump at Pacheco Pumping Plant (PPP)
4. Refurbishment of adjustable speed drives for PPP pumps



Example of CPP Pump

Water Utility O&M Forecast

1. Funding for O&M includes:
 - A. 24/7/365 staffing for plants
 - B. Laboratory operations
 - C. Replacement and spare parts
 - D. Performance testing and engineering support

Totals over Five Years*:
Funded: \$579.5 Million
Unfunded: \$22.5 Million

*Preliminary budget information as of November 2024

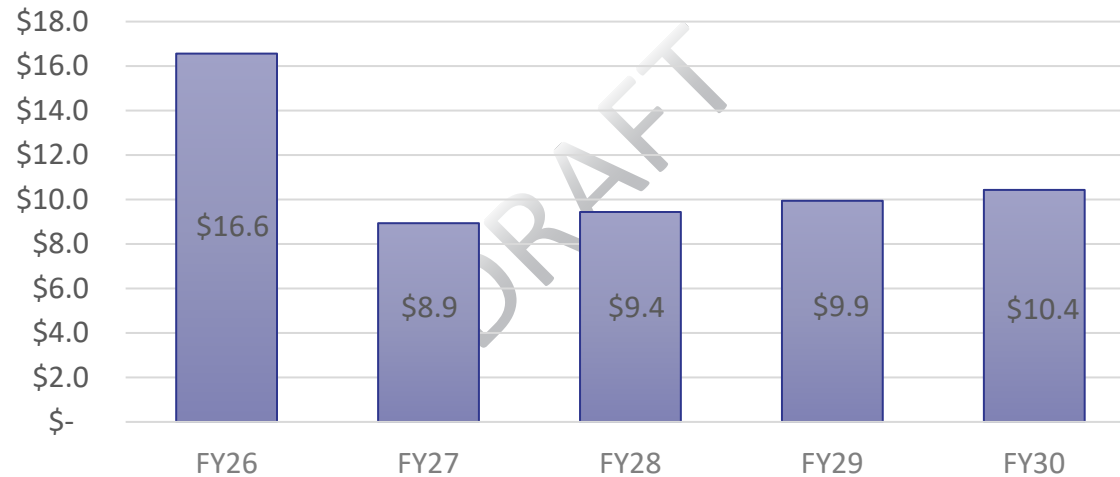
Raw & Treated Water Divisions
(\$ in millions)



Watersheds Asset Renewal Forecast

8

FY26-30 WARP Budget*
(\$ in millions)



FY26-30 Total: \$55.2M

Does not include individual capital projects
(e.g., Lower Llagas Capacity Restoration Project,
Lower Guadalupe River Capacity Restoration Project)

Current Small Caps Projects include:

1. Hale and Permanente Creek – Rehabilitation
2. Calabazas Creek, Bollinger Rd. - Bank Stabilization
3. Stevens Creek – Evelyn Fish Passage



Example of bank erosion – 2016 WARP project

Watersheds O&M Forecast

1. Funding for O&M includes:
 - A. Flow Conveyance
 - 1) Sediment Removal
 - 2) Vegetation Management
 - B. Levee Maintenance
 - C. Bank Stabilization
 - D. Rodent Damage Repair
 - E. Trash and Debris Removal

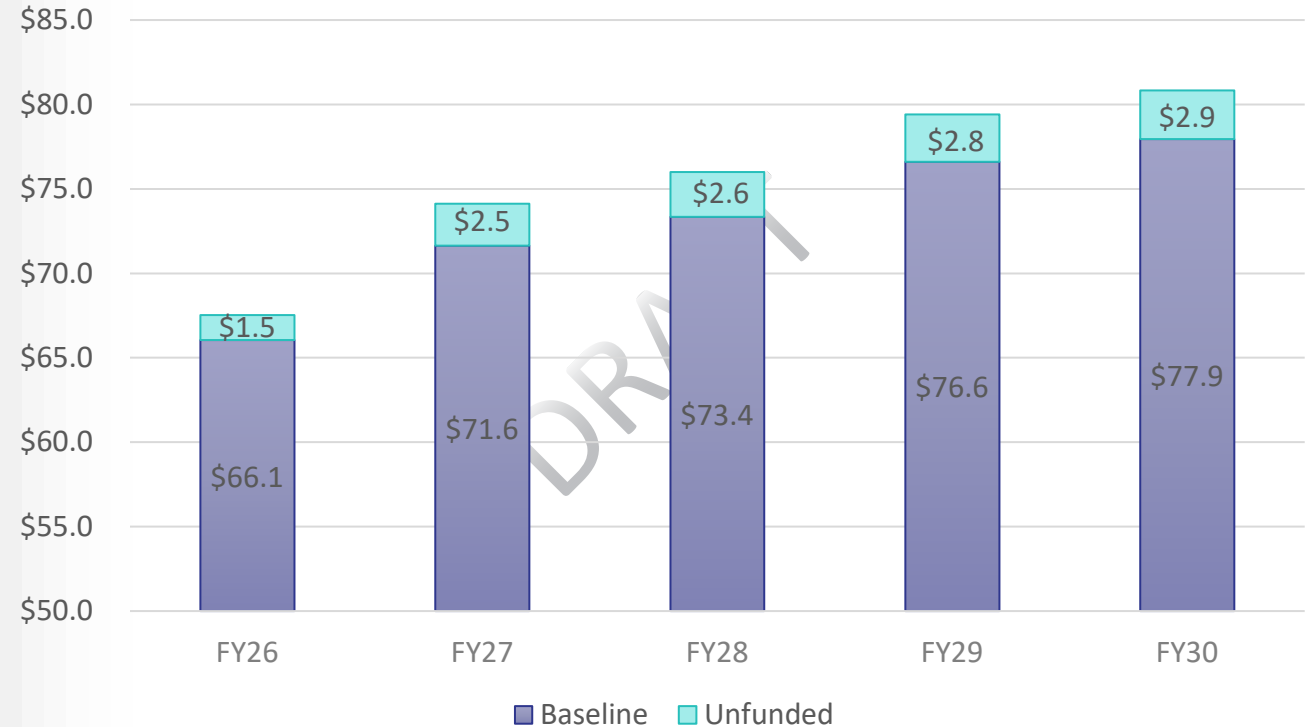
Totals over Five Years*

Funded: \$365.6 Million

Unfunded: \$12.3 Million

*Preliminary budget information as of November 2024

Watersheds Operations and Maintenance Division
(\$ in millions)



Questions?



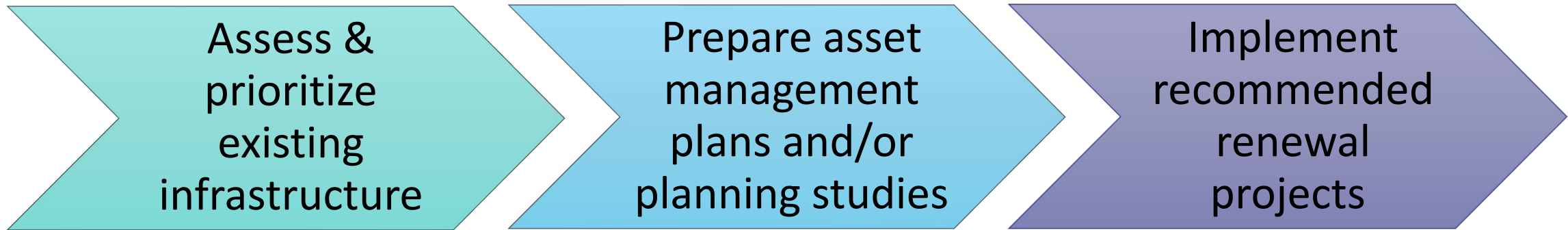
Valley Water

Clean Water • Healthy Environment • Flood Protection

Additional Information Slides

Strategic Planning for Valley Water Asset Renewal Projects

13



- 1. Water Utility Master Plans
(Water Treatment Plants, Distribution System, SCADA)**
- 2. Watersheds Strategic Planning (previously Safe Clean Water F8)**
- 3. Asset Management Plans**

Future – Water Utility Master Plan Implementation Projects

14

*FY 2025-26 rate setting assumes \$377M
placeholder from FY27-FY35*

1. Distribution System

- A. 30-year program of recommended projects for pipelines, pumping plants, canals, wells and recycled water facilities

2. Water Treatment Plant

- A. 30-year program of recommended projects for Penitencia, Rinconada, Santa Teresa WTPs and the Advanced Water Purification Center

3. SCADA*

- A. 15-year program of recommended projects for Water Utility facilities (incl. reservoirs, pipelines, pumping plants, treatment plants, recharge facilities)



Future – Watersheds Asset Renewal Forecast

Safe, Clean Water Project F8 – Current Progress

15

A. ±\$378 Million

- 1) Consists of assets from 13 creeks that would benefit from risk-reduction projects
- 2) 7 creeks – AMP*
- 3) 10 creeks – over \$5 Million (CIP)
- 4) One county-wide program – Creek in Pipe

B. Implementation analysis in progress

- 1) Resources
- 2) Grants
- 3) Scheduling



Regnart Creek Rehabilitation Project – F8



San Tomas Creek Capacity Restoration - CIP



Thompson Creek Erosion – AMP

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Valley Water

FY 2026-2030

Water Utility Enterprise Asset Renewal Plan

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FY2026-2030 Water Utility Enterprise Asset Renewal Plan

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Effective July 1, 2025

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Figure 6: Raw & Treated Water Operation Division Forecasts*	14

List of Acronyms

AHY = Anderson Hydroelectric Facility
CAD = Campbell Distributary
CDL = Coyote Discharge Line
CPL = Central Pipeline
CPP = Coyote Pumping Plant
CVP = Cross Valley Pipeline
DPP = Dutard Pumping Plant
GPP = Greystone Pumping Plant
LEN = Lenihan Dam
PAC = Pacheco Conduit
PPP = Pacheco Pumping Plant
PWTP = Penitencia Water Treatment Plant
RWTP = Rinconada Water Treatment Plant
RW T&D= Raw Water Transmission and Distribution Pipelines
SCC = Santa Clara Conduit
SFI = San Francisco PUC Intertie
STWTP = Santa Teresa Water Treatment Plant
SVA = Silicon Valley Advanced Water Purification Center
ULT = Uvas-Llagas Transfer Pipeline
VPP = Vasona Pumping Plant
WSMS = Water Supply Management Systems (e.g., pond systems)

EXECUTIVE SUMMARY

Report Overview

The Water Utility Enterprise Asset Renewal Plan (WUE AR Plan) outlines Valley Water's Water Utility strategy for future asset renewal projects and requirements. This plan also provides a brief summary of the activities and costs associated with maintaining Valley Water's Water Utility infrastructure for the next five fiscal years. Specifically, the WUE AR Plan:

- Identifies the planned asset renewal projects for the Water Utility Enterprise between fiscal years 2026 and 2030 and provides guidance for planning, scheduling, and budgeting this work in Valley Water's operations or capital budgets.
- Summarizes the asset renewal work completed in the prior fiscal year, 2025.
- Documents the baseline and unfunded operations and maintenance project resource needs for the Raw and Treated Water Operations Divisions over the next five fiscal years, from 2026 to 2030, and provides an explanation of unfunded needs.

This is a rolling five-year WUE AR Plan, updated annually. Throughout the plan, the term 'baseline' refers to activities that provide current service levels and are assumed to be funded in fund forecasts prepared by Valley Water's Financial Planning and Management Services Division. ***The FY26-27 budget requests and unfunded needs here are preliminary and will be evaluated throughout the budget and groundwater charge (rate) setting processes through May 2025.*** The plan will be finalized following Board adoption of Valley Water's budget. The final plan will document the budgeted amounts for each project for FY26, planned amounts for FY27, as well as any remaining unfunded needs following the budget and groundwater charge setting process.

Work Planning and Execution

Work is planned annually to align with the budget process. Each year, staff generates a list of all renewal activities required for water utility assets for the next five years from the Asset Management Planning Tool database. Operations, maintenance, engineering, and asset management validate the list by evaluating field conditions and estimating remaining asset life. If assets are in good condition, renewal projects are rescheduled to future years. The renewal projects are selected to optimize asset performance, maintain or improve reliability within an acceptable risk tolerance, and minimize asset life-cycle costs.

Once the decision has been made to schedule forecasted work, it will be included in this plan and the budget. The Business Support and Asset Management Unit (411) creates work orders at the start of the fiscal year. The work is executed by a combination of Engineering, Maintenance, and Operations staff. It is typically completed through a small or large capital improvement project.

Planned Asset Renewal Work

A total of 74 planned asset renewal projects are scheduled for the Water Utility Enterprise facilities in fiscal year 2026 (FY26). This estimated cost for these projects is nearly \$10.1 million. These projects are included in the approved FY26 budget under project numbers, such as small capital project numbers (i.e. 93764004 Small Capital Improvements, Water Treatment and 91214010 Small Capital Improvements, San Felipe). A complete list of the planned work is included in Appendix A. Some planned asset renewal work includes:

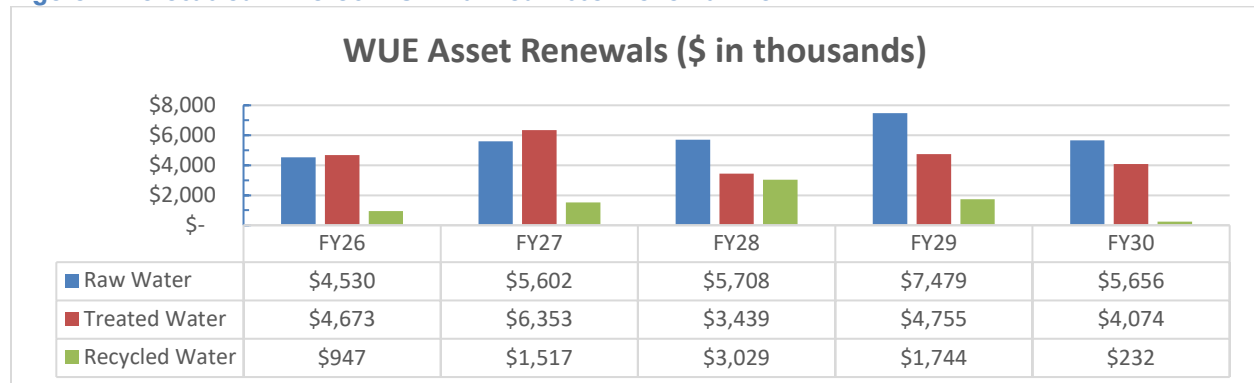
1. Replacements of uninterruptible power supplies at RWTP
2. Refurbishment of adjustable speed drives for PPP pumps

3. Rebuilding two pumps at Coyote Pumping Plant
4. Rebuilding one pump at Pacheco Pumping Plant

FY2026 – FY2030 Summary

Figure 1 summarizes costs of projected asset renewal projects to be completed in fiscal years 2026-2030 (FY26-30) based on forecasts in the Asset Management Planning Tool. Over the next five fiscal years, Valley Water estimates \$59.8 million of planned asset renewal work.

Figure 1: Forecasted FY26-30 WUE Planned Asset Renewal Work



Note this plan does not include individual/large capital projects as these are included in Valley Water's Five-Year Capital Improvement Program.

In addition, Valley Water is undertaking infrastructure master planning efforts for its water treatment plants, distribution system, and SCADA system. These efforts will identify major facility renewal projects for future years. The projects that come from the master plans may be too large for maintenance to execute and if so, will be done as individual capital improvement projects and not included in this plan. Forecasted asset renewal project projections will change once the three Master Plan Implementation plans are completed and integrated within the Asset Management Planning Tool and Capital Improvements Project Schedule.

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I. INTRODUCTION

Report Overview

The purpose of this Water Utility Enterprise Asset Renewal Plan (WUE AR Plan) is to provide a summary of activities and costs associated with renewing and maintaining Valley Water's Water Utility Infrastructure for the next five fiscal years. Specifically, this plan:

- Identifies the planned asset renewal projects for the Water Utility Enterprise between fiscal years 2026 and 2030 and provides guidance for planning, scheduling, and budgeting this work in Valley Water's operations or capital budgets.
- Summarizes the asset renewal work completed in the prior fiscal year, 2025.
- Documents the baseline and unfunded operations and maintenance project resource needs for the Raw and Treated Water Operations Divisions over the next five fiscal years, from 2026 to 2030, and provides an explanation of unfunded needs.

This is a rolling five-year plan that is updated annually. In the past, Valley Water's Water Utility developed three separate plans that are now combined into this Water Utility Enterprise Asset Renewal Plan (WUE AR Plan). The three plans were:

- Five-Year Operations and Maintenance Plan: Documented five-year forecasts of all Water Utility operations project costs and unfunded needs
- Five-Year Maintenance Work Plan: Identified asset renewal projects for the coming five fiscal years
- Maintenance Work Plan Review Report: Summarized asset renewal projects completed in the prior fiscal year

This year's plan, covering FY26-30, has been reformatted to primarily focus on asset renewal needs while briefly reporting on O&M activities and funding at a high level. This approach aims to provide a comprehensive view of the funding needs required to preserve our assets at an acceptable level of risk. Consequently, the plan title has been renamed the Water Utility Enterprise Asset Renewal Plan. It was previously titled "Water Utility Enterprise O&M and Asset Renewal Plan" and before that, "Water Utility Enterprise Operations and Maintenance Plan."

Water Utility Enterprise (WUE) asset renewal and O&M activities are carried out to meet the following Board of Directors (Board) Ends Policies:

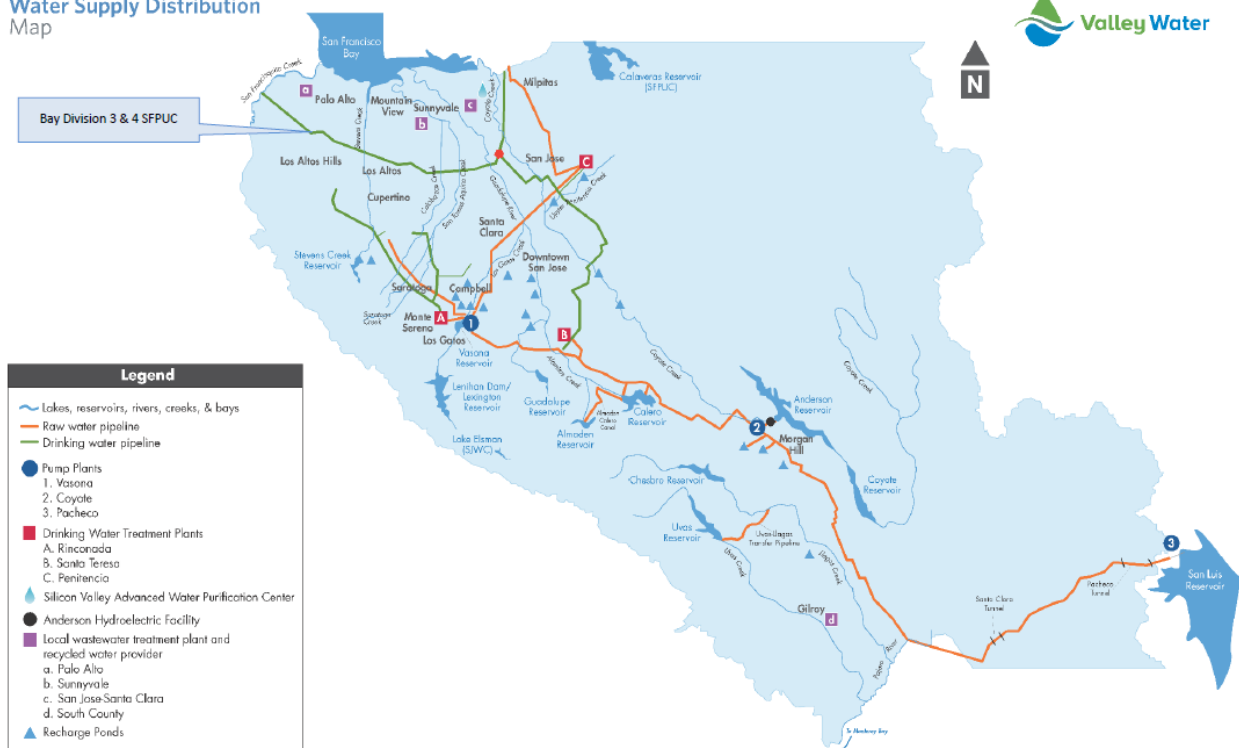
- Ends Policy E-2: Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served.

The WUE Raw and Treated Water Operations Divisions achieve the Board's Ends Policies by:

- Monitoring and protecting the groundwater basins.
- Conveying local and imported source water to water treatment plants, recharge facilities, and streams.
- Treating and delivering water to retail customers.
- Maintaining the infrastructure needed to conduct the above listed activities.
- Ensuring services are carried out in way that protects the environment.

Valley Water manages an integrated water resources system to provide a supply of clean, safe water, flood protection, and stewardship of streams in Santa Clara County (County). Valley Water operates and maintains complex infrastructure and integrates natural and constructed systems to capture, treat and convey raw and treated water for a reliable water supply. Valley Water's system has the capacity to deliver up to 300 million gallons of raw water and 220 million gallons of treated drinking water every day (subject to water demand and hydrologic changes).

- 10 surface water reservoirs and outlet works
- 11 miles of raw water canals (excluding inactive canals)
- 285 acres of groundwater recharge ponds
- 98 miles of controlled in-stream recharge
- 150 miles of raw, treated, and recycled water pipelines
- 3 raw water pumping stations
- 3 drinking water treatment plants
- 1 advanced water purification center



Asset renewal projects are defined as rehabilitation or repair projects that maintain the current level-of-service, but is beyond the scope, time windows, resources, and/or permits of typical maintenance work. On the other hand, projects that improve the level of service are considered *improvement* projects, which are often conducted in the CIP. However, CIP also implements asset renewal projects.

The types of asset renewal projects include:

- ***In-kind Replacement*** – Typically, in-kind replacements are performed for pumps, motors, valves, flow meters, and level indicators.
- ***Rehabilitation*** – An activity where the existing asset is repaired to like-new condition.
 - For example, expensive pumps and motors undergo rehabilitation. A rehabilitation can be scheduled when performance data indicates deteriorated performance or a broken or failing component (i.e. vibration testing can indicate if there is a failed bearing).
 - Concrete assets, like flocculators and sedimentation basins, may also undergo rehabilitation activities (i.e., repair concrete).
- ***Storage Tanks Inspections***—Storage tanks will have an in-service external and an out-of-service internal inspection by a certified inspector. Pending the appropriate standard, these inspections may occur every 5, 10, 15, or 20 years.

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Related Documents

Documents related to this plan include:

- FY25-29 Capital Improvement Program (CIP): The CIP is a rolling five-year plan that identifies major capital improvements. This WUE AR Plan feeds directly into the CIP, as it identifies the scope and costs of five Water Utility small capital improvement projects and upcoming large or individual capital projects. The CIP includes master planning efforts to further define future asset renewal needs for the Water Utility: Water Treatment Plant Implementation Plan, Distribution System Implementation Plan, and the SCADA System Implementation Plan. These plans will identify major future improvements for Water Utility infrastructure.
- FY25-29 Watersheds Operation and Maintenance Asset Renewal Plan: The Watersheds Operations and Maintenance Plan is a rolling five-year plan that describes operations and maintenance activities for the Watershed Operations and Maintenance Division for the next five years. It is similar to this WUE AR Plan FY26-30.
- FY25-39 Long-Term Forecast: The long-term forecast is prepared as the first step of the budget process each year to forecast future funding needs for operations projects. This WUE AR Plan links to the long-term forecast in two ways. First, it identifies asset renewal costs for the next five years, which is incorporated into long-term forecast for appropriate projects. Second, the operations project five-year forecasts provided in this report are taken from the long-term forecast data. The draft report is prepared using long-term forecast data and unfunded needs requests as of December 2024. The budget requests and unfunded needs are further evaluated by the Board throughout the budget and groundwater charge (rate) setting processes through May 2025.
- FY2023-24 and FY25-26 Operating and Capital Rolling Biennial Budget: Valley Water prepares and adopts an annual Operating and Capital Budget. It publishes a rolling biennial plan that identifies the planned operations and capital expenditures, as well as funding sources. The plan provides an overview of both operations and capital expenses, as well as revenues. This WUE AR Plan identifies both operations and capital expenditures that are included in the Operating and Capital Budget.
- Protection and Augmentation of Water Supplies (PAWS) Report: The PAWS report is produced each year in accordance with requirements in the District Act section 26.5, and documents the activities undertaken to provide a reliable, clean water supply for the coming fiscal year as a basis for the proposed maximum groundwater production charges. The PAWS report provides an overview of both operations and capital expenses for the next fiscal year, while this plan provides an overview of selected operations and maintenance activities for the next five fiscal years.

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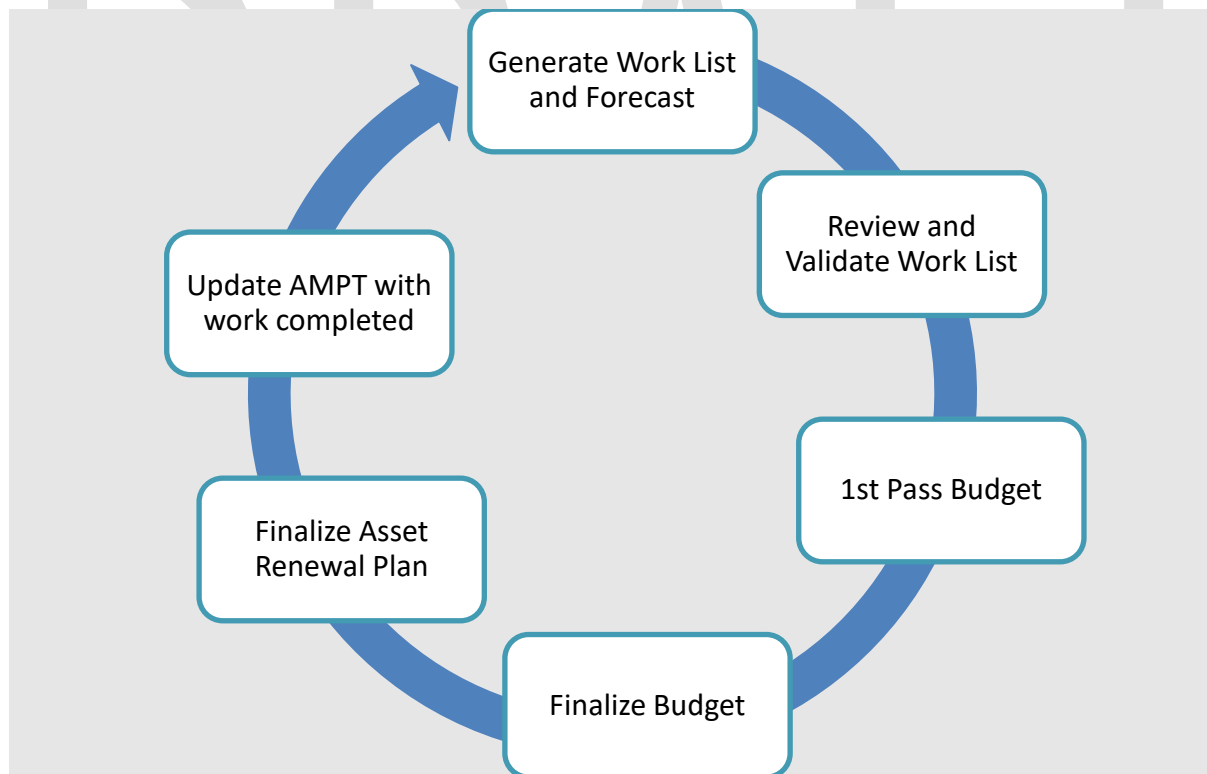
II. WORK PLANNING AND EXECUTION

Work Planning

The Asset Management Program develops forecasts of asset renewal activities and costs using a web-based software tool, Web Asset Management Planning Tool (AMPT). AMPT contains the database of water utility assets and their planned renewal activities and costs. Asset renewal activities are planned at specific intervals, such as every 5 or 10 years, and are validated as the due dates approach. The renewal projects are selected to optimize asset performance, maintain or improve reliability within an acceptable risk tolerance, and minimize asset life-cycle costs.

Work is planned annually to align with the budget process. Each year, staff generates a list of all renewal activities required for water utility assets for the next five years from the AMPT database. Operations, maintenance, engineering, and asset management validate the list by evaluating field conditions and estimating remaining asset life. If assets are in good condition, renewal projects are rescheduled to future years.

Work is planned annually, according to the diagram below, to align with the budget process.



The following assets are excluded from the work planning process:

- An asset that has a value less than \$5,000 or is not critical for performance
- An asset that is easily accessible (e.g., spare kept on the shelf)
- An asset that is replaced if it fails calibration
- Consumable assets (e.g., air filters)

The following table shows examples of assets that are not included in the work planning process:

Asset Class	Asset Type
Mechanical	Sump pumps, transfer pumps, metering pumps, sludge pumps and motors, sample pumps, air pressure regulating valve ¹ , leak detectors ²
Instrumentation	Analyzers, turbidimeters, level instruments/indicators, portable leak detectors, wet well float switch, staff gauges, mass flowmeters
Civil	Pump out risers, manholes, drain valves, water supply trash racks, underground petroleum storage tanks ³
Notes ¹ Ozone air pressure regulating valves are included ² Leak detectors preventative maintenance is scheduled and replaced if not functioning. ³ These tanks are inspected annually and maintained by a trained and certified contractor. Valley Water Staff does not perform maintenance on these tanks and their appurtenances.	

Work Execution

Execution of the asset renewal projects is predominately performed through the following units:

- Treatment Plant Maintenance Unit 555
- Raw Water Field Operations and Pipeline Maintenance Unit 585
- Additional technical support is provided by:
 - Raw Water & Pipeline Maintenance Engineering 435
 - Raw Water Operations Unit 455
 - Plant Maintenance Engineering and Commissioning Unit 516
 - Utility Electrical and Control Systems Engineering Unit 545
 - Other Valley Water units including Watershed Field Operations units, Facilities management and the Environmental Health and Safety Unit.
 - Outside contractors as needed.
- Capital Project Delivery Units

Refer to Appendix C for more information about each unit.

Individual/Large Capital Project Recommendations

The work planning process recommends some activities for execution as individual or larger capital projects. Individual/large capital projects represent major work efforts that are beyond the capabilities of the maintenance units to perform and meet one of the following criteria: exceeds \$5 million, duration greater than 2 years, or requires right-of-way purchase. Generally, these projects require multi-year planning and extensive design efforts, which include preparing plans and specifications for bidding.

Master Plan Implementation Plan

Valley Water is undertaking infrastructure master planning efforts for its water treatment plants, distribution system, and SCADA system. These efforts will identify major facility renewal projects for future years. The projects from the master plans may be too large for maintenance to execute, and if so, they will be done as large/individual capital improvement projects. For example, with several assets within the water treatment plants due for replacement in FY2026-2029, the Water Utility Infrastructure Master Plan Implementation Project is working on combining and bundling the replacements into project(s) to be executed under the CIP.

10-Year Pipeline Rehabilitation Project

Raw and treated water pipeline renewal work is included in Valley Water's five-year CIP in the 10-Year Pipeline Rehabilitation Project, and therefore financial forecasts of planned work are not included in this plan.

The following table list the currently planned work for the 10-Year Pipeline Rehabilitation Project:

Fiscal Year	Planned Work
FY26	<ul style="list-style-type: none">West pipeline inspection and rehabilitation from RWTP to Cox
FY27	<ul style="list-style-type: none">West pipeline inspection and rehabilitation from Cox to Mountain View line valveEast pipeline inspection and rehabilitation from PWTP to Thompson line valve
FY28	<ul style="list-style-type: none">AVP Replacement Phase ISanta Teresa Force Main Pipeline Inspection and RehabilitationSnell Pipeline Shutdown for Obert Line Valve Installation (STWTP to Coyote Creek Line Valve)
FY29	<ul style="list-style-type: none">AVP Replacement Phase IIMilpitas PL Inspection & Rehab including installing new line valve (TWISO)
FY30	<ul style="list-style-type: none">Santa Clara Distributary inspection and rehabilitationCampbell Distributary inspection and rehabilitation

Note: The information is from the Water Utility Operations Long-Term Shutdown Schedule (LTSS) and the information on the schedule is preliminary. This information is from the November 8, 2024 LTSS.

Planned Work Tracking

Scheduling, execution, and reporting on the planned asset renewal projects are primary responsibilities of the assigned units' work within the Maximo work order system. These units communicate the status to the Asset Management Unit staff, which perform QA/QC and reviews at the close of each fiscal year to assess what work was successfully completed. The Asset Management Program tracks asset renewal that is not undertaken since it increases the risk of asset failures.

A review of completed asset renewal work planned in FY25 is provided in Appendix B.

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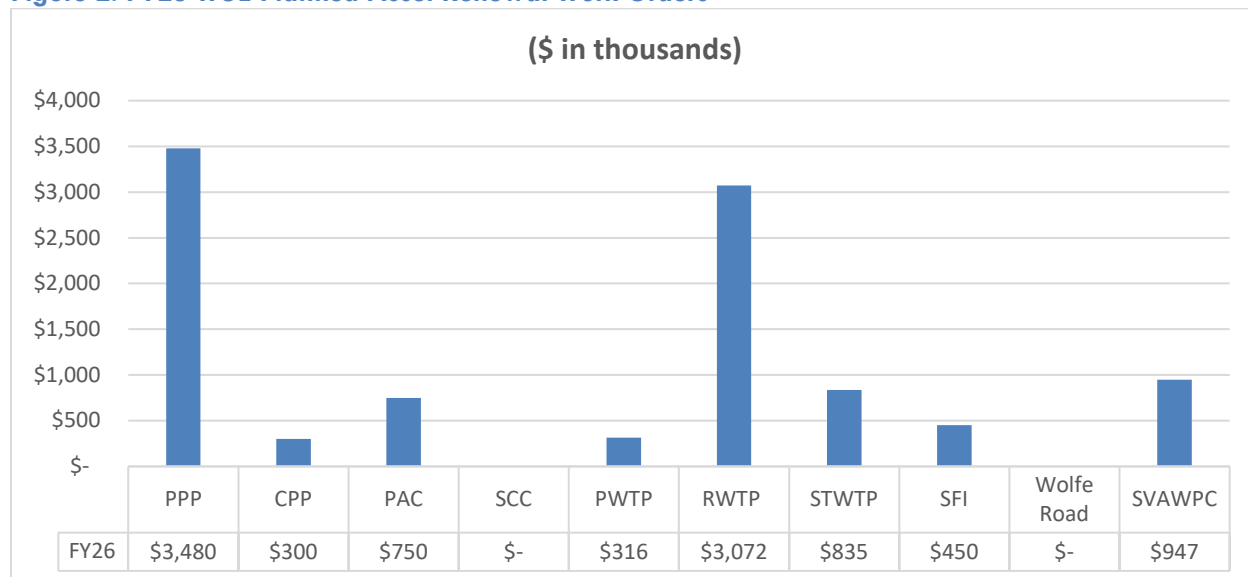
III. FIVE-YEAR PLANNED ASSET RENEWAL WORK

The key output of the work planning process is the list of asset renewal work to be conducted over the upcoming five fiscal years. The work identified in this process is incorporated into capital and operations budgets as described in Section II. The work list for the upcoming fiscal year (FY26) is fixed, whereas the work forecasted for the remaining four years of the five-year rolling plan is adjusted based on changing conditions.

FY26 Summary

For FY 26, a total of 74 asset renewal work orders were identified, with an estimated total cost of \$10.1 million; refer to Figure 2. Note this cost includes materials and equipment plus a multiplier for labor and installation costs. The details of the asset renewal work orders are included in Appendix A.

Figure 2: FY26 WUE Planned Asset Renewal Work Orders



Note: See Table of Acronyms for Facility Names

FY26 – 30 Summary

Figures 3-6 summarize the projected asset renewal to be completed in future fiscal years 2026-2030. The total cost of asset renewal work orders over five years is \$59.8 million. The forecasted projects will change once the three Master Plan Implementation plans are completed and integrated with in the Asset Management Planning Tool and Capital Improvements Project Schedule.

The asset renewal work order costs provided in the figures include equipment and material costs. Labor costs are included as a multiplier of the equipment and material costs.

Asset renewal work for the raw and treated water pipelines scheduled for FY 26 - 27 is included in the 10-year Pipeline Rehabilitation Project, a capital project included in Valley Water's five-year CIP. Because the costs are included in the CIP, this plan does not included the forecasts.

Figure 3: Five-year Forecasted Projects for Water Utility Enterprise

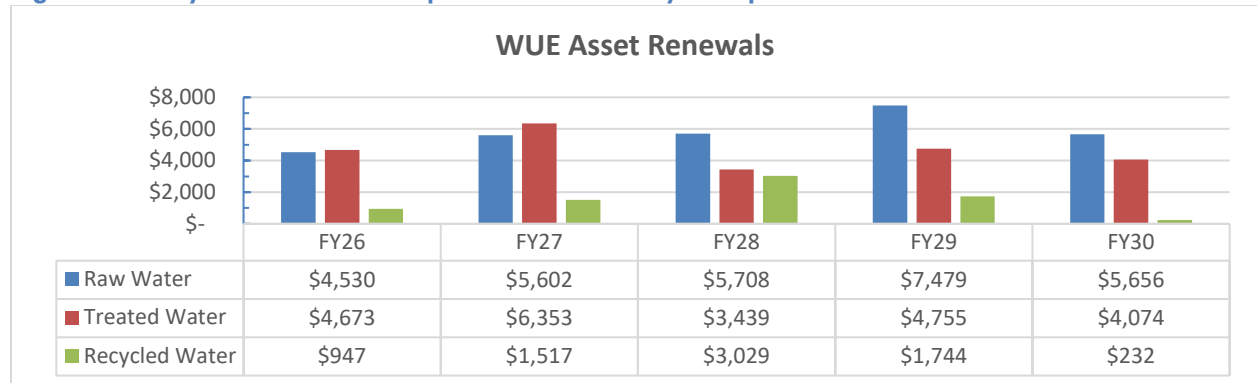


Figure 4: Five-year Forecasted Projects for Raw Water

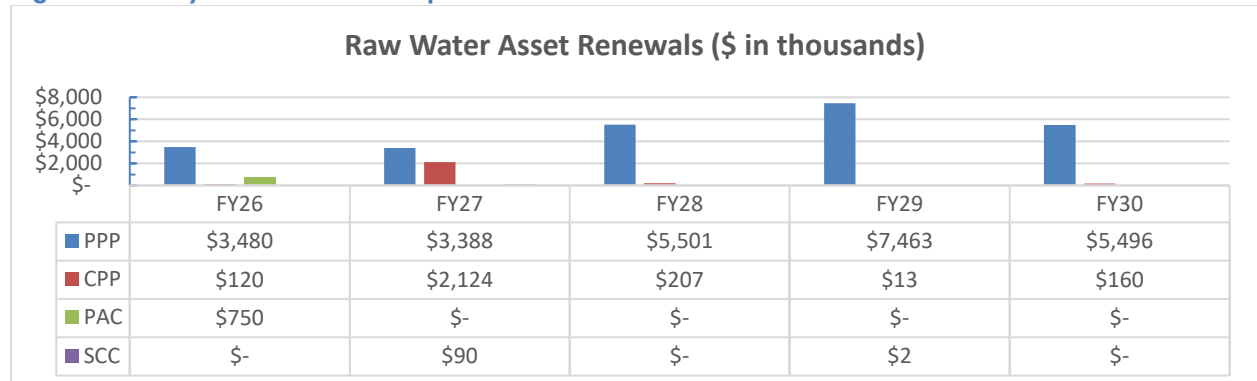


Figure 5: Five-year Forecasted Projects for Treated Water

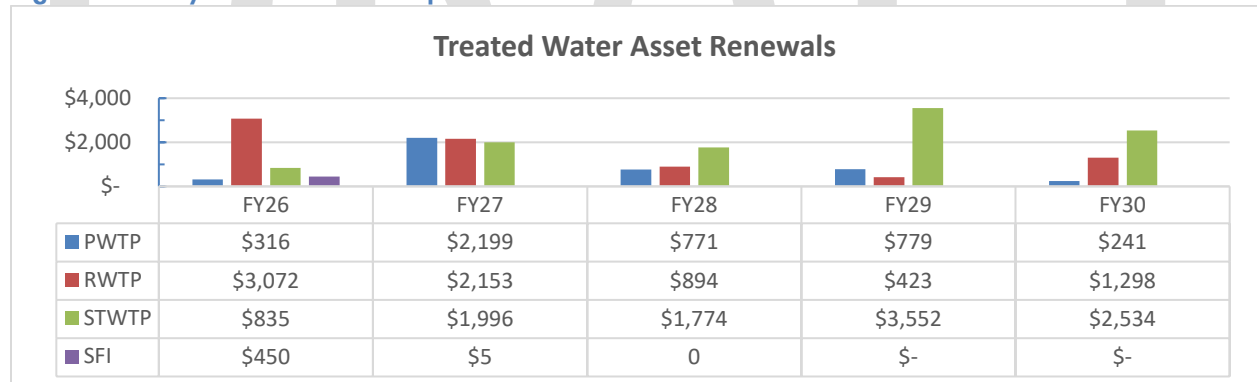
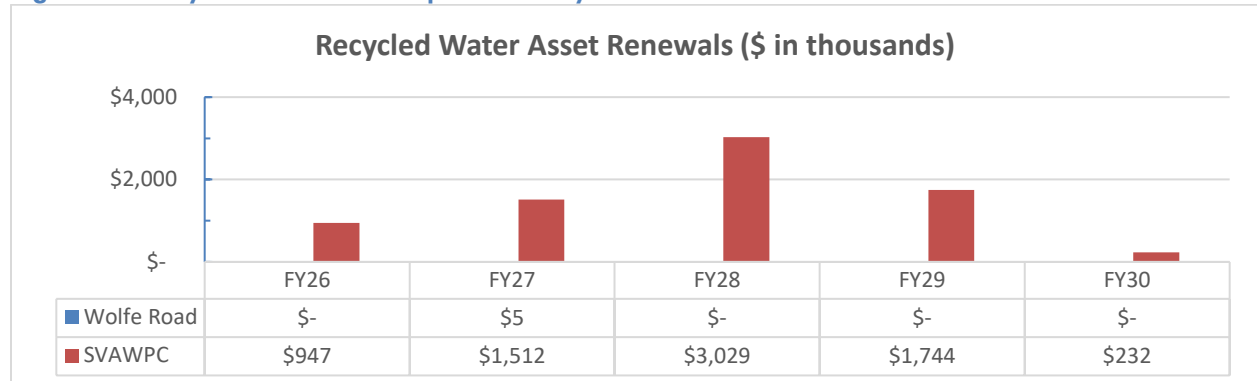


Figure 6: Five-year Forecasted Projects for Recycled Water

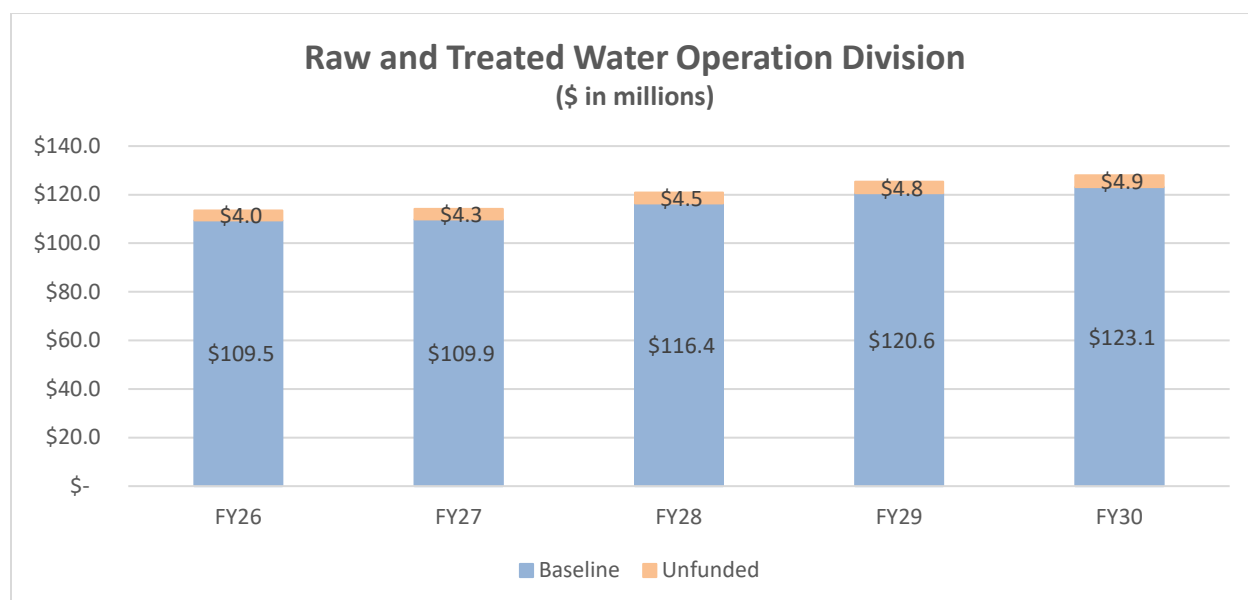


IV. FIVE-YEAR OPERATIONS FORECAST

In addition to supporting asset renewal work, Valley Water maintenance staff also plans, budgets and executes operations activities in operations projects and maintenance work. Appendix B provides an overview of O&M activities and explains what type of work is budgeted in operations projects.

An overview of the budgeted (FY26 and FY27) and forecast (FY28 through FY30) expenses and unfunded needs for the operations and maintenance activities and associated operations engineering support conducted by the Raw and Treated Water Operations Divisions for the next five fiscal years is shown in Figure 7. For FY 2026, the Raw and Treated Water Operations Divisions have budgeted baseline resource needs of \$109.5 million for current service levels and identified \$4 million of unfunded needs. As of November 2024, the Raw and Treated Water Operations Divisions have identified funded resource needs of \$579.5 million and an additional unfunded need of \$22.5 million for the next five years.

Figure 6: Raw & Treated Water Operation Division Forecasts*



*Data as of November 2024.

The unfunded resources would provide for the following services:

- Support for the operations planning and analysis of surface water reservoirs and stream diversions for water supply and environmental benefits, including the flow implementation of the Fish and Aquatic Habitat Collaborative Effort (FAHCE) Program.
- Support for enhanced laboratory operations driven by State Water Board accreditation standards and emerging contaminants such as PFAS, microplastics, and golden mussels.
- Support for mechanical engineering work required at three treatment plants, one purification center, three pump stations, SFPUC-VW Intertie, and other related transmission facilities and infrastructures.
- Support for enhanced WU corrosion control and cathodic protection analysis, planning, and design.
- Support for enhanced long-term WU pipeline condition assessment, emergency preparedness, and management.

- Support for enhanced water quality monitoring driven by regulatory tracking, assessment, and compliance provided through the Water Quality program
- Support for the operations of RWTP to provide safe clean drinking water 24/7 to approximately 1 million people on the west side of Santa Clara County

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Water Utility Enterprise Asset Renewal Plan
Fiscal Year 2026-2030

APPENDIX A: WATER UTILITY ENTERPRISE ASSET RENEWAL LIST FOR FY26

Overview

Appendix A contains tables conveying the FY26 planned asset renewal work per facility. Work orders will be generated in Maximo, Valley Water's computerized maintenance management system, at the start of FY26 and **effective July 1, 2025**.

Description	Section No.
Overview of FY2026 Asset Renewal Work	A-1
FY26 Asset Renewal Work for:	
91214010: SFR1 Small CIP PPP	A-2
91234010: SFR3 Small CIP SCC and CPP	A-3
93764004: Treated Water Small CIP	A-4
91281008 SVAWPC General Maintenance	A-5
91241001 Wolfe Road Recycled Water Facility	A-6

Section A-1: Overview of FY26 Asset Renewal Work

Project Number	Project Description	Performance Testing	Rehabilitation	Replacement	Grand Total
91214010	SFR1 Small CIP (PPP)	\$40,000	\$1,400,000		\$3,294,380
91234010	SFR3 Small CIP (SCC and CPP)		\$300,000		\$300,000
93764004	Treated Water Small CIP		\$575,000	\$3,236,015	\$8,695,138
91281008	SVAWPC General Maintenance				
91241001	Wolfe Road Recycled Water Facility				

Section A-2: FY26 Asset Renewal Work for 91214010: SFR1 Small CIP PPP

Facility and Asset Renewal Details Including cost estimates and project type	Performance Testing	Rehabilitate	Replacement	Grand Total
PPP	\$40,000	\$2,150,000		\$3,294,380
AR42134 - PPP - MAIN PUMP SYSTEM CNTFGL PUMP UNIT #12		\$ 1,400,000		\$1,400,000
Performance testing at PPP	\$ 40,000			\$ 40,000
Various - Replacement/Rebuild of PPP ASDs				\$1,104,380
Vault repairs at PAC		\$750,000		\$750,000

Section A-2: FY26 Asset Renewal Work for 91234010: SFR1 Small CIP SCC and CPP

Facility and Asset Renewal Details Including cost estimates and project type	Performance Testing	Rehabilitate	Replacement	Grand Total
CPP		\$300,000		\$300,000
Rebuild of 2 pumps		\$300,000		\$300,000

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Section A-4: 93764004: FY26 Asset Renewal Work for Treated Water Small CIP

Facility	Rehabilitate	Replacement	Grand Total
PWTP		\$120,000	\$4,718,000
RWTP	\$475,000	\$2,450,000	\$2,925,000
STWTP	\$100,000	\$216,015	\$602,138
SFI		\$450,000	\$450,000
94764006 - TW T&D Small Cap	\$575,000	\$3,236,015	\$8,695,138

Facility and Asset Renewal Details Including cost estimates and project type	Rehabilitate	Replacement	Grand Total
PWTP		\$120,000	\$120,000
AP10021 - PWTP ALUM PUMP #1		\$20,000	\$20,000
AP10033 - PWTP; AMMONIA FEED RM; NH4 METER PUMP #1		\$20,000	\$20,000
AP10035 - PWTP; AMMONIA FEED RM; NH4 METER PUMP #2		\$20,000	\$20,000
AP10294 - PWTP NON-IONIC POLY METER PUMP #301		\$20,000	\$20,000
AP10296 - PWTP NON-IONIC POLY METER PUMP #501		\$20,000	\$20,000
AP10301 - PWTP NON-IONIC POLY METER PUMP #401		\$20,000	\$20,000
AP46890 - PWTP OCB OZONE BASIN 54 in BUTTERFLY VALVE (OW-1)		\$ -	\$ -
AP46892 - PWTP OCB OZONE BASIN 54 in BUTTERFLY VALVE (OW-2)		\$ -	\$ -

Facility and Asset Renewal Details Including cost estimates and project type	Rehabilitate	Replacement	Grand Total
RWTP	\$475,000	\$2,450,000	\$2,925,000
Various - Repair of RWTP floc/sed basin concrete	\$475,000		\$ 475,000
AP52073, AP52074, AP52075, AP52076 - Replacement of 4 RWTP UPS		\$450,000	\$450,000
AP68600 and AP69593- Replacement of RWTP Sludge Line		\$2,000,000	\$2,000,000

Facility and Asset Renewal Details Including cost estimates and project type	Rehabilitate	Replacement	Grand Total
STWTP	\$ 386,122	\$ 216,015	\$ 602,138
AP30058 - STWTP CAT POLY NEPTUNE METER		\$ -	\$ -
AP30101 - STWTP CARBON MAG METER		\$6,000	\$ 6,000
AP30163 - STWTP OCL FEED ROOM EAST FILTERED MAG METER		\$6,000	\$ 6,000
AP30164 - STWTP OCL FEED ROOM EAST SETTLED MAG METER		\$6,000	\$ 6,000
AP30165 - STWTP OCL FEED ROOM WEST FILTERED MAG METER		\$6,000	\$ 6,000
AP30166 - STWTP OCL FEED ROOM WEST SETTLED MAG METER		\$6,000	\$ 6,000
AP30167 - STWTP OCL FEED ROOM STATIC MIXER MAG METER		\$6,000	\$ 6,000
AP30240 - STWTP FILTER #4 EAST LOW LEVEL INSTRUMENT LE 241-EFW		\$ -	\$ -
AP30260 - STWTP FILTER #6 EAST LOW LEVEL INSTRUMENT LE 261-EFW		\$ -	\$ -
AP30273 - STWTP FILTER #1 WEST LOW LEVEL INSTRUMENT		\$ -	\$ -
AP30283 - STWTP FILTER #2 WEST LOW LEVEL INSTRUMENT		\$ -	\$ -
AP30293 - STWTP FILTER #3 WEST LOW LEVEL INSTRUMENT		\$ -	\$ -
AP30303 - STWTP FILTER #4 WEST LOW LEVEL INSTRUMENT		\$ -	\$ -
AP30313 - STWTP FILTER #5 WEST LOW LEVEL INSTRUMENT		\$ -	\$ -
AP30323 - STWTP FILTER #6 WEST LOW LEVEL INSTRUMENT		\$ -	\$ -
AP30325 - STWTP POLY FILTER MAG METER		\$6,000	\$ 6,000
AP30773 - STWTP Instrumentation - Influent Flowmeter		\$6,000	\$ 6,000
AP30822 - STWTP WWR Pump Motor VFD #1 P-15		\$5,000	\$ 5,000
AP30828 - STWTP WWR Pump Motor VFD #2 P-16		\$5,000	\$ 5,000
AP30834 - STWTP SURFACE ROADS	\$100,000		\$100,000
AP30840 - STWTP WWR Pump Motor VFD #3 P-17		\$5,000	\$ 5,000
AP30887 - STWTP ACTIVATED CARBON TANK - NORTH - LEVEL TRANSMITTER		\$6,008	\$ 6,008
AP30888 - STWTP ACTIVATED CARBON TANK - SOUTH - LEVEL TRANSMITTER		\$6,008	\$ 6,008
AP30891 - STWTP CARBON MAGMETER		\$6,000	\$ 6,000
AP42823 - STWTP OZONE GEN TURBINE WATER FLOWMETER UNIT 1 (GCW-FIT-311)		\$6,000	\$ 6,000
AP42824 - STWTP OZONE GEN TURBINE WATER FLOWMETER UNIT 2 (GCW-FIT-321)		\$6,000	\$ 6,000
AP42825 - STWTP OZONE GEN TURBINE WATER FLOWMETER UNIT 3 (GCW-FIT-331)		\$6,000	\$ 6,000
AP45175 - STWTP WWC RETURN PUMP #1; MOTOR VFD-11 (50 HP)		\$10,000	\$10,000
AP45176 - STWTP WWC RETURN PUMP #2; MOTOR VFD-12 (50 HP)		\$10,000	\$10,000
AP45177 - STWTP WWC RETURN PUMP #3; MOTOR VFD-13 (100 HP)		\$12,500	\$12,500
AP45178 - STWTP WWC RETURN PUMP #4; MOTOR VFD-14 (100 HP)		\$12,500	\$12,500
AP46473 - STWTP OZQ MAGNETIC FLOW METER (FE-301-0QA)		\$6,000	\$ 6,000
AP46475 - STWTP OZQ MAGNETIC FLOW METER (FE-302-0QA)		\$6,000	\$ 6,000
AP50104 - STWTP FILTER 4W FILTERED WATER FLOWMETER (FW-10)		\$6,000	\$ 6,000
AP50105 - STWTP FILTER 3W FILTERED WATER FLOWMETER (FW-9)		\$6,000	\$ 6,000
AP50106 - STWTP FILTER 2W FILTERED WATER FLOWMETER (FW-8)		\$6,000	\$ 6,000
AP50107 - STWTP FILTER 1W FILTERED WATER FLOWMETER (FW-7)		\$6,000	\$ 6,000

Facility and Asset Renewal Details			
Including cost estimates and project type	Rehabilitate	Replacement	Grand Total
STWTP	\$ 386,122	\$ 216,015	\$ 602,138
AP50108 - STWTP FILTER 1E FILTERED WATER FLOWMETER (FW-1)		\$ 6,000	\$ 6,000
AP50109 - STWTP FILTER 2E FILTERED WATER FLOWMETER (FW-2)		\$ 6,000	\$ 6,000
AP50111 - STWTP FILTER 4E FILTERED WATER FLOWMETER (FW-4)		\$ 6,000	\$ 6,000
AP50113 - STWTP FILTER 6E FILTERED WATER FLOWMETER (FW-6)		\$ 6,000	\$ 6,000
AP52029 - STWTP FILTER 3E FILTERED WATER FLOWMETER (FW-3)		\$ 6,000	\$ 6,000
AP54177 - STWTP OCL SUPPLY LINE MAG METER		\$ 6,000	\$ 6,000
AP74028 - STWTP MOTOR CONTROL CENTER SLUDGE PONDS-MCC 6M	\$286,122		\$286,122
AP30772- STWTP MUX #12 - NAOCL FEED ROOM			

Facility and Asset Renewal Details			
Including cost estimates and project type	Rehabilitate	Replacement	Grand Total
SFI		\$ 450,000	\$ 450,000
AP50485 - SFI PUMP UNIT #1; 14 in SUCTION ISOLATION GATE VALVE (V-1)		\$ 450,000	\$ 450,000
AP50486 - SFI PUMP UNIT #1; 16 in DISCHARGE ISOLATION GATE VALVE (V-2)			
AP50482 - SFI PUMP UNIT #1; 16 in DISCHARGE VALVE (CV-1)			
AP50494 - SFI PUMP UNIT #2; 14 in SUCTION ISOLATION GATE VALVE (V-3)			
AP50495 - SFI PUMP UNIT #2; 16 in DISCHARGE ISOLATION GATE VALVE (V-4)			
AP50491 - SFI PUMP UNIT #2; 16 in DISCHARGE VALVE (CV-2)			
AP50503 - SFI PUMP UNIT #3; 14 in SUCTION ISOLATION GATE VALVE (V-5)			
AP50504 - SFI PUMP UNIT #3; 16 in DISCHARGE ISOLATION GATE VALVE (V-6)			
AP50500 - SFI PUMP UNIT #3; 16 in DISCHARGE VALVE (CV-3)			
AP50512 - SFI PUMP UNIT #4; 14 in SUCTION ISOLATION GATE VALVE (V-7)			
AP50513 - SFI PUMP UNIT #4; 16 in DISCHARGE ISOLATION GATE VALVE (V-8)			
AP50509 - SFI PUMP UNIT #4; 16 in DISCHARGE VALVE (CV-4)			

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Valley Water

Water Utility Enterprise Asset Renewal Plan
Fiscal Year 2026-2030

**APPENDIX B: REVIEW OF FISCAL YEAR 2025 (FY25)
ASSET RENEWAL WORK**

A review of FY2025 Asset Renewal Projects will be added to the final draft towards the end of FY2025.

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Water Utility Enterprise Asset Renewal Plan
Fiscal Year 2026-2030

APPENDIX C: OVERVIEW OF ACTIVITIES AND UNITS IN THE WUE DIVISIONS

Purpose

The purpose of this appendix is to provide a background of Operations and Maintenance (O&M) activities and the WUE Divisions.

Water Utility O&M work includes:

Operations: Operations activities include operating 150 miles of large-diameter transmission pipelines, three pumping plants, 102 ponds used to recharge the groundwater basins, three potable water treatment plants, one well field, and one advanced water purification center. Costs associated with operating these facilities include operator labor, chemical costs, power costs, laboratory operations, and water quality support. Costs associated with these operations activities are budgeted in the operations projects presented in Section V of this plan.

General Maintenance: General maintenance activities include the following, which account for the majority of maintenance labor. These activities are budgeted in the operations projects presented in Section V of this plan:

- **Preventive Maintenance (PM):** Planned routine maintenance to prevent premature asset failure, such as an oil change or calibration. PM activities occur weekly, monthly, quarterly, semi- annually, or annually, depending on the activity. When a PM work task becomes due for an asset, Maximo (Valley Water's computerized maintenance management system or CMMS), automatically generates a work order for maintenance staff to perform the task. The water utility completes approximately 14,000 PM work orders each year. PM work accounts for approximately 80% of maintenance labor hours.
- **Predictive Maintenance Repair (PMR):** This is non-routine maintenance work that is identified and addressed proactively prior to failure, instead of allowing the issue to progress and having to be addressed later by corrective maintenance. This work is first identified during inspections, where it has been determined that an asset's ability to meet its level of service is compromised. Under predictive maintenance repair, infrastructure is repaired or rehabilitated after an issue is identified in the field, but

prior to complete failure requiring corrective maintenance. An examples of predictive maintenance repair are replacing gaskets to stop minor leaks or drips to keep a machine from failing.

- **Corrective Maintenance (CM):** Corrective maintenance addresses unplanned asset failures. CM work accounts for approximately 10% of maintenance labor hours.
- **Inspections and Testing:** Projects that involve inspection or testing activities are not capital investments. They are budgeted and conducted under one of the maintenance operating projects identified in Section V of this plan. Biennial electrical testing or chemical tank inspection are examples of activities budgeted under operating projects. These projects are completed by maintenance staff and may require engineering, environmental and/or contractor support.

Engineering Support: Engineering support is needed for various operations initiatives, operations planning, and maintenance projects. Civil, mechanical, electrical and control systems engineers support the operations and maintenance of the Water Utility facilities. Engineering support is budgeted in the operations planning and engineering projects.

Raw Water Division

The Raw Water Division maintains 150 miles of large diameter transmission pipelines but only operates 94 miles of raw water pipes. In addition, the Raw Water Division maintains and operates three large pumping plants and 102 percolation ponds used to recharge the groundwater basins. The use of local and imported raw water supplies are maximized to meet treated water demands, groundwater recharge goals, and environmental needs.

Unit 408 is this Division's organizational unit and consists of the Deputy Operating Officer and one Administrative Assistant. This Division manages one project in addition to the Units listed below: 91211005 – SFD Reach 1 Administration. The following Units are included in this Division:

Raw Water & Pipeline Maintenance Engineering (Unit 435)

The Raw Water & Pipeline Maintenance Engineering Unit provides civil and corrosion control engineering and support services for all Water Utility facilities; monitors and maintains pipeline condition assessment equipment (Acoustic Fiber Optic, Transient and Cathodic Protection monitoring); supports 10-Year Pipeline Rehabilitation Program; and supports O&M, Asset Management, General Engineering, CIP and Small Cap work requests.

Raw Water Operations (Unit 455)

The Raw Water Operations Unit performs the day-to-day operations planning and remote operations of Valley Water's Raw Water System consisting of:

- 10 water supply reservoirs with a combined restricted storage capacity of 62,701 acre-feet.
- 3 raw water pump stations with 37,200 combined horsepower.
- 94 miles of large diameter raw water pipelines and tunnels.
- 102 groundwater recharge ponds.
- 98 miles of streams managed for groundwater recharge.

The Unit performs the required water right and regulatory compliance reporting to maintain and protect local water supply operations. The Unit also implements the flow regimes agreed upon

in the Fish and Aquatic Habitat Collaborative Effort (FAHCE) in order to optimize water supply and environmental benefits in the five FAHCE-governed reservoirs.

Groundwater Management (Unit 465)

The Groundwater Management Unit helps ensure continued groundwater sustainability by providing accurate and timely information on current and forecasted groundwater conditions through monitoring, modeling, and analysis; ensuring continued Valley Water compliance with California Water Code Sustainable Groundwater Management Act (SGMA) requirements; and implementing programs to protect groundwater resources.

Wells & Water Measurement (Unit 475)

The Wells & Water Measurement Unit conducts preventive, corrective, and rehabilitative maintenance for backflow prevention devices and measurement assets for treated water, raw water, and groundwater production. The Well Ordinance Program helps protect Valley Water's groundwater resource by providing services used for the implementation of Valley Water's Well Ordinance (Ordinance 90-1). Implementation of the well ordinance includes well permitting, well inspection, well data management, and violation enforcement for all wells located in Santa Clara County. Unit 475 ensures that wells and other deep excavations are constructed, maintained, and destroyed in such a manner that they do not harm the local groundwater resources.

Treatment Plant Maintenance (Unit 555)

The Treatment Plant Maintenance Unit conducts preventive, corrective, and rehabilitative maintenance required to sustain operations of the Santa Teresa Water Treatment Plant, Penitencia Water Treatment Plant (PWTP), Rinconada Water Treatment Plant (RWTP), Campbell Well Field, and San Francisco Intertie.

Raw Water Field Operations and Pipeline Maintenance (Unit 585)

The Raw Water Field Operations and Pipeline Maintenance Unit is responsible for the mechanical, electrical, and control system preventive, corrective, and rehabilitative maintenance of the distribution system infrastructure which includes three pump stations (Pacheco, Coyote, and Vasona) and 150 miles of pipeline. Also included is the operation and maintenance of recharge and water distribution systems for groundwater basins, reservoirs, canals, and other water supply infrastructure.

Treated Water Division

The Treated Water Division (Division) is responsible for managing the operation of Valley Water's three conventional drinking water treatment plants, the Campbell Well Field, San Francisco Public Utilities Commission (SFPUC) intertie, and transmission and distribution pipelines. The Division's goal is to provide a reliable, high-quality drinking water supply to the Santa Clara County residents. The Division also manages the operation and maintenance of the Silicon Valley Advanced Water Purification Center to enhance the quality and advance the use of recycled water in the county.

In addition, the Division manages business units that provide leadership and technical support in areas of laboratory services; water quality process engineering; source water quality management program and invasive mussel prevention program; electrical and control systems engineering; and plant maintenance engineering to improve the overall safety, quality, and

reliability of current facilities and the commissioning of new facilities upon capital construction handover to Operations and Maintenance (O&M). Furthermore, the Division regularly communicates with Valley Water's drinking water retailers to maintain a collaborative working relationship and conducts annual check-ins and ad-hoc meetings with the State Water Resources Control Board (SWRCB) for ongoing and annual updates of drinking and recycled water regulations.

Unit 515 is this Division's organizational unit and consists of the Deputy Operating Officer, a Senior Management Analyst, and one Administrative Assistant. The following Units are included in this Division:

Plant Maintenance Engineering and Commissioning (Unit 516)

The Plant Maintenance Engineering and Commissioning Unit leads and coordinates the commissioning and start-up activities at Valley Water's treatment plants and treated water pipelines. The unit supports and implements the integration of large capital projects, throughout all phases, to our treatment plants and treated water pipelines. The unit also provides mechanical engineering support services for operations, maintenance, asset management and capital improvements at the treatment plants and pump stations.

Water Quality (Unit 525)

The Water Quality Unit is responsible for providing operational, process, and capital and maintenance project support to the treatment plants as well as other Valley Water units regarding source water quality and water treatment. The unit conducts bench, pilot and full-scale studies to optimize the treatment process, as needed. The unit, in close coordination with the Laboratory Services and Operations Units, prepares monitoring plans for operational and regulatory compliance, and advises regarding monitoring of contaminants of emerging concern (CECs). The unit is also responsible for tracking drinking water-related regulatory development, providing recommendations for regulatory compliance strategy, and communicating with the Division of Drinking Water (DDW), under the jurisdiction of the SWRCB, on various regulatory issues. In addition, the unit oversees Source Water Quality Management and Invasive Mussel Prevention Programs in collaboration with internal and external groups.

Laboratory Services (Unit 535)

The Laboratory Services Unit is responsible for providing analytical and sampling services to the Water Utility Enterprise. The state-of-the-art laboratory is accredited with the California Environmental Laboratory Accreditation Program (ELAP), maintains a robust quality assurance and quality control program, and tests water produced from each of our drinking water treatment plants, distribution lines, the Silicon Valley Advanced Water Purification Center, surface water reservoirs and groundwater basins.

Utility Electrical and Control Systems Engineering (Unit 545)

The Utility Electrical and Control Systems Engineering Unit provides electrical, control systems, Supervisory Control and Data Acquisition (SCADA), and imported electricity management engineering services, including direct technical services, in support of Valley Water's critical infrastructure and systems used in the day-to-day (24 hours a day, 7 days a week) operations and maintenance of its complex, countywide raw and treated water conveyance system (including three raw water pump stations and pipelines), three drinking water treatment plants, one advanced purified water processing plant, the headquarters office campus, and watershed

facilities. The imported electricity management saves Valley Water a significant amount in annual electrical energy expenditures and is 100 percent carbon-free.

North Water Treatment Operations (Unit 565)

The North Water Treatment Operations Unit provides safe, clean, and high-quality drinking water to Valley Water's three (3) treated water retailers along the East/Milpitas Pipelines, including San Jose Water Company, City of San Jose, and City of Milpitas. The unit is responsible for safe and cost-effective operations (24 hours a day, 7 days a week) and management of the Penitencia Water Treatment Plant (PWTP), the joint San Francisco Public Utilities Commission (SFPUC)-Valley Water (VW) Intertie facility, and the East/Milpitas Pipeline turnouts. The unit is also responsible for cost-effective operations and maintenance of the Silicon Valley Advanced Water Purification Center (SVAWPC).

South Water Treatment Operations (Unit 566)

The South Water Treatment Operations Unit provides safe, clean, and high-quality drinking water and a backup supply of drinking water to Valley Water's seven (7) treated water retailers, and ultimately to the residents of Santa Clara County. The unit is responsible for providing safe and cost-effective operations (24 hours a day, 7 days a week) and management of the Santa Teresa Water Treatment Plant (STWTP), the Rinconada Water Treatment Plant (RWTP), the Campbell Well Field, and the West and Snell/East Pipeline turnouts.

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Valley Water

Clean Water • Healthy Environment • Flood Protection

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Valley Water

FY 2026-2030

DRAFT

Watersheds Asset Renewal Plan

FY 2026-2030 Watersheds Asset Renewal Plan

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Effective July 1, 2025

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List of Acronyms

AMP	Asset Management Plan
BMP	Best Management Practice
CDFW	California Department of Fish and Wildlife
CEQA	California Environmental Quality Act
CIP	Capital Improvement Program
DBH	Diameter at Breast Height
FY	Fiscal Year
LWD	Large Woody Debris
MOA	Memorandum of Agreement
NPW	Notice of Proposed Work
NRCS	Natural Resources Conservation Service
O&M	Operations and Maintenance
SMP	Stream Maintenance Program
USACE	United States Army Corps of Engineers
USFWS	United States Fish and Wildlife Service
VHP	Valley Habitat Conservation Plan
WARP	Watersheds Asset Rehabilitation Program
WS	Watersheds

EXECUTIVE SUMMARY

Report Overview

The Watersheds Asset Renewal Plan (WS AR Plan) outlines Valley Water’s asset renewal activities for watershed infrastructure and details the projected funding for these efforts over the next five years. Additionally, it discusses planning for future asset renewal projects and needs. This planning has been conducted through Project F8: Sustainable Creek Infrastructure for Continued Public Safety, which is part of the renewed Safe, Clean Water and Natural Flood Protection (Safe, Clean Water) Program. As of July 2024, funding for Project F8 has been allocated to support future rehabilitation construction projects, with asset renewal planning now referred to as 'watersheds strategic planning,' led by the Business Support and Asset Management Unit (411). The WS AR Plan is a rolling five-year plan intended to capture watersheds strategic planning that is evaluated and updated annually. Specifically, this plan:

- Identifies the watersheds planned asset renewal projects scheduled for the next five fiscal years, 2026 to 2030, and provides guidance for planning, scheduling, and budgeting this work in Valley Water’s operations or capital budgets.
- Provides a summary of asset renewal work completed in the prior fiscal year, 2025.
- Documents the baseline and unfunded operations and maintenance budget resource needs for the Watersheds Operations and Maintenance Division (WS O&M Division) over the next five fiscal years, from 2026 to 2030, and provides an explanation of unfunded needs.

Asset renewal projects are defined as rehabilitation or repair projects that maintain the current level-of-service, but is non-routine and beyond the scope, resources, and/or permits of typical maintenance work. The types of asset renewal work being identified include restoring flood protection infrastructure to its intended level of service, extending its lifespan, and improving its reliability. This work can include projects that address aging infrastructure, such as in-kind replacements, levee, bank, or bed stabilization, and channel capacity restoration.

Throughout the plan, the term ‘baseline’ refers to activities that provide current service levels and are assumed to be funded in budget forecasts prepared by Valley Water’s Financial Planning and Management Services Division.

Work Planning and Execution

Asset renewal planning has long been an integral part of Valley Water's efforts, with projects primarily constructed under the Watersheds Asset Rehabilitation Program (WARP). In 2020, voters approved the renewed Safe, Clean Water Program, enabling Valley Water to launch Project F8 under the Safe, Clean Water initiative. The creation of Project F8 provided additional resources, including dedicated funding and staff within Asset Management, to enhance and formalize Valley Water's watersheds strategic planning. This additional support has allowed Valley Water to develop a more comprehensive and continually updated asset renewal project list, targeting systemic issues in creeks and streams with the aim of reducing long-term maintenance needs and mitigating risks.

Under Project F8 of Safe, Clean Water, Valley Water continues to identify, prioritize, and implement needed creek asset renewal projects. Valley Water has performed risk assessments and analyses of approximately 85 creeks to identify creek asset renewal needs. Of these, a total of 20 creek assets have ranked as high in both risk and priority, necessitating solutions through routine maintenance, a small capital project under WARP, or a new capital project. For creeks where a clear solution is not yet identified, or where a holistic and geomorphic planning approach could be beneficial, Valley Water aims to develop asset management plans to help determine the most effective rehabilitation strategies.

Once the decision has been made to address a creek deficiency with an asset renewal project, the Business Support and Asset Management Unit (411) will initiate either (1) a Capital Improvement Program (CIP) business case or (2) a small capital project request.

1. **CIP projects** require validation by the Deputy Operating Officer responsible for maintaining the facility or asset and approval by the Board of Directors. Once funding and resources are confirmed, the project moves into the Capital Delivery process which usually includes planning, design, and construction. Projects with larger scopes and resource needs are typically carried out as large CIP projects, often requiring their own CEQA documents and regulatory permits, and may span more than one construction season to complete. The forecasted costs of approved asset renewal projects in CIP are not included in this plan, as they are already accounted for in the CIP budget.
2. **Small capital projects**, which are generally smaller in scope and less expensive than CIP projects, are carried out under the Watersheds Asset Rehabilitation Program (WARP). These projects fall outside the limits and resources of O&M). They utilize CEQA documentation and regulatory permit authorizations from the Stream Maintenance Program (SMP) when able. Typically, these projects are constructed within a single season. The forecasted costs of all asset renewal projects under the small CIP (WARP) are included in this plan.

Planned Asset Renewal Work

The work planning process produces a five-year asset renewal schedule, with the FY26 list fixed and subsequent years subject to adjustment based on evolving conditions.

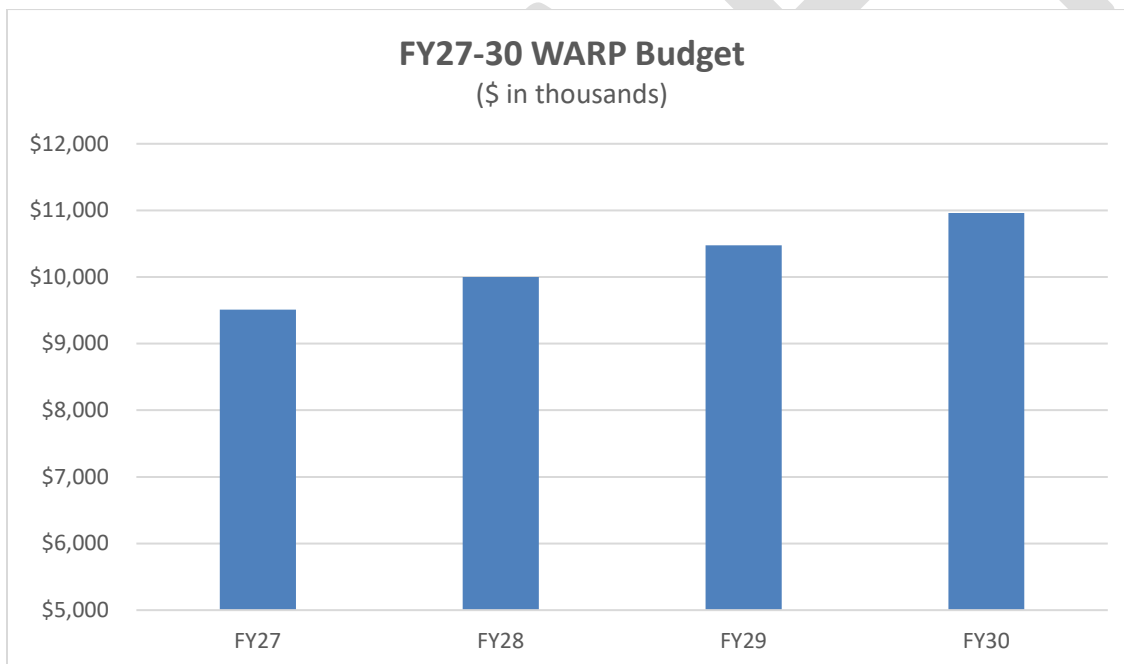
FY 2026 Summary

In FY26, it is anticipated that five projects will be constructed and three projects will be designed within WARP. Approximately \$10 million of the \$16.6 million budgeted for FY26 will be spent on construction and support, with the remaining spent on design for future projects.

FY 2027-2030 Summary

The projected WARP/Small Capital budget for FY27-30 is shown in the figure below.

Details of the full asset renewal project list beyond FY26 are included in Appendix A. Since the forecasted projects will likely change once the remaining watershed master plans are completed and integrated within Asset Management's watersheds strategic planning efforts and CIP schedule, specific asset renewal projects for the FY27-30 period are not defined.



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I. INTRODUCTION

Report Overview

The Watersheds Asset Renewal Plan (WS AR Plan) describes Valley Water’s watersheds asset renewal projects and the proposed funding allocation for these projects over the next five years. It is a rolling five-year plan that is evaluated and updated annually.

This year’s plan, covering FY 2026-2030 (FY26-30), has been reformatted to primarily focus on asset renewal needs while briefly reporting on O&M activities and funding at a high level. This new approach aims to provide a comprehensive view of the unfunded needs required to preserve our assets at an acceptable level of risk. Consequently, the plan has been renamed to the Watersheds Asset Renewal Plan. It was previously titled, “Watersheds O&M and Asset Renewal Plan” and before that, “Watersheds Operations and Maintenance Plan.”

Watersheds asset renewal activities are carried out to meet the following Board of Directors’ (Board) Ends Policies:

- Ends Policy E-3: Natural flood protection is provided to reduce risk and improve health and safety for residents, businesses, and visitors, now and into the future.
- Ends Policy E-4: Water resources stewardship protects and enhances ecosystem health.

Watersheds Design and Construction and Watersheds O&M Divisions achieve these Board’s Ends Policies by:

- Maintaining flood protection facilities to the designed levels of protection
- Maintaining the structural and functional integrity of Valley Water facilities
- Fulfilling regulatory permit obligations
- Meeting Safe, Clean Water and Natural Flood Protection Program obligations
- Avoiding, minimizing, or mitigating impacts on the environment by identifying when maintenance work is necessary and incorporating stream stewardship measures to further reduce potential impacts and enhance conditions where possible
- Complying with city and county codes and state and federal regulations (e.g., Endangered Species Act)
- Assisting people, businesses, schools, and communities to prepare for, respond to, and recover from flooding through equitable and effective engagement
- Increasing the health and safety of residents countywide by reducing community flood risk

Watersheds Infrastructure

Valley Water manages an integrated water resources system that provides for the supply of clean, safe water, flood protection, and stewardship of streams in Santa Clara County (County). Valley Water oversees five distinct watersheds within the County and is responsible for the overall stream stewardship of these geographic areas, namely Coyote, Guadalupe, Lower Peninsula, Pajaro (Uvas/Llagas), and West Valley watersheds (see Figure I-1).

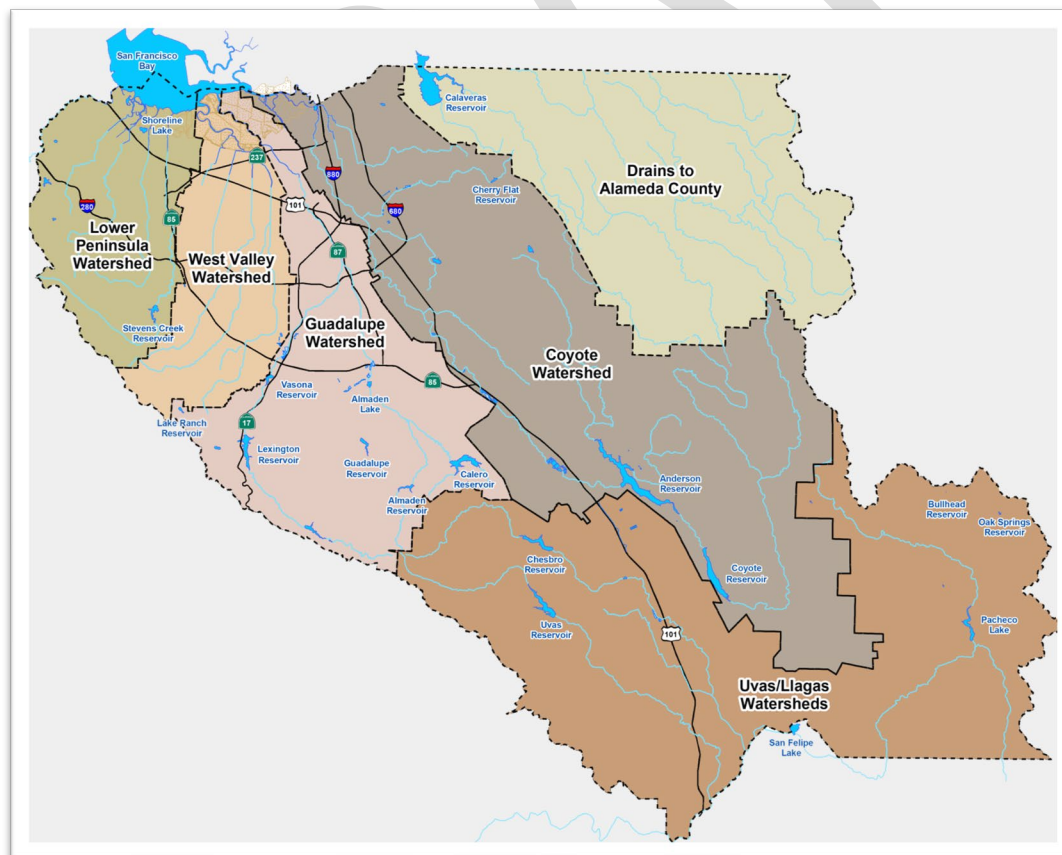
To fulfill its mission, Valley Water constructs flood protection projects to protect homes, businesses, and infrastructure. Once those flood protection projects are completed, Valley Water's WS O&M Division conducts inspections and maintenance to ensure those projects and associated facilities continue to function as designed. This work is carried out using best management practices to avoid, minimize, or mitigate potential environmental impacts, and, where possible, enhance habitat values.

Valley Water's watersheds infrastructure includes the following:

- 333* miles of creeks (owned or maintained by Valley Water)
- 126 miles of levees (including both accredited and non-accredited levees)
- 46 miles of concrete-lined channels
- 3,000+ individual assets (e.g., drop structures, weirs, fish ladders, mitigation areas)

**Last updated May 2024*

Figure I-1 Santa Clara County Watersheds



Overview of Asset Renewal Activities

There are over 800 miles of creeks in Santa Clara County. Of this length, Valley Water only has right-of-way (ownership or easement) for 333 miles. Valley Water has constructed flood protection projects along approximately 185 miles of creeks within the 333 miles of right-of-way. Maintaining these 185 miles of constructed and improved channels is a top priority for Valley Water.

Asset renewal projects are defined as rehabilitation or repair work that maintain the current level-of-service, but is non-routine and beyond the scope, resources, and/or permits of routine maintenance work. Projects that enhance or change the level of service are considered *improvement* projects, which are often conducted in the CIP. Large-scale asset renewal projects are also implemented under the CIP.

As of June 2024, 20 creek assets have been identified as in need of an asset renewal project and therefore, projected in long-term forecasts. The types of asset renewal projects include:

- **In-kind Replacement** – Typically, in-kind replacements are performed for concrete structures such as concrete bank/bed linings, drop structures, wing walls, etc.
- **Levee/Bank/Bed Stabilization** – This is a common rehabilitation project that often occurs when erosion scours and rodents deteriorate the channel conditions and stabilization is necessary to reduce the risk of bank failure or bed incision. Methods include using compacted earth fill, buried boulders/rip-rap, erosion control blankets, shotcrete, large rootwads, etc.
- **Restoring Established Level-of-Service** – Over time, a creek may fail to meet the design flow conveyance level-of-service due to overgrown vegetation, sediment accumulation, or subsiding levees.
- **Aging Infrastructure** – Projects of this nature may include concrete cracking patchwork, interim structural fixes for leaning concrete flood walls, and other repairs.

For more information on what maintenance work entails, please refer to Appendix B.

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Related Documents

Documents related to this Plan include:

- FY26-30 Capital Improvement Program (CIP): The CIP is a rolling five-year plan that primarily includes major capital improvements (enhancing or changing the level of service), with a few rehabilitation projects. This WS AR Plan only includes asset renewal needs for existing infrastructure, without changing the level of service.
- FY26-30 Water Utility Enterprise Asset Renewal Plan: This plan is a rolling five-year plan that describes operations and maintenance and asset renewal activities for the Water Utility Operations and Maintenance Divisions for the next five years. It is similar to this WS AR Plan.
- FY26-35 Long-Term Forecast: The long-term forecast is prepared as the first step of the budget process each year to forecast future funding needs for operations projects. The operations projects' five-year forecasts provided in this report are taken from the long-term forecast data. The draft report is prepared using long-term forecast data and unfunded needs requests as of November 2024. Budget requests and unfunded needs will be further evaluated by the Board throughout the budget process through May 2025.
- FY26-27 Operating and Capital Budget: Valley Water's budget is produced each year to identify the planned operations and capital expenditures and funding sources for the coming and subsequent fiscal years. It provides an overview of both operations and capital expenses, as well as revenues, for the next two fiscal years. This WS AR Plan identifies operations expenditures that are included in the Operating Budget.
- 2016 Watersheds Asset Management Plan (AMP) The Watersheds AMP is a comprehensive plan that documents the current state and future needs of Valley Water's watersheds assets. The plan provides a high-level, 100-year forecast of asset maintenance activities, while this WS AR Plan provides more detail on the next five-year forecast. As of August 2024, the Watersheds Asset Management Plan is being updated to incorporate the complete list of asset renewal projects noted in Appendix A.
- Stream Maintenance Program (SMP) Manual: The SMP Manual defines the overall routine stream maintenance program and describes the authorized avoidance measures, best management practices (BMPs), mitigation activities, and program management actions. The manual serves as a guide for performing stream maintenance work and helps inform the design, schedule, cost, and labor for O&M projects conducted under the SMP.
- Safe Clean Water Program (Measure S [2020]): The Safe, Clean Water Program is a long-term strategy to ensure continued water resources services in Santa Clara County. In November 2020, Santa Clara County voters approved Measure S, the renewed Safe, Clean Water Program and provide funding to ensure a seamless continuation of critical water resources-related services to the community. The renewed Safe, Clean Water Program provides funding, and in some instances increased funding, for various Watersheds O&M efforts, including vegetation control and sediment removal for capacity; vegetation

management for access and fire safety; encampment cleanups; graffiti and litter removal, and management of riparian planting and invasive plant management projects. It also includes funding for Project F8: Sustainable Creek Infrastructure for Continued Public Safety.

- Safe Clean Water Program 5-Year Implementation Plan for Fiscal Years 2026-2030: This plan describes how Valley Water will implement the Safe, Clean Water Program over the five-year period to deliver the Key Performance Indicators (KPIs) associated with various projects.

In addition, WS AR Plans from previous years (formerly named WS O&M Plan) are available starting with the FY21-25 plan and provide additional context on the origins and development of this plan.

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II. WORK PLANNING AND EXECUTION

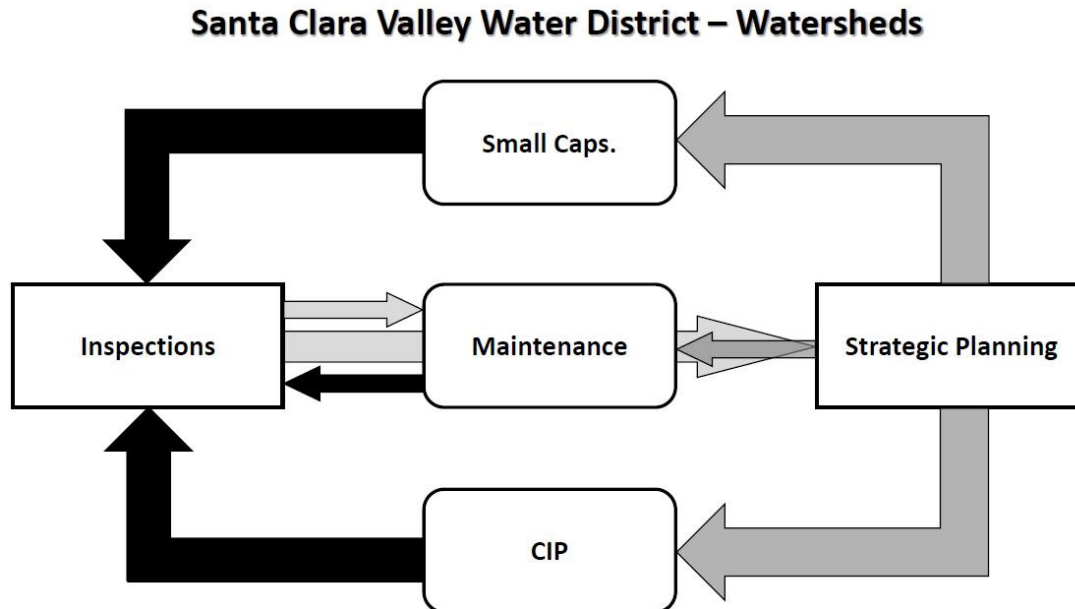
To further supplement watershed resources and improve the effectiveness and cost-efficiency of current management strategies, Valley Water recognizes the need to address stream maintenance work from a holistic and geomorphic approach and identify asset renewal needs for past flood protection projects and creek infrastructure. The Business Support and Asset Management Unit (411) leads this watershed's strategic planning effort (formerly known as and funded by Project F8).

Work Planning

The watershed's strategic planning approach is described further in the following Figure II-1. The main goal of this effort is to identify and prioritize asset renewal needs and determine how to best address the issues through routine maintenance, small capital improvements, or larger capital improvements. While some deficiencies can be easily addressed through routine maintenance, such as trash and debris removal, fence and gate repairs, etc., more complex issues, such as creekbank and levee erosion or compromised flow conveyance beyond routine maintenance capabilities, may require a small or large capital investment to address the root cause of the problem. In many instances, the most effective solution is unclear, and a holistic planning effort or asset management plan may be needed. Asset management plans are generally pursued when Valley Water determines a need for a more in-depth planning study.

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Figure II-1 Watersheds Strategic Planning Workflow



1. Light grey arrows (to the right): Inspections lead to maintenance (much of which is routine) but can or should also lead to strategic planning.
2. Dark grey arrows (to the left): Strategic planning, including identification and prioritization of assets and preparation of implementable asset management plans, should result in recommendations that would lead to conducting work via routine maintenance, small caps., or a new CIP.
3. Black arrows (to the left): Once any of these three efforts (maintenance, Small Caps/WARP, CIP) are done, inspections should be undertaken.

Asset renewal work, like O&M projects, involves restoring flood protection infrastructure to its original level of service. The primary differences between O&M and asset renewal projects are size, scope, and cost. Asset renewal projects aim to restore the creek to its as-built condition and generally encompass larger project footprints, higher costs, and longer design and construction schedules than conventional maintenance projects. Depending on the costs and scale, asset renewal projects can be executed under either WARP or CIP. Larger-scale asset renewal projects, typically included in the CIP, seek to address systemic issues aiming to extend the lifespan and reliability of the entire system, such as reducing the occurrence of erosion and/or sediment deposition throughout the reaches of a creek. As a result, these types of projects require more time and CIP investment. WARP is mainly utilized for asset renewal projects that Valley Water typically identifies as needing more immediate attention and that are smaller than CIP projects but are beyond what the WS O&M Division can undertake.

Watersheds asset renewal projects are predominantly identified and planned through the following units:

- Business Support and Asset Management Unit (411)
- Hydrology, Hydraulics, and Geomorphology Unit (296)
- Watersheds Design and Construction Unit 2 (332)
- Watersheds Design and Construction Unit 5 (336)
- Watersheds Design and Construction Unit 6 (245)
- Watersheds Operations and Maintenance Engineering Support Unit (298)

Work Execution

Once the decision has been made to address a creek deficiency with an asset renewal project, the Business Support and Asset Management Unit (411) will initiate either (1) a Capital Improvement Program (CIP) business case or (2) a small capital project request.

1. **CIP projects** require validation by the Deputy Operating Officer responsible for maintaining the facility or asset and approval by the Board of Directors. Once funding and resources are confirmed, the project moves into the Capital Delivery process which usually includes planning, design, and construction. Projects with larger scopes and resource needs are typically carried out as large CIP projects, often requiring their own CEQA documents and environmental permits, and may span more than one construction season to complete. The forecasted costs of approved asset renewal projects in CIP are not included in this plan, as they are already accounted for in the CIP budget.
2. **Small capital projects**, which are generally smaller in scope and less expensive than Capital Improvement Projects (CIP), are carried out under the Watersheds Asset Rehabilitation Program (WARP). These projects fall outside the limits and resources of Operations and Maintenance (O&M). When possible, they utilize CEQA documentation and regulatory permit authorizations from the Stream Maintenance Program (SMP) when able. Typically, these projects are completed within a single season. The anticipated costs for all asset renewal projects under the small CIP (WARP) are included in this plan.

Execution of the asset renewal projects, either as a CIP project or small capital project, is performed by the Watersheds Design and Construction Division.

Watersheds Asset Rehabilitation Program (WARP)

The Watersheds Design and Construction Division, primarily carries out small capital/WARP projects. WARP was initiated in 2013 as a small capital improvement project to perform more extensive stream maintenance and asset renewal work. With WARP, Valley Water seeks to address a backlog of asset rehabilitation projects determined to be either outside the scope of the SMP and/or identified as those which Valley Water would be better served having contractors undertake due to WS O&M Division resource limitations or the extent of work. The total project budget for WARP is approximately \$204 million (with inflation) from FY26 to FY39.

Each fiscal year, the WARP project list is reviewed and re-prioritized as needed based on field conditions and the risks associated with the consequences of watersheds asset failure. This list is included in Appendix B. As of 2024, 19 out of 24 identified projects have been completed since program inception. WARP projects are typically carried out during the same annual work season as SMP work (generally, June 15 through October 15). Depending on the scope of a particular WARP project, the work may or may not be covered by the SMP. WARP planning and design work is led by Valley Water's Watersheds Design and Construction Units 2 and 5, and WARP construction work is conducted by contractors. WARP work is conducted in close consultation with the Watersheds O&M Engineering Support Unit and other units within the WS O&M Division.

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III. FIVE-YEAR PLANNED ASSET RENEWAL WORK

The key output of the work planning process is generating a list of asset renewal work to be conducted over the upcoming five fiscal years. The work identified in this process is incorporated into the capital and operations budgets. The work list for the forthcoming fiscal year FY26 is fixed, whereas the work forecasted for the remaining four years of the five-year rolling plan is adjusted based on changing conditions.

FY26 Summary

In FY26, it is anticipated that five projects will be constructed and three projects will be designed within WARP. Approximately \$10 million of the \$16.6 million budgeted for FY26 will be spent on construction and support, with the remaining spent on design for future projects.

Table III-1 FY26 Planned Asset Renewal Projects

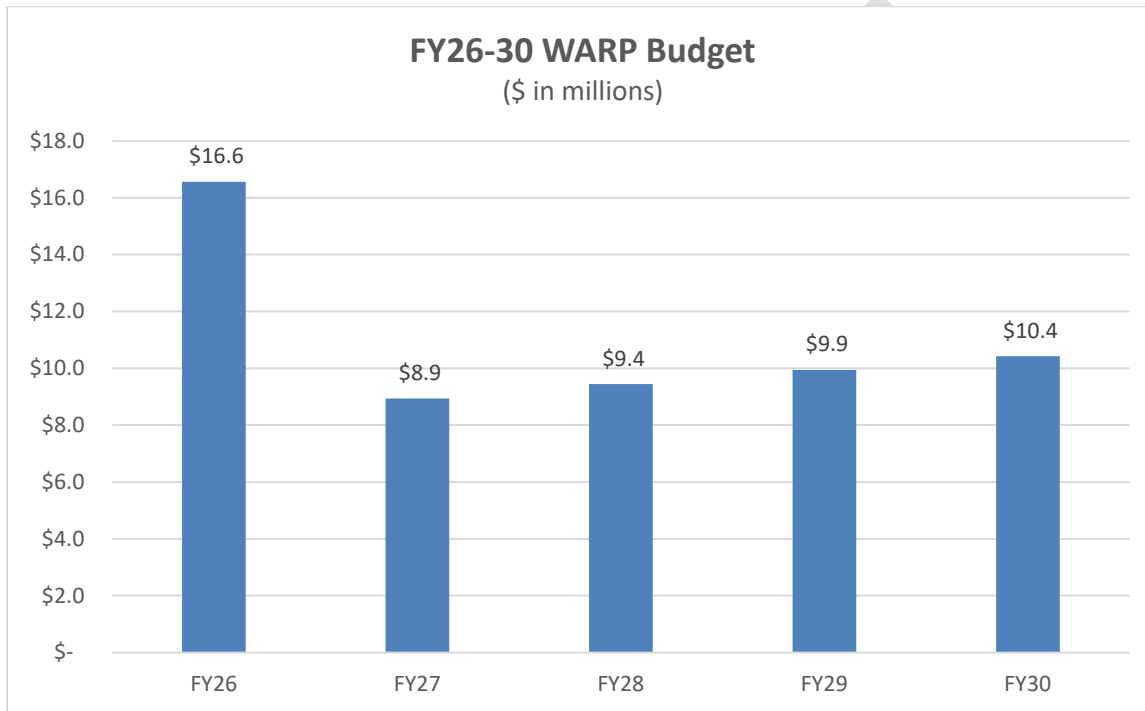
Creek	Location	Work type	FY26 Status
Guadalupe River	Malone Rd. and Blossom Hill Rd.	Erosion repair	Construction
Hale & Permanente	Arboleda Dr. to Rosita Ave. & Park Dr. to Mountain View Ave.	Interim concrete repair	Construction
South Babb	Murtha Dr. to Story Rd.	Concrete wall modification	Construction
Stevens	Evelyn Ave. Fish Passage	Fish passage modifications	Construction
Calabazas	Miller Ave. to Bollinger Rd.	Erosion repair	Construction
Coyote Creek	u/s Julian St.	Erosion repair	Design
Guadalupe River	at San Carlos St.	Gabion repair	Design
Randol Creek	u/s Camden Ave.	Levee rehabilitation	Design

FY26-30 Summary

The projected WARP/Small Capital budget for FY26-30 is shown in the figure below.

Details of the full asset renewal project list beyond FY26 are included in Appendix A. Since the forecasted projects will likely change once the remaining watershed master plans are completed and integrated within Asset Management's watersheds strategic planning efforts and CIP schedule, specific asset renewal projects for the FY27-30 period are not defined.

Figure III-1 FY26-30 WARP/Small Capital Budget



Exception:

Asset renewal work for Regnart Creek was submitted as a CIP business case in August 2023. In May 2024, the Board of Directors approved the Regnart Creek Rehabilitation Project in the CIP with the remaining funds from the Safe Clean Water Project F8, Sustainable Creek Infrastructure for Continued Public Safety. Because the costs for this work are included in the CIP as a standalone project, it is not included in the asset renewal forecasts of this plan.

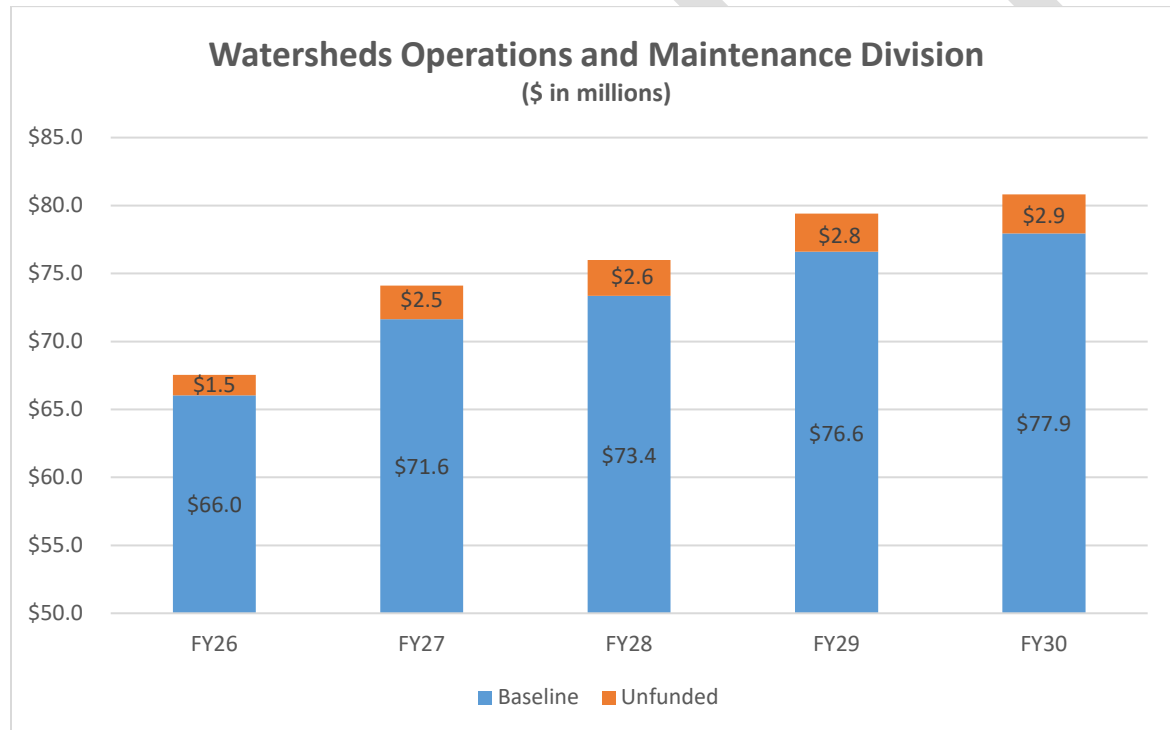
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IV. FIVE-YEAR OPERATIONS FORECAST

In addition to supporting asset renewal work, Valley Water maintenance staff conducts various activities within the 333 miles of Valley Water right-of-way. Valley Water has constructed flood protection projects along approximately 185 miles of creeks, and maintaining these constructed and improved channels is a top priority. Beyond the limits of these projects, Valley Water also performs maintenance activities within the right-of-way for purposes such as maintenance access, water quality management, fire code compliance, erosion repair, and mitigation. Appendix B provides an overview of O&M activities and outlines the types of work budgeted in operations projects.

The figure below summarizes the budgeted (FY26-27) and forecasted (FY28-30) expenses and unfunded needs for operations and maintenance activities conducted by the WS O&M Division for the next five fiscal years.

Figure IV-1 FY26-30 Projected Resource Requirements for WS O&M Division



The WS O&M Division has identified additional unfunded needs of \$12.3 million for the next five years to support:

- 1 full time employee (FTE) for an Assistant Water Resource Specialist. The position will support SMP permit compliance and preparing Notice of Proposed Work (NPW) and Annual Summary Reports (ASR).
- Valley Habitat Plan (VHP) fees for mitigation obligations for first four years of SMP3
- 3 FTEs for a Senior Maintenance Worker, Maintenance Worker II, and Maintenance Worker I to support the increasing need for in-stream vegetation management (Safe, Clean Water Priority F1.1, Vegetation Control for Capacity).

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Watersheds Asset Renewal Plan
Fiscal Years 2026-2030

APPENDIX A: WATERSHEDS ASSET RENEWAL LIST

Overview

Based on the watershed long-term strategic planning and analysis to date, the magnitude of future watersheds asset renewal work is estimated at \$378 million in 2024 dollars and projected to increase to over \$700 million due to inflation. The estimated cost is preliminary and will be refined on an ongoing basis and updated in the annual WS AR Plans. The work is phased over the next 30 years as funding becomes available. Funding is anticipated to be provided by the Watersheds and Stream Stewardship fund and Valley Water will also be pursuing available grant funding. It is likely that in future years, the magnitude of work will exceed available funding.

Table A-1 FY27-55 Projected Asset Renewal Activities

Creek or Project Name	Location	Work type	Cost Estimate ⁱ
Stevens ⁱⁱ	Crittenden Ln. to I-280	Aging concrete and modified levees and deferred creek improvements ⁱⁱⁱ	\$120 million
San Tomas Aquino ^{iv}	Bay to Tasman Dr. d/s Williams Rd. and u/s Smith Creek confluence Westmont Ave. to Wildcat Creek confluence	Aging concrete and modified levees and banks	\$60 million
Canoas	Guadalupe River confluence to Hillsdale Ave.	Erosion and potential hydraulic improvements	\$50 million
Lower Coyote	McCarthy Blvd. to Montague Expwy.	Eroding banks/levees with rodent damage	\$30 million
Calabazas	Old Mountain View Rd. to Hwy. 101	Aging concrete floodwalls and banks	\$30 million
Thompson	Lower Silver Creek confluence to Quimby Creek	Asset Management Plan or geomorphic study to address eroding banks and sediment build-up	\$25 million
Permanente + Hale ^{iv}	Mountain View Ave. to Park Ave. + Arboleda Dr. to Rosita Ave.	Concrete replacement/improvement	\$15 million
Ross	Kirk Rd. to Camden Ave. Union Ave. to Camino del Cerro	Erosion and potential hydraulic improvements	\$11 million
Adobe Bypass	Adobe Ln. and El Monte Road	Aging concrete and banks and creek in pipe rehabilitation	\$10 million
Matadero	SF Bay to Middlefield Rd.	Aging concrete and eroding banks with rodent damage	\$10 million
Creek in Pipe Program	Inspection and maintenance of creek in underground pipe and culverts county-wide	Predictive maintenance repair of creeks in pipe	\$5 million
Rodent Control Bank/Levee Program	Address rodent damage on creek banks county-wide	Levee/banks with rodent damage	\$0 million ^v

Creek or Project Name	Location	Work type	Cost Estimate ⁱ
Llagas	d/s Bloomfield Ave.	Erosion repair	\$5 million
Randol	u/s Camden Ave.	Restore level of service, levee rehabilitation	\$3 million
Coyote	u/s Julian St.	Erosion repair	\$4 million
			\$378 million

- i. Conceptual, high-level cost estimate and is subject to change.
- ii. In June 2024, the updated Stevens Creek Asset Management Plan was completed. This plan developed the most sustainable and economic management strategies that can implemented in a future CIP project request.
- iii. Improvement indicates an element that was omitted from original construction.
- iv. A business case report for a CIP Project was submitted but not validated or funded.
- v. Costs to be determined at a later date.



Watersheds Asset Renewal Plan
Fiscal Years 2026-2030

APPENDIX B: OVERVIEW OF ACTIVITIES AND UNITS IN THE WATERSHEDS O&M DIVISION

Purpose

The purpose of this appendix is to provide background of Watersheds Operations and Maintenance (O&M) activities.

Watersheds O&M work includes:

- Sediment removal
- Bank erosion repair
- Levee maintenance
- Vegetation management
- Mitigation site maintenance
- Riparian planting
- Invasive plant management
- Trash and debris removal
- Installation of fisheries improvement
- Compensatory mitigation projects
- Access road maintenance
- Weir, grade control structure maintenance
- Downed wood management
- Fence repairs and graffiti removal
- Fish ladder maintenance
- Inspections, monitoring, and condition assessment
- Concrete channel lining repair
- Management of animal conflict
- Encampment management

Valley Water identifies this maintenance work in four main categories: preventive, predictive maintenance repair, corrective, and deferred.

Preventive Maintenance (PM): This is routine planned maintenance work to keep an asset at a required level of service and to reduce the likelihood of failure. It includes the maintenance of completed CIP flood protection projects. Project-specific maintenance guidelines or manuals guide preventive maintenance. In some instances, these manuals are developed in partnership with project sponsors, such as the Natural Resources Conservation Service (NRCS) and the U.S. Army Corps of Engineers (USACE). For example, the Uvas Creek Operations, Maintenance, Repair, Replacement and Rehabilitation Manual, issued by USACE, provides O&M staff with the

information, guidance, and requirements for the proper operation and maintenance of a federally constructed project on Uvas Creek.

Non-capital project preventive maintenance includes maintenance of all mitigation sites (riparian planting and invasive plant management), and routine maintenance required for instream flow conveyance, maintenance access, and fire code compliance.

Preventive maintenance responsibilities are projected to increase as more flood protection capital projects and updated maintenance guidelines are completed and turned over to the WS O&M Division. In addition, preventive maintenance responsibilities will likely increase after deferred maintenance projects have been addressed under WARP or Project F8.

Predictive Maintenance Repair (PMR): This is non-routine maintenance work that is identified and addressed proactively prior to failure instead of allowing the issue to progress and have to be addressed later by corrective maintenance. This work is first identified in the field during inspections, where maintenance repairs should be initiated if it has been determined that a creek's ability to meet its level of service is compromised. Under predictive maintenance repair, infrastructure is repaired or rehabilitated after an issue is identified in the field, but prior to complete failure requiring Corrective Maintenance. Examples of predictive maintenance repair include repairing a creek bank or levee, removing sediment or vegetation, and maintaining Valley Water access roads to design conditions, all of which would have been identified by previous inspections.

Corrective Maintenance (CM): This is non-routine or unplanned maintenance. Under corrective maintenance, infrastructure is repaired or replaced after unexpected failure and the asset is no longer meeting its level of service. Examples of corrective maintenance include emergency repair of a creek bank or levee damaged from winter storms, emergency removal of fallen trees or trash and debris, and repair or replacement of damaged Valley Water fences, gates, and signs.

Weather events may prompt the need to perform corrective maintenance work. During heavy storms, vegetation and sediment washed down from areas upstream can restrict the flow of water and, in some areas, cause a back-up, increasing the risk of flooding and/or bank erosion. WS O&M regularly monitors known "hot spots" for trash and debris buildups and, where needed and safe to do so, takes action to remove these blockages and reduce the threat of localized flooding.

Deferred Maintenance: This is predictive maintenance repair or corrective maintenance that has been postponed to a future period for various reasons, such as limited availability of resources, constraints of existing regulatory permits, need to address encroachments on Valley Water property, or managing the volume of public requests. Deferred maintenance is required to repair, restore, or rehabilitate infrastructure, and failure to do so would contribute to asset deterioration and, ultimately, asset impairment. This work is prioritized and accomplished subject to the availability of resources. Generally, a policy of continued deferred maintenance may result in higher costs, difficulty in obtaining required permits, infrastructure failure, and, in some cases, health and safety implications. Deferred maintenance activities can include sediment removal, larger-scale instream vegetation or tree removal for flow conveyance (impacts beyond the limits of existing environmental documentation and regulatory permits), infrastructure repair and rehabilitation, and erosion repairs.

While Valley Water strives to balance community requests with other required corrective, predictive, and preventive work activities, limited resources, time, and other factors can lead to deferrals and delays in planned maintenance.

Watersheds O&M Engineering Support Unit (298)

The WS O&M Engineering Support Unit is responsible for conducting creek and levee inspections, preparing work orders, and providing engineering support for operations and maintenance activities for streams, levees, and other watersheds assets within Santa Clara County over which Valley Water has responsibility. This work supports the flood protection and environmental stewardship components of Valley Water's mission.

This unit updates stream maintenance guidelines and carries out general engineering planning to support watersheds operations and maintenance activities throughout the county. Stream maintenance guidelines are vital to ensuring that Valley Water continues to provide flood protection to the community while complying with regulatory permits. The guidelines help inform when a modified creek facility requires routine maintenance work, such as sediment removal, vegetation management, rodent control measures, and road repairs, among other work activities, to provide the levels of service intended by the original construction of the facility and to ensure continued functionality of designed project elements.

Engineering and inspection support includes preliminary development of planning for projects, working with municipalities and other entities, pre-project planning, developing environmental documentation and acquiring permits for non-Stream Maintenance Program (non-SMP) projects, and managing Pond A8 activities resulting from requirements under an agreement with the U.S. Fish and Wildlife Service (USFWS). This unit also supports the watersheds strategic planning and analysis efforts as part of Project F8; these efforts have led to the development of a working list (draft) of asset renewal work, as reflected in Appendix A.



Staff measuring extent of bank erosion along Calabazas Creek

In addition, this unit performs regular inspection and documentation of watersheds infrastructure, such as flood protection structures (e.g., levees, floodwalls, berms), streams, and banks, to determine maintenance required and ensure those assets are safe and maintained to their design conditions. The unit inspects USACE-constructed flood protection projects along sections of Guadalupe River, Coyote Creek, Upper Berryessa Creek, and Uvas Creek, and the NRCS-constructed Lower Llagas Creek Flood Protection Project. As the local sponsor for these projects, Valley Water is responsible for maintaining these facilities for flood protection. Creek inspection work is expected to grow in the coming years as CIP flood protection projects are completed and turned over to the WS O&M Division for inspection and maintenance.

In addition, the unit assists with reviews of flood-related emergency action plans and is integral in planning, implementing, and leading related field information team (FIT) efforts.

Watersheds Field Operations Unit (253)

The Watersheds Field Operations Unit is responsible for the coordination and management of field construction and O&M activities (noted in section II) within the WS O&M Division, coordination of emergency response services, and monitoring of safety procedures.

One of the many O&M activities this unit is responsible for is maintaining all watersheds assets to design capacity to allow stormwater to flow through the creeks as designed. High and/or sustained flows can cause extensive damage to creek banks or levees, while sediment buildup can restrict the flow of water, increasing the risk of flooding. To allow water to flow through the creeks as designed, Valley Water removes sediment, manages vegetation, and repairs banks and levees. This effort also helps ensure that Valley Water meets the requirements identified in the Safe, Clean Water Program's Project F1: Vegetation Control and Sediment Removal for Capacity. When specific criteria are met, the removed sediment may be reused to support the South Bay Salt Pond Restoration Project or other environmental enhancement and restoration projects under the Safe, Clean Water Program's Project D3: Sediment Reuse to Support Shoreline Restoration. These operations are expected to grow as new CIP flood protection projects are completed and turned over to the WS O&M Division for inspection and maintenance.



Sediment removal activities

In addition to maintaining watersheds projects, this unit is also responsible for several other programs and general maintenance of Valley Water properties and facilities under watersheds, such as debris removal, Pond A4 operations, graffiti and litter removal (supported by the Safe, Clean Water Program's Project F6: Good Neighbor Program: Graffiti and Litter Removal and Public Art), and other general field maintenance such as access road repairs, fence repair and installation, and sign installation. The encampment clean-up program formerly part of Unit 253 has now been moved to Watersheds Operations and Maintenance Division Deputy's Office (251).

Vegetation Field Operations Unit (295)

The Vegetation Field Operations Unit is responsible for the coordination and oversight of integrated vegetation management programs, riparian planting and invasive plant management mitigation projects, the hazard tree program, and the sandbag program including capital projects and water utility sites.

This unit supports Valley Water meeting the requirements identified in the Safe, Clean Water Program's Project D1: Management of Riparian Planting and Invasive Plant Removal. This project provides for the maintenance and management of existing and future revegetation and invasive plant management projects throughout the county to ensure that Valley Water meets its regulatory requirements. Revegetation and invasive plant management sites provide mitigation to compensate for impacts to habitat from flood protection and maintenance projects.

The Vegetation Field Operations Unit also supports a variety of other programs that include instream vegetation removal for flow conveyance and vegetation maintenance for access and fire safety (supported by Safe Clean Water Program's projects F1: Vegetation Control &

Sediment Removal for Capacity and F4: Vegetation Management for Access and Fire Safety). These operations are expected to grow as new CIP flood protection projects are completed and turned over to the WS O&M Division for inspection and maintenance.



Pictured: Invasive species removal along Coyote Creek in San José

Operations and Maintenance Environmental Support Unit (297)

The Operations and Maintenance (O&M) Environmental Support Unit is responsible for managing Valley Water's SMP, implementing instream habitat complexity and compensatory mitigation projects, securing O&M regulatory permits, environmental review (CEQA), O&M environmental compliance, monitoring associated mitigation sites, ordering and processing Equipment Material and Labor (EML), and providing additional Water Utility environmental support for O&M field operations.

This unit provides environmental support and compliance for routine maintenance activities under the SMP, including sediment removal, animal conflict management, and bank protection projects. The unit's goal is to ensure activities are carried out in compliance with various regulatory permits and in a manner that avoids or minimizes environmental impact to the stream systems. If impacts cannot be avoided, the unit also negotiates and coordinates compensatory mitigation requirements with resource agencies. Instream habitat complexity projects are an SMP-2 requirement, compelling Valley Water to conduct salmonid habitat enhancement efforts in the five watersheds – Coyote, Guadalupe, Lower Peninsula, Pajaro, and West Valley. Since FY23, four new efforts have commenced – the Evelyn Avenue Fish Ladder Rehabilitation Project (mitigation negotiation and permitting), Little Arthur Creek Dam Removal Project, Coyote 10B Freshwater Wetland Project (negotiating and strategizing mitigation coverage), and the SMP portion of reopening the Valley Habitat Plan (VHP). These operations are expected to grow as new CIP flood protection projects are completed and turned over to the WS O&M Division for inspection and maintenance.



Pictured: Stevens Creek streambed restoration

Watersheds Operations & Maintenance Division Deputy's Office (251)

The Watersheds Operations & Maintenance Division Deputy's Office provides administrative leadership and support for the four operational units that compose the Division. The Division Deputy's Office is also the new home to Valley Water's Good Neighbor Program encampment cleanup operations, which includes Valley Water's work to address the human health, public safety, operational, and environmental challenges posed by encampments of unsheltered people located on the property where Valley Water holds land rights. The Good Neighbor Program supports collaboration with the County, municipal partners, and service providers to humanely assist in permanently relocating unsheltered people residing on Valley Water lands. This includes supporting outreach, counseling, transitional or affordable housing, or other services by these agencies and service providers. The removal of encampment-generated trash, debris, and hazardous materials is partially funded by the Safe, Clean Water Program's Project F5: Good Neighbor Program: Encampment Cleanup.



Valley Water

Clean Water • Healthy Environment • Flood Protection

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Santa Clara Valley Water District

File No.: 24-1044

Agenda Date: 1/14/2025
Item No.: 10.1.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☒ No ☐
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Approve Amendment No. 4 to Agreement No. A4296A with Vena Solutions USA, Inc., for On-Call Enhancements and Support Services for the Capital Improvement Program Development and Biennial Budget Process, Increasing the fee by \$404,000 for a Revised Total Not-to-Exceed fee of \$1,086,000.

RECOMMENDATION:

Approve Amendment No. 4 to Agreement No. A4296A with Vena Solutions USA, Inc., for On-Call Enhancements and Support Services for the Capital Improvement Program Development and Biennial Budget process, increasing the fee by \$404,000 for a total revised not-to-exceed fee of \$1,086,000, extend the term from January 31, 2025, to January 31, 2029, and to implement administrative updates.

SUMMARY:

Vena Solutions, Inc. (Consultant) provides enhancements and support services to support the Capital Improvement Program (CIP) and the Budget Office, as well as technical integrations support to all financial software currently used by the CIP and Budget Office. The Consultant was selected in August 2016 after a competitive request for proposal process to replace the outdated Budget and the Capital Dashboard tools. After the Board of Directors approved Agreement A4020A with the Consultant, the Vena software was implemented for Valley Water's Capital Improvement Program and Budget Office development process.

On October 18, 2019, Valley Water's Board of Directors awarded a sole-source On-Call Agreement A4296A so that the Consultant could continue to perform general, specialized programming, and Vena support services post-implementation on an on-call, as-needed basis to assist with improvements to the Capital Improvement Program (CIP) and annual budget development process.

On August 11, 2020, the Board of Directors directed staff to implement a rolling biennial budget process to be updated annually after implementation of, and demonstrated stability of, Valley Water's new enterprise resource planning (ERP) system Infor. Agreement A4296A was amended to provide additional scope and time for the Consultant to provide support with the implementation of Valley Water's new biennial budget process and to continue to provide implementation support for

integrations with the new ERP system.

Valley Water uses the Vena budgeting system on an annual Capital Budget, Operating Budget, and Rate setting cycle.

Amendment No. 1 to Agreement A4296A extended the Agreement term to January 31, 2023, increased the not-to-exceed (NTE) fee by \$198,000, modified the scope of services, and added Task 4 “Biennial Budgeting Implementation” to assist Valley Water with the implementation of a two-year budget cycle, as directed by Valley Water’s Board of Directors. Vena has successfully completed Task 4 and continues to provide on-going support for the annual Budget cycle process.

Amendment No. 2 to Agreement A4296A extended the Agreement term from January 31, 2023, to January 31, 2025. This allows the Consultant additional time and effort to integrate with Infor (ERP system), ProjectMates (project management information system), and Vemo (staff forecasting system), which utilizes data from the Vena tool.

Amendment No. 3 to Agreement A4296A increased the NTE fee by \$182,000, renumbered the supplemental task section, and increased the hourly rates to Agreement A4296A. This allows the Consultant to continue performing as-needed support services to support the Capital Improvement Program financial forecasting and planning and assist the Budget Office during budget development.

Recommended Amendment No. 4 to Agreement A4296A

Amendment No. 4 would allow the Consultant to continue performing as-needed support services to support the Capital Improvement Program financial forecasting and planning and assist the Budget Office during the budget development process.

Staff’s recommendation to approve Amendment No. 4 to the Agreement was discussed at the Capital Improvement Program (CIP) board committee meeting on December 16, 2024.

Staff recommends approval of Amendment No. 4 to extend the term from January 31, 2025, to January 31, 2029, and increase the Not-to-Exceed fee by \$404,000.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

There are no environmental justice and equity impacts associated with this item.

FINANCIAL IMPACT:

The NTE for Amendment No. 4 (an increase of \$404,000) shall not exceed the total revised amount of \$1,086,000 and will be funded by Project Nos. 60221001, Budget and Financial Analyses, and 00074033, Capital Improvement Program Development and Administration, to compensate the Consultant for the continued services required. There is sufficient funding in each Project’s Fiscal Year (FY) 2024-25 Board approved Budget and (FY) 2025-26 Proposed Budget to pay this additional fee.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment A: Gov. Code 84308
Attachment 1: Amendment No. 4
Attachment 2: Amendment No. 3
Attachment 3: Amendment No. 2
Attachment 4: Amendment No. 1
Attachment 5: Agreement

UNCLASSIFIED MANAGER:

Darin Taylor, 408-630-3068

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Attachment A
Government Code §84308

Approve Amendment No. 4 to Agreement No. A4296A, with Vena Solutions USA, Inc., to provide on-call financial budgeting services for the On-Call Enhancements and Support Services for the Capital Improvement Program Development Project No. 00074033, and Budget and Financial Analyses, Project No. 60221001, Agreement No. A4296A, CAS File No. 5027, for a Not-to-Exceed Fee of \$1,086,000 and extend the term to January 31, 2029.

List of Parties and Their Agents/Representatives Known to Staff

<u>Organization Name</u>	<u>Name</u>	<u>Role</u>	<u>Location</u>
Vena Solutions USA, Inc.	Linda Neff	Vice President	2 Fraser Solutions, Suite 200 Toronto, ON M6K1Y6

List of Participants and Their Agents/Representatives Known to Staff

<u>Organization Name</u>	<u>Name</u>	<u>Role</u>	<u>Location</u>
Vena Solutions USA, Inc.	Jenny Causse	Customer Success Manager	2 Fraser Solutions, Suite 200 Toronto, ON M6K1Y6
	Justin Chiu	Sponsor	Same As Above
	Mike Liu	Advisor/Manager	Same As Above
	Kevin Truong	Advisor/Manager	Same As Above
	Jenny Crawford	Advisor	Same As Above
	Jenny Causse	Customer Success	Same As Above
	Tim Szego	Advisor	Same As Above
	Vickie Kwan	Secondary Consultant	Same As Above
	Serena Toromani	Secondary Consultant	Same As Above
	Yoni Admasse	Primary Consultant	Same As Above

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**AMENDMENT NO. 4 TO AGREEMENT A4296A
BETWEEN THE SANTA CLARA VALLEY WATER DISTRICT
AND VENA SOLUTIONS USA, INC.**

This Amendment No. 4 (Amendment) effective as of the date it is fully executed by the Parties, amends the terms and conditions of the Standard On-Call Consulting Agreement A4296A (Agreement) dated October 8, 2019, Amendment No. 1 executed March 9, 2021, Amendment No. 2 executed January 20, 2023, and Amendment No. 3 executed May 16, 2023 between the SANTA CLARA VALLEY WATER DISTRICT (District or Valley Water) and VENA SOLUTIONS USA, INC. (Consultant), collectively the "Parties."

RECITALS

WHEREAS, Consultant is currently providing professional on-call financial budgeting services for the District's On-Call Enhancements and Support Services for the Capital Improvement Program Development Project;

WHEREAS, the Agreement currently expires on January 31, 2025; and

WHEREAS, the Parties desire to extend the agreement term and increase the Not-To-Exceed fee to provide funds for Consultant to perform on-call financial budgeting and support services for the Capital Improvement Program; and incorporate administrative changes.

NOW, THEREFORE, in consideration of the mutual promises and agreements stated herein and notwithstanding any provision to the contrary stated in the Agreement and Amendments No. 1, Amendment No. 2, and Amendment No. 3, District and Consultant hereby amend the Agreement as follows:

1. Revised Standard On-Call Consulting Agreement, Section 12, subsection 24, Schedules and Attachments, is amended as follows:

"24. Schedules and Attachments. Revised Schedule OC, Scope of Services, and the following listed Attachments are incorporated herein by this reference as though set forth in full.

Revised Attachment One to Schedule OC – Fees and Payments (REVISED)
Revised Attachment Two to Schedule OC – Schedule of Completion (REVISED)
Attachment Three to Schedule OC – Consultant's Key Staff and Subconsultants (UNCHANGED)
Attachment Four to Schedule OC – Reference Materials (UNCHANGED)"
2. Revised Appendix Four, Insurance Requirements is amended as set forth is Revised Appendix Four, Insurance Requirements, attached hereto and incorporated herein by this reference.
3. Revised Attachment One, Fees and Payments is amended as set forth in Revised Attachment One, Fees and Payments, attached hereto and incorporated herein by reference.
4. Revised Attachment Two to Schedule OC, Schedule of Completion, Section 2. is amended to state as follows:

**AMENDMENT NO. 4 TO AGREEMENT A4296A
BETWEEN THE SANTA CLARA VALLEY WATER DISTRICT
AND VENA SOLUTIONS USA, INC.**

“2. This Agreement expires on January 31, 2029 unless, prior to its expiration, its term is modified by a written amendment hereto, signed by both Parties.”

5. All other terms and conditions of the Agreement A4296A, and Amendments No. 1, 2, and 3 not amended as stated herein, remain in full force and effect.

IN WITNESS WHEREOF, THE PARTIES HAVE SET FORTH BELOW THEIR CONSENT TO THE TERMS AND CONDITIONS OF THIS AMENDMENT NO. 4 TO AGREEMENT A4296A THROUGH THE SIGNATURES OF THEIR DULY AUTHORIZED REPRESENTATIVES

SANTA CLARA VALLEY WATER DISTRICT
District

By: _____
Tony Estremera
Chair, Board of Directors

Date: _____

ATTEST:

Maximillion Overland, CMC
Interim Clerk, Board of Directors

VENA SOLUTIONS USA, INC.
Consultant

By:  _____
Tina Goulbourne
Chief Operating & Customer Officer

Date: 12/17/2024

Consultant's Address:
2 Fraser Solutions, Suite 200
Toronto, ON M6K1Y6

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**AMENDMENT NO. 4 TO AGREEMENT A4296A
REVISED APPENDIX FOUR
INSURANCE REQUIREMENTS**

Please Note: Failure to comply with the instructions below could result in a delay in receiving the Notice to Proceed. The District will not be responsible for time lost or costs incurred due to failure to comply with these requirements. Please note the check-list of documents needed at the end of this Revised Appendix Four Insurance Requirements.

Without limiting the Consultant's indemnification of, or liability to, the Santa Clara Valley Water District ("District" or "Valley Water"), the Consultant must provide and maintain at its own expense, during the term of this Agreement, or as may be further required herein, the following insurance coverages and provisions as listed below.

Consultant must provide its insurance broker(s)/agent(s) with a copy of these requirements and warrants that these requirements have been reviewed by Consultant's insurance agent(s) and/or broker(s), who have been instructed by Consultant to procure the insurance coverage required herein.

In addition to certificates, Consultant must furnish District with copies of all original endorsements affecting coverage required by this Revised Appendix Four Insurance Requirements. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. **All endorsements and certificates are to be received and approved by District before the Agreement is executed.** In the event of a claim or dispute, District has the right to require Consultant's insurer to provide complete, certified copies of all required pertinent insurance policies, including endorsements affecting the coverage required by this Revised Appendix Four Insurance Requirements.

If your insurance broker has any questions about the above requirements, please advise him/her to email the Valley Water Risk Manager at: RiskManager@valleywater.org

Certificates of Insurance

Consultant shall furnish the District with a Certificate of Insurance. The certificates will be issued on a standard ACORD Form.

Consultant shall instruct their insurance broker/agent to submit all insurance certificates and required notices electronically in PDF format to the designated District Contract Administrator and email a copy to: valleywater@ebix.com.

The certificates will:

1. Identify the underwriters, the types of insurance, the insurance limits, the deductibles and the policy term;
2. Include copies of all the actual policy endorsements required herein; and
3. In the "Certificate Holder" box include:

**Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118
Agreement No. A4296A / CAS No. 5027**

IMPORTANT: The agreement or CAS number must be included.

Amendment No. 4 to Agreement A4296Ad
On-Call Vena Enhancements and Support Services
Standard On-Call Consultant Agreement for GEN-ADMIN Consultant
Ver. 12/13/24

Agreement No. A4296A / CAS File No. 5027

**AMENDMENT NO. 4 TO AGREEMENT A4296A
REVISED APPENDIX FOUR
INSURANCE REQUIREMENTS**

In the Description of Operations/Locations/Vehicles/Special Items Box:

1. Certificate Holder shall be named as Additional Insured;
2. District agreement or project number shall appear;
3. The list of policies scheduled as underlying on the Umbrella policy shall be listed; and
4. Waiver of Subrogation must be indicated as endorsed to all policies.

If Consultant receives any notice that any of the insurance policies required by this Revised Appendix Four Insurance Requirements may be cancelled or coverage reduced for any reason whatsoever, Consultant or insurer shall immediately provide written notice to the designated District Contract Administrator that such insurance policy required by this Revised Appendix Four Insurance Requirements is canceled or coverage is reduced.

Maintenance of Insurance

If Consultant fails to maintain such insurance as is called for herein, District, at its option, may suspend payment for work performed and/or may order Consultant to suspend all Consultant's work at Consultant's expense until a new policy of insurance is in effect.

Renewal of Insurance

Consultant will provide the District with a current Certificate of Insurance and endorsements within thirty (30) business days from the expiration of insurance.

Consultant shall instruct its insurance broker/agent to:

1. Submit all renewals of insurance certificates and required notices electronically in PDF format to: valleywater@ebix.com
2. Provide the following information in the "Certificate Holder" box:

**Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118
Agreement No. A4296A / CAS No. 5027**

IMPORTANT: The agreement or CAS number must be included.

Consultant must, at its sole cost and expense, procure and maintain during the entire period of this Agreement the following insurance coverage(s).

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**AMENDMENT NO. 4 TO AGREEMENT A4296A
REVISED APPENDIX FOUR
INSURANCE REQUIREMENTS**

Required Coverages

- 1. Commercial General/Business Liability Insurance** with coverage as indicated:

\$2,000,000 per occurrence / **\$2,000,000** aggregate limits for bodily injury and property damage

General Liability insurance must include:

- a. Coverage at least as broad as found in standard ISO form CG 00 01.
- b. Contractual Liability expressly including liability assumed under this contract.
- c. If Consultant must be working within fifty (50) feet of a railroad or light rail operation, any exclusion as to performance of operations within the vicinity of any railroad bridge, trestle, track, roadbed, tunnel, overpass, underpass, or crossway must be deleted, or a railroad protective policy in the above amounts provided.
- d. Severability of Interest.
- e. Broad Form Property Damage liability.

- 2. Business Auto Liability Insurance** with coverage as indicated:

\$2,000,000 combined single limit for bodily injury and property damage per occurrence, covering all owned, non-owned and hired vehicles.

- 3. Professional/Errors and Omissions Liability** with coverage as indicated:

\$5,000,000 per claim/ **\$5,000,000** aggregate

Professional/Errors and Omission Liability appropriate to the Consultant's profession, and must include:

- a. If coverage contains a deductible, or self-insured retention, it shall not be greater than one hundred thousand dollars (\$100,000) per occurrence/event.
- b. Coverage shall include contractual liability
- c. If coverage is claims-made:
 - i. Certificate of Insurance shall clearly state that the coverage is claims-made.
 - ii. Policy retroactive date must coincide with or precede the Consultant's start of work (including subsequent policies purchased as renewals or replacements).
 - iii. Policy must allow for reporting of circumstances or incidents that might give rise to future claims.
 - iv. Insurance must be maintained and evidence of insurance must be provided for at least three (3) years after completion of the contract of work.

- 4. Workers' Compensation and Employer's Liability Insurance**

Statutory California Workers' Compensation coverage covering all work to be performed for the District.

Employer Liability coverage for not less than \$1,000,000 per occurrence.

**AMENDMENT NO. 4 TO AGREEMENT A4296A
REVISED APPENDIX FOUR
INSURANCE REQUIREMENTS**

General Requirements

With respect to all coverages noted above, the following additional requirements apply:

1. **Additional Insured Endorsement(s):** Consultant must provide an additional insured endorsement for Commercial General/Business Liability (for both on-going and completed operations) and Business Automobile liability coverage naming the **Santa Clara Valley Water District, its Directors, officers, employees, and agents, individually and collectively**, as additional insureds, and must provide coverage for acts, omissions, etc. arising out of the named insureds' activities and work. Other public entities may also be added to the additional insured endorsement as applicable and the Consultant will be notified of such requirement(s) by the District. **NOTE:** This section does not apply to the Workers' Compensation and Professional Liability policies.

(**NOTE:** Additional insured language on the Certificate of Insurance is **NOT** acceptable without a separate endorsement such as Form CG 20 10, CG 2033, CG 2037, or CG 2038. Editions dated 07/04 are not acceptable.)

2. **Primacy Clause:** Consultant will provide evidence (either through the Certificate of Insurance, endorsement or language in the insurance contract) that consultant's insurance is primary with respect to any other insurance which may be carried by the District, its Directors, its officers, agents and employees, and the District's coverage must not be called upon to contribute or share in the loss. **NOTE:** This section does not apply to the Workers' Compensation policies.
3. **Cancellation Clause:** Consultant will provide endorsements for all policies stating that the policy will not be cancelled without 30 days prior notification to the District.
4. **Acceptability of Insurers:** All coverages must be issued by companies admitted to conduct business in the State of California, which hold a current policy holder's alphabetic and financial size category rating of not less than A- V, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the District's Risk Manager. Non-Admitted companies may be substituted on a very limited basis at the Risk Manager's sole discretion.
5. **Self-Insured Retentions or Deductibles:** Any deductibles or self-insured retentions must be declared to and approved by the District. At the option of the District, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District, its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the Entity guaranteeing payment of losses

and related investigations, claim administration, and defense expenses. Consultant agrees that in the event of a claim they will pay down any agreed upon SIR in a prompt manner as soon as bills are incurred in order to trigger the insurance related to the SIR.

**AMENDMENT NO. 4 TO AGREEMENT A4296A
REVISED APPENDIX FOUR
INSURANCE REQUIREMENTS**

6. **Subconsultants:** The Consultant shall secure and maintain or shall be responsible for ensuring that all subconsultants performing the Contract Services secure and maintain all insurance coverages appropriate to their tier and scope of work in a form and from insurance companies reasonably acceptable to the District.
7. **Amount of Liability not Limited to Amount of Insurance:** The insurance procured by Consultant for the benefit of the District must not be deemed to release or limit any liability of Consultant. Damages recoverable by the District for any liability of Consultant must, in any event, not be limited by the amount of the required insurance coverage.
8. **Coverage to be Occurrence Based:** Except for Professional Liability, all coverage must be occurrence-based coverage. Claims-made coverage is not allowed.
9. **Waiver of Subrogation:** Consultant agrees to waive subrogation against the District to the extent any loss suffered by Consultant is covered by any Commercial General Liability policy, Automobile policy, Workers' Compensation policy described in **Required Coverages** above. Consultant agrees to advise its broker/agent/insurer and agrees to provide evidence (either through the Certificate of Insurance, endorsement or language in the insurance contract) that subrogation has been waived by its insurer.
10. **Non-compliance:** The District reserves the right to withhold payments to the Consultant in the event of material noncompliance with the insurance requirements outlined above.

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**AMENDMENT NO. 4 TO AGREEMENT A4296A
REVISED APPENDIX FOUR
INSURANCE REQUIREMENTS**

CHECK LIST OF DOCUMENTS NEEDED

General Liability:	A.	Limits (\$2,000,000)	
	B.	Additional Insured (Endorsement)	
	C.	Waiver of Subrogation (COI, Endorsement or policy language)	
	D.	Primacy (COI, Endorsement or policy language)	
	E.	Cancellation Endorsement	
Auto Liability:	A.	Limits (\$2,000,000)	
	B.	Additional Insured (Endorsement)	
	C.	Waiver of Subrogation (COI, Endorsement or policy language)	
	D.	Primacy (COI, Endorsement or policy language)	
	E.	Cancellation Endorsement	
Umbrella:	A.	Limits (\$)	
	B.	Primacy (Endorsement or policy language)	
Workers Comp:	A.	Limits (\$1,000,000)	
	B.	Waiver of Subrogation (Endorsement or policy language)	
	C.	Cancellation Endorsement	
Professional Liability:	A.	Limits (\$5,000,000)	

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**AMENDMENT NO. 4 TO AGREEMENT A4296A
REVISED ATTACHMENT ONE
FEES AND PAYMENTS**

1. Total Authorized Funding (REVISED)

Total payment for Services performed, to the satisfaction of District, as described in the Schedule and in all approved Task Orders will not exceed a total amount of **\$1,086,000** (Not-to-Exceed Fees or NTE). Consultant shall complete the Services for an amount within this NTE. Under no conditions will the total payment to the Consultant under this agreement exceed this NTE amount without prior written approval in the form of a written executed by the District's Board of Directors (Board), or Chief Executive Officer, or designee, as authorized by the Board. It is understood and agreed that this total is an estimate, and the total amount of Services to be requested by the District may be less. **There is no guarantee, either expressed or implied, as to the actual dollar amount that will be authorized pursuant to this Agreement.**

2. Cost Breakdown (REVISED)

The NTE total compensation of this Agreement consists of the following task fee breakdown. No services will be performed or fees paid by the District to the Consultant for Supplemental Services without prior written authorization by the District as stated in this Agreement.

COST BREAKDOWN (REVISED)

Task	Description	Original Not-to-Exceed Fees	Amendment No. 1 Not-to-Exceed Fees	Amendment No. 2 Not-to-Exceed Fees	Administrative Reallocation 1/3/23	Amendment No. 3 Not-to-Exceed Fees	Amendment No. 4 Not-to-Exceed Fees	Revised Total Not-to-Exceed Fees
1	Project Management	\$10,000	\$10,000	-	-	\$10,000	\$10,000	\$40,000
2	Expert Managed Services	\$72,000	-	-	-	\$72,000	\$144,000	\$288,000
3	Extended Expert/Hypercare Services	\$100,000	-	-	-	\$100,000	\$200,000	\$400,000
4	Biennial Budgeting Implementation (Completed)	-	\$128,000	-	(\$75,450)	-	-	\$52,550
5	Supplemental Services (Renumbered)	\$120,000	\$60,000	-	\$75,450	-	\$50,000	\$305,450
Total Not-to-Exceed Fees		\$302,000	\$198,000	\$0	\$75,450	\$182,000	\$404,000	\$1,086,000

Notes:

- Amendment No. 1 renumbered Task 4 Supplemental Services as Task 5, and added a new Task 4 Biennial Budgeting Implementation.
- Amendment No. 2 was issued for no cost.
- By letter approval from Valley Water to the Consultant dated January 3, 2023, funds were reallocated from Task 4 to Task 5 (\$75,450).
- Amendment No. 3 was to increase the fee by \$182,000 for continued support services for the Capital Improvement Program Development and Biennial Budget process and to implement administrative updates.
- Amendment No. 4 increases the fees for Tasks 1, 2, 3, and 5 by \$404,000.

Amendment No. 4 to Agreement A4296Ad
On-Call Vena Enhancements and Support Services
Standard On-Call Consultant Agreement for GEN-ADMIN Consultant
Ver. 12/13/24

Agreement No. A4296A / CAS File No. 5027

**AMENDMENT NO. 4 TO AGREEMENT A4296A
REVISED ATTACHMENT ONE
FEES AND PAYMENTS**

3. Terms and Conditions (UNCHANGED)

Payments for Services performed, as defined in each Task Order, which applies to the specific Services, will be based on the following terms:

- A. The District will pay for Services provided by the Consultant according to the rates for professional, technical, and administrative personnel as well as materials and supplies as listed in the Hourly/Unit Rate Schedule and the Cost Breakdown table. In lieu of hourly/unit rates, a flat fee shall apply for all tasks performed under Tasks 2 and 3 for each twelve-month period following the effective date of this Agreement and the issuance of a corresponding task order. The 12-month flat fee for Task 2 shall be \$36,000, and the 12-month flat fee for Task 3 shall be \$50,000 payable at the start of the 12-month period following the issuance of a task order. The District may modify the payment rate structure for Tasks 2 and 3 in accordance with paragraph 3(B) below.
- B. The stated hourly rates are effective for the term of this Agreement unless otherwise revised as indicated. After 12 months from the date this Agreement is entered into by parties ("anniversary date"), and each 12 months thereafter, these hourly rates may be negotiated by the Consultant and the District, provided Consultant submits written notice to District of Consultant's request to revise the hourly rates 90 calendar days prior to the anniversary date of this Agreement. Both parties will use as a benchmark for negotiations the percent change for the previous 12 months of the "Employment Cost Index (ECI), for total compensation for private industry workers, for the San Francisco-Oakland-San Jose, CA CSA Census region and metropolitan area (not seasonally adjusted)" as published by the U.S. Department of Labor, Bureau of Labor Statistics, or 2.5% whichever is less. A negative index will result in rates remaining the same. Such rate revisions are subject to written approval by the District's Deputy Operating Officer.

C. Reimbursable Expenses

- 1) All reimbursable expenses not already covered in overhead may include, but are not limited to, mapping, rendering, printouts, leased equipment, mailing and delivery services, printing services, film and processing, plotting and supplies, and Subconsultant and vendor services. These other direct expenses may be billed at actual cost-plus 2.5% percent linked to each Task Order, as approved by the District's Project Manager, provided that the Agreement total NTE amount is not exceeded. Consultant shall provide receipts for each other direct expense item(s) with invoices submitted. The 2.5% markup will be applied only once, either by the Consultant or by its subconsultants, subcontractors, or vendors.
- 2) Equipment purchased on behalf of the District that costs \$50 or more must receive the prior written approval of the District Project Manager. All equipment purchased on behalf of the District and paid for by the District shall become the property of the District and be delivered to District prior to expiration of this Agreement.

**AMENDMENT NO. 4 TO AGREEMENT A4296A
REVISED ATTACHMENT ONE
FEES AND PAYMENTS**

- 3) Travel expenses are reimbursed at actual cost. Travel, including air travel, overnight accommodations, and meals, required for performance of this Agreement will be paid per diem at the U.S. General Services Agency Per Diem Rates for Sunnyvale/Palo Alto/San Jose, California area, provided prior approval for such travel has been obtained from the District Project Manager. For air travel, District will pay the cost of a coach class or equivalent ticket. Where air travel is required, District will pay the total cost of taxi, rideshare, public transportation, or a rental car, which may include insurance, gas, car fee, and taxes, and will be paid for the actual costs incurred. Vehicle rental is limited to a compact or economy model, unless prior approval has been obtained from the District Project Manager for a different type of vehicle.

- D. Expenses incurred by the Consultant for Subconsultants, subcontractors and vendors, including lab services, will be reimbursed at actual cost plus 2.5%. Consultant shall provide invoices for all such services regardless of cost.

E. Prevailing Wage Requirements - NOT USED

HOURLY/UNIT RATE TABLE (UNCHANGED)

CLASSIFICATION	HOURLY/ UNIT RATE EFFECTIVE 10/8/2019	HOURLY/ UNIT RATE EFFECTIVE 02/01/2021	HOURLY/ UNIT RATE EFFECTIVE 04/03/2023	HOURLY/ UNIT RATE EFFECTIVE 04/03/2024
Consultant: Vena Solutions USA, Inc.				
Software technician	\$200/hr.	\$205/hr.	\$210/hr.	\$215.25/hr.
Consultant	\$200/hr.	\$205/hr.	\$210/hr.	\$215.25/hr.
Manager	\$200/hr.	\$205/hr.	\$210/hr.	\$215.25/hr.
Operations Analyst	\$200/hr.	\$205/hr.	\$210/hr.	\$215.25/hr.
Success Advisor	\$200/hr.	\$205/hr.	\$210/hr.	\$215.25/hr.
Director	\$200/hr.	\$205/hr.	\$210/hr.	\$215.25/hr.
Expert Consultant	\$200/hr.	\$205/hr.	\$210/hr.	\$215.25/hr.

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**AMENDMENT NO. 3 TO AGREEMENT A4296A
BETWEEN THE SANTA CLARA VALLEY WATER DISTRICT
AND VENA SOLUTIONS USA, INC.**

This Amendment No. 3 (Amendment) effective as of the date it is fully executed by the Parties, amends the terms and conditions of the Standard On-Call Consulting Agreement A4296A (Agreement) dated October 8, 2019, Amendment No. 1 executed March 9, 2021, and Amendment No. 2 executed January 20, 2023 between the SANTA CLARA VALLEY WATER DISTRICT (District or Valley Water) and VENA SOLUTIONS USA, INC. (Consultant), collectively the "Parties."

RECITALS

WHEREAS, Consultant is currently providing professional on-call financial budgeting services for the District's On-Call Enhancements and Support Services for the Capital Improvement Program Development Project;

WHEREAS, the Parties desire to modify the scope of services; increase the Not-To-Exceed fee to provide funds for Consultant to perform on-call financial budgeting and support services for the Capital Improvement Program; and incorporate administrative changes.

NOW, THEREFORE, in consideration of the mutual promises and agreements stated herein and notwithstanding any provision to the contrary stated in the Agreement and Amendments No. 1 and Amendment No. 2, District and Consultant hereby amend the Agreement as follows:

1. Revised Standard On-Call Consulting Agreement, Section 12, subsection 24, Schedules and Attachments, is amended as follows:

"24. Schedules and Attachments. Revised Schedule OC, Scope of Services, and the following listed Attachments are incorporated herein by this reference as though set forth in full.

Revised Attachment One to Schedule OC – Fees and Payments (REVISED)

Revised Attachment Two to Schedule OC – Schedule of Completion (UNCHANGED)

Revised Attachment Three to Schedule OC – Consultant's Key Staff and Subconsultants (REVISED)

Attachment Four to Schedule OC – Reference Materials (UNCHANGED)"

2. Revised Schedule OC, Scope of Services is amended as set forth in Revised Schedule OC, Scope of Services, attached hereto and incorporated herein by this reference.
3. Revised Schedule OC, Revised, Fees and Payments is amended as set forth in Revised Schedule OC, Revised Attachment One, Fees and Payments, attached hereto and incorporated herein by this reference.
4. All other terms and conditions of the Agreement A4296A, and Amendments No. 1 and 2 not amended as stated herein, remain in full force and effect.

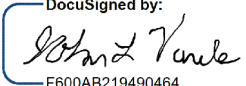
(SIGNATURES FOLLOW ON NEXT PAGE)

**AMENDMENT NO. 3 TO AGREEMENT A4296A
BETWEEN THE SANTA CLARA VALLEY WATER DISTRICT
AND VENA SOLUTIONS USA, INC.**

**IN WITNESS WHEREOF, THE PARTIES HAVE SET FORTH BELOW THEIR CONSENT TO
THE TERMS AND CONDITIONS OF THIS AMENDMENT NO. 3 TO AGREEMENT A4296A
THROUGH THE SIGNATURES OF THEIR DULY AUTHORIZED REPRESENTATIVES**

SANTA CLARA VALLEY WATER DISTRICT

District

By:  _____
F600AB219490464...
John L. Varela
Chair, Board of Directors

Date: 05/16/2023 _____

VENA SOLUTIONS USA, INC.

Consultant

By:  _____
D6494C0B21D0473...
Linda Neff
Vice President, Professional Services

Date: 4/3/2023 _____

Consultant's Address:
2 Fraser Solutions, Suite 200
Toronto, ON M6K1Y6

ATTEST:

 _____
7E1632DBD93E40C...
Michele L. King, CMC
Clerk, Board of Directors

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**AMENDMENT NO. 3 TO AGREEMENT A4296A
REVISED SCHEDULE OC
SCOPE OF SERVICES**

1. Representatives (UNCHANGED)

- A. The District's representatives are as listed below. Unless otherwise provided in this Agreement, all correspondence to the District must be addressed to the District's Project Manager (DPM).

Jennifer Martin (District Project Manager)
Program Administrator
Planning and Analysis Unit
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118-3638

Phone: (408) 630-3724
Email: jmartin@valleywater.org

Jessica Collins (District Unit Manager)
Business Planning and Analysis Unit
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118-3638

Phone: (408) 630-2200
Email: jcollins@valleywater.org

Luz Penilla (District Assistant Officer)
Office of Integrated Water Management
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118-3638

Phone: (408) 630-2228
Email: lpenilla@valleywater.org

Darin Taylor (Chief Financial Officer)
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118-3126

Phone: (408) 630-3068
Email: dtaylor@valleywater.org

- B. The Consultant's Project Manager is as listed below. All District questions and correspondence pertaining to this Agreement shall be referred to the Consultant's Project Manager.

Jenny Causel
Customer Success Manager

**AMENDMENT NO. 3 TO AGREEMENT A4296A
REVISED SCHEDULE OC
SCOPE OF SERVICES**

Vena Solutions
2 Fraser Avenue, Suite 200
Toronto, ON M6K1Y62

Phone: (519) 721-6002
Email: jcaussel@venacorp.com

- C. The Consultant's Principal Officer for this Agreement is as listed below. As per the Agreement, Section Twelve, subsection 18., Notices, all notices pertaining to this Agreement must be submitted to the Consultant's Principal Officer.

Jenny Causse
Customer Success Manager
Vena Solutions
2 Fraser Avenue, Suite 200
Toronto, ON M6K1Y6

Phone: (519) 721-6002
Email: jcaussel@venacorp.com

2. Scope of Services (UNCHANGED)

The objective of this Agreement for on-call services is for Consultant to perform general and specialized programming and Vena support services on an "as-requested" or "as-needed basis", to assist the Santa Clara Valley Water District (District) in accomplishing its capital improvement program (CIP) and annual budget development and reporting in an effective and timely manner. Requests for the services of qualified software staff from the Consultant's team may come at any time and may require different levels of staff experience and expertise to perform the requested tasks. In addition to these on-call services, Vena will be assisting District staff in implementing a two-year budget cycle.

3. Project Background (UNCHANGED)

- A. The Santa Clara Valley Water District (District) is a public agency providing water supply, flood protection and stream stewardship throughout Santa Clara County. It serves approximately two million people in all 15 cities and the unincorporated areas in the county. The District also manages the groundwater basins, which is the source of nearly half of the county's water supply. Groundwater basins are replenished with local surface water and imported water conveyed through the Sacramento-San Joaquin Delta. Imported water and local surface water also supply the District's three water treatment plants. The District collaborates and coordinates with local agencies and recycled water producers on recycled water development and use.
- B. The District's CIP and Budget Office staff routinely provides support for capital projects as well as annual budget development process. The on-call services under this agreement will augment the services of District staff and provide additional Vena software programming and support services as needed.

**AMENDMENT NO. 3 TO AGREEMENT A4296A
REVISED SCHEDULE OC
SCOPE OF SERVICES**

- C. Agreement A4020A, enacted on 9/13/2016, with Vena Solutions, USA, Inc., was for the design and implementation of a new CIP system, with improved long-term (15 year) planning and forecasting and integration with PeopleSoft Financial system and the Budget Office to improve data accuracy and reduce data redundancy.
- D. To help further this improvement process, enhancements, upgrades and improvements to data transfer, depiction and presentation, along with improvements to technical requirements, will be required on an as-needed basis. Specialized support will be required on a regular basis to help support further improvements to the District's CIP and budget development processes.

4. Assumptions and Requirements (UNCHANGED)

A. General Assumptions and Requirements

- 1) **Manage Scope of Services.** The Consultant shall manage the Scope of Services such that the work is completed within the Not-to-Exceed Fees limit and in accordance with the Project schedule and ensure that all services and deliverables meet the District and Project requirements.
- 2) **Deliverable Format.** Consultant shall submit deliverables in both electronic and hardcopy format, if requested. Deliverables shall be submitted in PDF and native (editable) format, including Word documents, Excel spreadsheets, PowerPoint files, AutoCAD files, etc. The hard copy deliverables shall be printed in professional quality presentation and submitted in five copies, if requested. District may require original copies of signed documents and/or scanned (Adobe PDF) versions.
- 3) **Review of Deliverables.** The District will review and comment on all Project deliverables and forward to the Consultant for revision and preparation of final versions. As determined by the District, some of the deliverables may also be subject to review and comment from regulatory agencies and stakeholders following the District review process.
- 4) **District Quality Environmental Management System.** The District maintains a Quality Environmental Management System (QEMS) which has procedures, guidelines and work instructions for the performance of various District work. Consultant will perform the Agreement tasks and/or sub-tasks in accordance with the QEMS framework.
- 5) **Consultant Responsibility.** Consultant, with its expertise in performing the services described herein is responsible for making the appropriate assumptions in each task to complete each task's deliverables and to achieve the Project objectives of this Agreement as described in section 3, Project Background.
- 6) **Document Control.** The Consultant is responsible for establishing and maintaining its own document control system to execute this Scope of Services. An internal document control system for this project is maintained by the District.

**AMENDMENT NO. 3 TO AGREEMENT A4296A
REVISED SCHEDULE OC
SCOPE OF SERVICES**

- 7) **File Exchange Service.** Consultant will provide a file exchange service, accessible to all parties as designated by the District, to facilitate communications; particularly of large files over three megabytes. Difficulties in using and transmitting information with this exchange service shall be resolved by the Consultant. In the event that transmitting or receiving information does not occur in a timely manner, the District will not be responsible for delays in completing Project work. Consultant may need to coordinate with District's Information Technology Division to address any firewall issues and/or permissions required to allow for these communications.

B. Project-Specific Assumptions and Requirements

- 1) Services provided as part of this Agreement will be for the District's CIP and Budget Office Teams and will be provided on a task order basis.
- 2) Response time for services under Tasks 2 and 3 will be under one business day. Turn-around time for deliverables under Tasks 2 and 3 will be mutually agreed upon but no longer than 10 business days (unless otherwise stated). Turn-around times for services provided on a Task Order basis will be negotiated as part of each Task Order.
- 3) The Consultant employees assigned to District Tasks will be familiar with all current Vena elements provided to the District and qualified to address questions and changes that do not require major changes to the architectural design.
- 4) Deliverables provided based on Task Orders issued from this Agreement require due diligence on the part of the Consultant with regard to project management for each Task Order Scope of Services, functional testing, startup and implementation.
- 5) Standard upgrades and updates of Vena software currently in use by the District is assumed to be required as part of the Software as a Service (SaaS) Master Subscription Agreement, enacted 9/13/2016 and will not be covered in this Agreement. Consultant is required to inform District Project Manager if deliverable(s) specified in any Task Order are being delivered in a current or future Vena update – whether in part or in full.
- 6) Task 4 Biennial Budget listed in the Agreement as incorporated with Amendment No. 1 will allow Consultant to provide support services to the District Budget Office to implement a two-year budget cycle. These services will be provided in addition to ongoing support provided as part of this On-Call Agreement.

5. Scope of Services Tasks (REVISED)

The On-Call Scope of Services will generally include, but is not limited to the following:

**AMENDMENT NO. 3 TO AGREEMENT A4296A
REVISED SCHEDULE OC
SCOPE OF SERVICES**

Task 1 – Project Management (UNCHANGED)

The purpose of Task 1 is to require the Consultant to manage the Scope of Services such that the work is completed within the NTE fee limit and according to the schedule stated in each Task Order, while ensuring that all services and deliverables by the Consultant meet these Scope of Services requirements. The Consultant will perform all Subtasks in the outlined Tasks unless otherwise specified.

This Task includes all project management efforts required to organize Consultant's team, assign and control work, and report progress to the District in the form of monthly progress reports. The Consultant shall be available for meetings with additional parties as requested by the District on matters concerning a Task Order.

1.1 Monthly and Biweekly Progress Reports. Each monthly invoice must be accompanied by a monthly Progress Report, unless otherwise directed by the District's Project Manager. In the event there is no invoice, a Progress Report must nonetheless be sent in. Upon request, Consultant must provide a biweekly Progress Report. All Progress Reports must document the work completed, along with the execution of the tasks charged, so as to enable the District to evaluate the Consultant's progress and performance of the work. The Progress Reports shall include:

- 1.1.1 Assessment of actual versus planned progress with regard to the Project Schedule, including a description of the Tasks, and deliverables completed to date;
- 1.1.2 Upon request, Consultant will provide a biweekly progress report detailing the actual versus planned progress with regard to the Project Schedule, including a description of the Tasks and deliverables completed to date;
- 1.1.3 For each task, the percentage of Services performed versus the percentage of Agreement NTE fees incurred for such task, and explanation of any significant variances in percentage of services performed compared to percentage of fees incurred;
- 1.1.4 The fees incurred for each task compared to dollar amount allocated to each task;
- 1.1.5 For each task, identify costs to date and forecast to complete, including staffing by task;
- 1.1.6 For Task Order-based services: A summary of performed tasks to date, an updated Task Order work plan including estimate of level of effort required to complete the Task Order, explanation of any major variances in percentage of Services to be completed compared to percentage of the Task Order NTE fees remaining, and any anticipated changes to the Task Order that may be necessary to complete the Scope of Services; and
- 1.1.7 Any changes in Consultant's key staff or subconsultants.

AMENDMENT NO. 3 TO AGREEMENT A4296A REVISED SCHEDULE OC SCOPE OF SERVICES

Task 2 – Expert Managed Services (UNCHANGED)

The purpose of this Task is to provide the District expert feedback and support in order to assist with and optimize the District CIP and Budget processes. Support will be provided to District staff at a maximum of 12 hours per month. Services provided under this Task will include but not be limited to:

- 2.1 Problem Definition and Concept Development Report.** Consultant will perform investigations, evaluation, and recommendations for enhancement design based on District's existing infrastructure and hardware. Report will include:
 - 2.1.1 Identification of bugs and weak points in existing platform;
 - 2.1.2 Suggestions for bug fixes and patches;
 - 2.1.3 Design of new tools which will improve interface performance;
 - 2.1.4 Programming and implementation of new tools to improve speed and interface performance; and
 - 2.1.5 Recommendations for infrastructure enhancements and improvements.
- 2.2 Implementation** of identified bug fixes and patches.
- 2.3 Technical support** provided via telephone, conference call or email, as needed.
- 2.4 Improvement/optimization** of existing elements, including but not limited to reports, architectural design and templates.
- 2.5 Training** will be provided to District staff as necessary to assist with any upgrades/enhancements/improvements to Vena platform.

Task 2 – Deliverables

- 1. Problem Definition and/or Concept Development Report.
- 2. 12 hours per month of remote support (i.e., GoTo meetings, conference calls).
- 3. Monthly status reports detailing all Expert Managed Services provided to District staff.

Task 2 – Assumptions

- 1. The District will communicate clear requirements.
- 2. Unused service hours will not carry forward.
- 3. Services and deliverables will be provided in English on weekdays (excluding Canadian Holidays) during the following hours:
 - a. During CIP and Budget active phase October 1 to Dec 31 and January 1 to April 30 - 9:00am PST to 5:00 pm PST (12pm to 8pm EST)
 - b. May 1 to September 30 - 6:00 am to 2:00 pm PST (9:00 am - 5:00 pm EST, North America).
- 4. Services will be provided remotely.

**AMENDMENT NO. 3 TO AGREEMENT A4296A
REVISED SCHEDULE OC
SCOPE OF SERVICES**

5. If onsite is required, travel costs will be additional and charged to the District.
6. The fees specified for Task 2 are based on a subscription service.
7. The District shall not be invoiced for excess fees in the event that more than twelve (12) hours are used in a single month.

Task 3 – Extended Expert/Hypercare Services (UNCHANGED)

The purpose of this Task is for the Consultant to provide additional Expert Managed Services support for eight hours per week, as necessary, during CIP and Budget active phase between October and April in order to assist with last-minute or emergency requests within a more rapid turn-around time of at least six hours.

3.1 Problem Definition and Concept Development Report. Consultant will perform investigations, evaluation, and recommendations for enhancement design based on District's existing infrastructure and hardware. Report will include:

- 3.1.1 Identification of bugs and weak points in existing platform;
- 3.1.2 Suggestions for bug fixes and patches;
- 3.1.3 Design of new tools which will improve interface performance;
- 3.1.4 Programming and implementation of new tools to improve speed and interface performance; and
- 3.1.5 Recommendations for infrastructure enhancements and improvements.

3.2 Implementation of identified bug fixes and patches.

3.3 Technical support provided via telephone, conference call or email, as needed.

3.4 Improvement/optimization of existing elements, including but not limited to reports, architectural design and templates.

3.5 Training will be provided to District staff as necessary to assist with any upgrades/enhancements/improvements to Vena platform.

Task 3 – Deliverables

1. Problem Definition and/or Concept Development Report.
2. 8 hours per week of remote support (i.e., GoTo meetings, conference calls) between the months of October and April.
3. Monthly status reports detailing all Expert Managed Services provided to District staff.

Task 3 – Assumptions

1. Upon receipt of a request for Hypercare services, provide Client with an effort estimation and proposed schedule immediately, within 6 hours.

**AMENDMENT NO. 3 TO AGREEMENT A4296A
REVISED SCHEDULE OC
SCOPE OF SERVICES**

2. For items prioritized as “High”/”Urgent”, Vena will make every effort to perform the requested services as quickly as possible during the same day(s) in which they were scheduled
3. For items prioritized as “Medium”/”Low”, Vena and Client will coordinate a mutually agreeable schedule to perform the services
4. The fees specified for Task 3 are based on a subscription service.
5. Any unused hours may not be carried over into the following month(s).

Task 4 – Biennial Budget Implementation (COMPLETED)

The purpose of this Task is for the Consultant to provide and configure the solution to support the biennial budget requirement.

4.1 Solution Design

- 4.1.1 Develop mock-ups for a subset of templates/reports based on business requirements for biennial budgeting.
- 4.1.2 Develop high-level solution design document focusing on the subset of configuration defined below in “Build”.
- 4.1.3 The Consultant will provide prescribed file formats for all data sources and dimensions/hierarchies.
- 4.1.4 Conduct solution design review to gain acceptance.

4.2 Configuration and Build

- 4.2.1 Modify existing data model to support input, reporting and time aggregation for biennial budget process.
- 4.2.2 Update data model integration between CIP and Budget module to support biennial budget requirements.
- 4.2.3 Configure/update reports and templates listed in the deliverables section in Task 4 to support biennial budgeting process.
- 4.2.4 Configure additional process variable to assign Year 2 for each process.

4.3 Testing

- 4.3.1 Provide sample user acceptance scripts.
- 4.3.2 Test system in collaboration with the District power user to ensure the configured solution meets the solution design.
- 4.3.3 Provide up to 80 hours of testing support to assist in solution modifications and complete the testing phase as defined in the project plan that result from Customer-led User Acceptance Tests (“UAT”).

**AMENDMENT NO. 3 TO AGREEMENT A4296A
REVISED SCHEDULE OC
SCOPE OF SERVICES**

4.4 Deploy

- 4.4.1 Document steps to maintain and operate the solution for the District super user.
- 4.4.2 Perform transition to the Consultant Support Team and Customer Success Management team for closeout of task.

Task 4 – Deliverables

Deliverables for this task are related to templates and reports that will be created, modified or updated for the biennial budgeting process. The templates & reports include

- 1. Capital Offset Input Template
- 2. High-level Target Input Template
- 3. Non-Expense Budget Input Template
- 4. Overhead Allocation 11 – Configuration
- 5. Overhead Allocation 71 – Configuration
- 6. Overhead Allocation 72 – Configuration
- 7. Overhead Allocation 73 – Configuration
- 8. Position Configuration
- 9. Project Configuration
- 10. Salary Savings Factor Configuration
- 11. Department Narrative Publication
- 12. Project Narrative Publication
- 13. Budget Master Recipient Allocation Report
- 14. Labor Cost Distribution Report
- 15. Project Input template
- 16. Project Manager Report
- 17. Department Input Template
- 18. Unfunded Needs Request Template
- 19. Department Report
- 20. Budget Pivot Table Report
- 21. By-Ends Report
- 22. Proforma Base Report – Chiefs Only (Macros)
- 23. Hours by Staff Report
- 24. Hours S&S Reports
- 25. Project Plan – CIP Team
- 26. Project Plan

Task 4 – Assumptions

- 1. Consultant will provide support to District during testing and deployment phases as needed.
- 2. Consultant will provide regular reports on the development and implementation of Task 4 as part of the Monthly Status Report and in line with Task 1 Project Management.
- 3. Weekly meetings between District and Consultant will be conducted to address all concerns/questions/requirements related to the development and implementation of Task four, for example, to review system requirements and testing, UAT strategy plan and timelines, etc.

**AMENDMENT NO. 3 TO AGREEMENT A4296A
REVISED SCHEDULE OC
SCOPE OF SERVICES**

4. Vena shall provide a monthly cost breakdown based on hours performed, work classifications and services provided in the format of an invoice.
5. Work completed as part of Task 4 shall be tracked, recorded and reported each month as part of the Monthly Status Report.

Task 5 – Supplemental Services (RENUMBERED)

The purpose of this Task is to provide the District additional services not defined in Tasks 1 through 4. Additional tasks will be issued on a Task Order basis and will include, but not be limited to:

5.1 Additional Enhancements for CIP purposes. These tasks may include:

- 5.1.1 Template and Report Design Assistance and modification. During CIP development time.
- 5.1.2 Data modeling assistance.
- 5.1.3 Data Integration/SQL view related changes
- 5.1.4 Vena Server/Add-in upgrade and installation assistance.
- 5.1.5 Troubleshooting of software issues/bug fixes to Vena software to resolve, during budget development time, within the same business day.
- 5.1.6 Additional coaching/knowledge transfer or formal training from the Vena consulting team, includes unique system functionalities not commonly utilized.
- 5.1.7 Create system or template customizations as needed to meet CIP requirements.
- 5.1.8 Other support, as requested by CIP staff.

5.2 Additional Enhancements for Budget purposes. These tasks may include:

- 5.2.1 Template and Report Design Assistance and modification during Budget development time.
- 5.2.2 Data modeling assistance.
- 5.2.3 Data Integration/SQL view related changes.
- 5.2.4 Vena Server/Add-in upgrade and installation assistance.
- 5.2.5 Troubleshooting of software issues/bug fixes to Vena software to resolve, during budget development time, within the same business day.
- 5.2.6 Additional coaching/knowledge transfer or formal training from the Vena consulting team, includes unique system functionalities not commonly utilized.

**AMENDMENT NO. 3 TO AGREEMENT A4296A
REVISED SCHEDULE OC
SCOPE OF SERVICES**

- 5.2.7 Create system or template customizations as needed to meet Budget Office requirements.
- 5.2.8 Other support, as requested by Budget Office staff.
- 5.3 Additional Enhancements.** The Vena software based on Task Order requests in order to improve user interface, multidirectional flow of data, up and download speed of project plans and depiction of data. Such requests may include, but will not be limited to, the following tasks:
- 5.3.1 Consultant will perform investigations, evaluation, and recommendations for optimizations to user interface;
- 5.3.2 Consultant will design, program and implement improvements to optimize existing interface applications with Vena and other software in order to:
- 5.3.3 Improve flow of and auto-population of data from Vena to other programs used by the District (i.e., Microsoft Excel); and
- 5.3.4 Improve flow of and auto-population of data from other programs into Vena project plans.
- 5.3.5 Consultant will develop tools to improve the display and presentation of data on user platform, publication onto second-party applications and publication on District website, as needed;
- 5.3.6 Consultant will create enhancements to improve functions of CIP Project Pages and implement new tools for Project Pages as needed; and
- 5.3.7 Speed optimization: Consultant will create enhancements to improve download and upload rates for project pages.
- 5.4 IT Infrastructure Assessment.** At the District's request, the Consultant shall provide an independent assessment of the District's existing IT infrastructure and provide suggestions for improvements with regard to optimally meeting the requirements of the Vena applications in use
- 5.4.1 Contract submittals and other documents relating to the progress, tracking, reporting, payment, and scheduling of work
- 5.4.2 Engineering analysis of work performed or proposed by the Consultant
- 5.5 Updates.** Consultant will provide updates to software in order to improve usability and speed.

**AMENDMENT NO. 3 TO AGREEMENT A4296A
REVISED SCHEDULE OC
SCOPE OF SERVICES**

5.6 Additional Services. Consultant shall provide additional quantities of previously identified services as requested by the District. Additional Services can include, but are not limited to:

5.6.1 Additional meetings

5.6.2 Additional status/progress reports

5.6.3 Additional enhancements or reports

Task 5 – Deliverables

1. Deliverables will be based on a case-by-case Task assignment. Specific Task Order deliverables will be listed in the specific Task Order issued to the Consultant.

Task 5 – Assumptions

1. The District will provide data requirements and support on data extraction (as necessary).
2. The District will provide written definition of requirements where deemed necessary to clearly articulate requirement.
3. The District will be responsible for validation and reconciliation of all data loaded into the solution to ensure accuracy and address any data quality issues.
4. The District will be responsible for the user testing of the configured solution.
5. The District shall be invoiced on a monthly basis based on actual time for work performed, payable based on the fee schedule in Attachment One.

6. ATTACHMENTS

The following listed Attachments are incorporated herein by this reference as though set forth in full:

Attachment One to Schedule OC - Fees and Payments (REVISED)

Attachment Two to Schedule OC - Schedule of Completion (UNCHANGED)

Attachment Three to Schedule OC - Consultant's Key Staff and Subconsultants (REVISED)

Attachment Four to Schedule OC - Reference Materials (UNCHANGED)

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**AMENDMENT NO. 3 TO AGREEMENT A4296A
REVISED SCHEDULE OC
REVISED ATTACHMENT ONE
FEES AND PAYMENTS**

1. Total Authorized Funding (REVISED)

Total payment for Services performed, to the satisfaction of District, as described in the Schedule and in all approved Task Orders will not exceed a total amount of **\$682,000** (Not-to-Exceed Fees or NTE). Consultant shall complete the Services for an amount within this NTE. Under no conditions will the total payment to the Consultant under this agreement exceed this NTE amount without prior written approval in the form of a written executed by the District's Board of Directors (Board), or Chief Executive Officer, or designee, as authorized by the Board. It is understood and agreed that this total is an estimate, and the total amount of Services to be requested by the District may be less. **There is no guarantee, either expressed or implied, as to the actual dollar amount that will be authorized pursuant to this Agreement.**

2. Cost Breakdown (REVISED)

The NTE total compensation of this Agreement consists of the following task fee breakdown. No services will be performed or fees paid by the District to the Consultant for Supplemental Services without prior written authorization by the District as stated in this Agreement.

COST BREAKDOWN (REVISED)

Task	Description	Original Not-to-Exceed Fees	Amendment No. 1 Not-to-Exceed Fees	Amendment No. 2 Not-to-Exceed Fees	Administrative Reallocation January 3, 2023	Amendment No. 3 Not-to-Exceed Fees	Revised Total Not-to-Exceed Fees
1	Project Management	\$10,000	\$10,000	-	-	\$10,000	\$30,000
2	Expert Managed Services	\$72,000	-	-	-	\$72,000	\$144,000
3	Extended Expert/Hypercare Services	\$100,000	-	-	-	\$100,000	\$200,000
4	Biennial Budgeting Implementation (Completed)	-	\$128,000	-	(\$75,450)	-	\$52,550
5	Supplemental Services (Renumbered)	\$120,000	\$60,000	-	\$75,450	-	\$255,450
Total Not-to-Exceed Fees		\$302,000	\$198,000	\$0	\$75,450	\$182,000	\$682,000

Notes:

1. Amendment No. 1 renumbered Task 4 Supplemental Services as Task 5, and added a new Task 4 Biennial Budgeting Implementation.
2. Amendment No. 2 was issued for no cost.
3. By letter approval from Valley Water to the Consultant dated January 3, 2023, funds were reallocated from Task 4 to Task 5 (\$75,450).

Amendment No. 3 to Agreement A4296Ac
On-Call Vena Enhancements and Support Services
Standard On-Call Consultant Agreement for GEN-ADMIN Consultant
Ver. 3/20/23

Agreement No. A4296A / CAS File No. 5027

**AMENDMENT NO. 3 TO AGREEMENT A4296A
REVISED SCHEDULE OC
REVISED ATTACHMENT ONE
FEES AND PAYMENTS**

3. Terms and Conditions (UNCHANGED)

Payments for Services performed, as defined in each Task Order, which applies to the specific Services, will be based on the following terms:

- A. The District will pay for Services provided by the Consultant according to the rates for professional, technical, and administrative personnel as well as materials and supplies as listed in the Hourly/Unit Rate Schedule and the Cost Breakdown table. In lieu of hourly/unit rates, a flat fee shall apply for all tasks performed under Tasks 2 and 3 for each twelve-month period following the effective date of this Agreement and the issuance of a corresponding task order. The 12-month flat fee for Task 2 shall be \$36,000, and the 12-month flat fee for Task 3 shall be \$50,000 payable at the start of the 12-month period following the issuance of a task order. The District may modify the payment rate structure for Tasks 2 and 3 in accordance with paragraph 3(B) below.
- B. The stated hourly rates are effective for the term of this Agreement unless otherwise revised as indicated. After 12 months from the date this Agreement is entered into by parties ("anniversary date"), and each 12 months thereafter, these hourly rates may be negotiated by the Consultant and the District, provided Consultant submits written notice to District of Consultant's request to revise the hourly rates 90 calendar days prior to the anniversary date of this Agreement. Both parties will use as a benchmark for negotiations the percent change for the previous 12 months of the "Employment Cost Index (ECI), for total compensation for private industry workers, for the San Francisco-Oakland-San Jose, CA CSA Census region and metropolitan area (not seasonally adjusted)" as published by the U.S. Department of Labor, Bureau of Labor Statistics, or 2.5% whichever is less. A negative index will result in rates remaining the same. Such rate revisions are subject to written approval by the District's Deputy Operating Officer.

C. Reimbursable Expenses

- 1) All reimbursable expenses not already covered in overhead may include, but are not limited to, mapping, rendering, printouts, leased equipment, mailing and delivery services, printing services, film and processing, plotting and supplies, and Subconsultant and vendor services. These other direct expenses may be billed at actual cost-plus 2.5% percent linked to each Task Order, as approved by the District's Project Manager, provided that the Agreement total NTE amount is not exceeded. Consultant shall provide receipts for each other direct expense item(s) with invoices submitted. The 2.5% markup will be applied only once, either by the Consultant or by its subconsultants, subcontractors, or vendors.
- 2) Equipment purchased on behalf of the District that costs \$50 or more must receive the prior written approval of the District Project Manager. All equipment purchased on behalf of the District and paid for by the District shall become the property of the District and be delivered to District prior to expiration of this Agreement.

**AMENDMENT NO. 3 TO AGREEMENT A4296A
REVISED SCHEDULE OC
REVISED ATTACHMENT ONE
FEES AND PAYMENTS**

3) Travel expenses are reimbursed at actual cost. Travel, including air travel, overnight accommodations, and meals, required for performance of this Agreement will be paid per diem at the U.S. General Services Agency Per Diem Rates for Sunnyvale/Palo Alto/San Jose, California area, provided prior approval for such travel has been obtained from the District Project Manager. For air travel, District will pay the cost of a coach class or equivalent ticket. Where air travel is required, District will pay the total cost of taxi, rideshare, public transportation, or a rental car, which may include insurance, gas, car fee, and taxes, and will be paid for the actual costs incurred. Vehicle rental is limited to a compact or economy model, unless prior approval has been obtained from the District Project Manager for a different type of vehicle.

D. Expenses incurred by the Consultant for Subconsultants, subcontractors and vendors, including lab services, will be reimbursed at actual cost plus 2.5%. Consultant shall provide invoices for all such services regardless of cost.

E. **Prevailing Wage Requirements** - NOT USED

HOURLY/UNIT RATE TABLE (REVISED)

CLASSIFICATION	HOURLY/ UNIT RATE EFFECTIVE 10/8/2019	HOURLY/ UNIT RATE EFFECTIVE 02/01/2021	HOURLY/ UNIT RATE EFFECTIVE 04/03/2023
Consultant: Vena Solutions USA, Inc.			
Software technician	\$200/hr.	\$205/hr.	\$210/hr.
Consultant	\$200/hr.	\$205/hr.	\$210/hr.
Manager	\$200/hr.	\$205/hr.	\$210/hr.
Operations Analyst	\$200/hr.	\$205/hr.	\$210/hr.
Success Advisor	\$200/hr.	\$205/hr.	\$210/hr.
Director	\$200/hr.	\$205/hr.	\$210/hr.
Expert Consultant	\$200/hr.	\$205/hr.	\$210/hr.

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**AMENDMENT NO. 3 TO AGREEMENT A4296A
REVISED SCHEDULE OC
REVISED ATTACHMENT THREE
CONSULTANT'S KEY STAFF AND SUBCONSULTANTS**

1. Consultant's key staff assigned to the Project are as follows:

Team Member	Classification	Project Role	Contact Information
Justin Chiu	Director	Sponsor	2 Fraser Avenue, Suite 200 Toronto, ON M6K1Y6 jchiu@venacorp.com 416-207-1770
Mike Liu	Manager	Advisor/Manager	2 Fraser Avenue, Suite 200 Toronto, ON M6K1Y6 mliu@venacorp.com 416-207-1770
Kevin Truong	Manager	Advisor/Manager	2 Fraser Avenue, Suite 200 Toronto, ON M6K1Y6 ktruong@venacorp.com 416-207-1770
Jenny Crawford	Manager	Advisor	2 Fraser Avenue, Suite 200 Toronto, ON M6K1Y6 jcrawford@venacorp.com 416-207-1770
Jenny Causse	Manager	Customer Success	2 Fraser Avenue, Suite 200 Toronto, ON M6K1Y6 jcausse@venacorp.com 416-207-1770
Tim Szego	Manager	Advisor	2 Fraser Avenue, Suite 200 Toronto, ON M6K1Y6 tszego@venacorp.com 416-207-1770
Vickie Kwan	Expert Consultant	Secondary Consultant	2 Fraser Avenue, Suite 200 Toronto, ON M6K1Y6 vkwan@venacorp.com 416-207-1770
Serena Toromani	Expert Consultant	Secondary Consultant	2 Fraser Avenue, Suite 200 Toronto, ON M6K1Y6 storomani@venacorp.com 416-207-1770
Yoni Admasse	Expert Consultant	Primary Consultant	2 Fraser Avenue, Suite 200 Toronto, ON M6K1Y6 yadmasse@venacorp.com 416-207-1770

2. The following Subconsultants are authorized to perform Services on the Agreement:

Firm	Project Role	Contact Information
N/A	N/A	N/A

This Amendment No. 2 (Amendment) effective as of the date it is fully executed by the Parties, amends the terms and conditions of the Standard On-Call Consulting Agreement A4296A (Agreement) dated October 8, 2019, and Amendment No. 1 executed March 9, 2021, between the SANTA CLARA VALLEY WATER DISTRICT (District or Valley Water) and VENA SOLUTIONS USA, INC. (Consultant), collectively the "Parties."

RECITALS

WHEREAS, Consultant is currently providing professional on-call financial budgeting services for the District's On-Call Enhancements and Support Services for the Capital Improvement Program Development Project;

WHEREAS, the agreement currently expires on January 31, 2023; and

WHEREAS, the Parties desire to extend the term of the Agreement to allow the Consultant to continue to provide on-call financial budgeting services.

NOW, THEREFORE, in consideration of the mutual promises and agreements stated herein and notwithstanding any provision to the contrary stated in the Agreement, District and Consultant hereby amend the Agreement as follows:

1. The Agreement, Standard On-Call Consulting Agreement, Section 12, subsection 24, Schedules and Attachments, is amended as follows:

"24. Schedules and Attachments. Schedule OC, Scope of Services, and the following listed Attachments are incorporated herein by this reference as though set forth in full.

Revised Attachment One to Schedule OC – Fees and Payments (UNCHANGED)

Revised Attachment Two to Schedule OC – Schedule of Completion (REVISED)

Revised Attachment Three to Schedule OC – Consultant's Key Staff and Subconsultants (UNCHANGED)

Attachment Four to Schedule OC – Reference Materials (UNCHANGED)"

2. Revised Schedule OC, Revised Attachment Two, Schedule of Completion, Section 2. is amended to state as follows:

"This Agreement expires January 31, 2025 unless, prior to its expiration, its term is modified by a written amendment hereto, and signed by both Parties."

3. All other terms and conditions of the Agreement A4296A, and Amendment No. 1 not otherwise amended as stated herein remain in full force and effect.

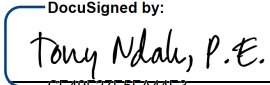
(SIGNATURES FOLLOW ON NEXT PAGE)

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IN WITNESS WHEREOF, THE PARTIES HAVE SET FORTH BELOW THEIR CONSENT TO THE TERMS AND CONDITIONS OF THIS AMENDMENT NO. 2 TO AGREEMENT A4296A THROUGH THE SIGNATURES OF THEIR DULY AUTHORIZED REPRESENTATIVES

SANTA CLARA VALLEY WATER DISTRICT

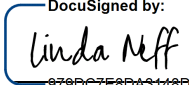
District

By: 
Tony Ndaah, P.E.
Deputy Administrative Officer
General Services Division

Date: 1/20/2023

VENA SOLUTIONS USA, INC.

Consultant

By: 
Linda Neff
Vice President, Professional Services

Date: 1/10/2023

Consultant's Address:
2 Fraser Solutions, Suite 200
Toronto, ON M6K1Y6

**AMENDMENT NO. 1 TO AGREEMENT A4296A
BETWEEN THE SANTA CLARA VALLEY WATER DISTRICT
AND VENA SOLUTIONS USA, INC.**

This Amendment No. 1 (Amendment) effective as of the date it is fully executed by the Parties, amends the terms and conditions of the Standard On-Call Consulting Agreement A4296A (Agreement) dated March 27, 2018, between the SANTA CLARA VALLEY WATER DISTRICT (District) and VENA SOLUTIONS USA, INC. (Consultant), collectively the "Parties."

RECITALS

WHEREAS, Consultant is currently providing professional on-call financial budgeting services for the District's On-Call Enhancements and Support Services for the Capital Improvement Program Development Project;

WHEREAS, the agreement currently expires on October 9, 2021; and

WHEREAS, the Parties desire to extend the term of the Agreement to provide sufficient time for Consultant to complete all tasks; modify the scope of services; increase the Not-To-Exceed fee to provide funds for Consultant to perform on-call financial budgeting services; to update Standard On-Call Consultant Agreement language, and to amend the Agreement to incorporate administrative changes.

NOW, THEREFORE, in consideration of the mutual promises and agreements stated herein and notwithstanding any provision to the contrary stated in the Agreement, District and Consultant hereby amend the Agreement as follows:

1. The Standard Consultant Agreement, Section Twelve, Miscellaneous Provisions, is amended to state as follows:

"19. Choice of Law and Venue

The Parties agree that this Agreement is to be governed, construed, and enforced in accordance with the laws of the State of California. The Parties also agree that the venue of any litigation arising out of or connected with this Agreement will lie exclusively in the state trial court or Federal District Court located in Santa Clara County in the State of California, and the Parties consent to jurisdiction over their persons and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.

20. No Third-Party Beneficiaries

Nothing in this Agreement, whether express or implied, shall be construed to give any person or entity, other than the Parties hereto, any legal or equitable right, remedy, or claim under or in respect of this Agreement or any covenants, conditions, or provisions contained herein.

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**AMENDMENT NO. 1 TO AGREEMENT A4296A
BETWEEN THE SANTA CLARA VALLEY WATER DISTRICT
AND VENA SOLUTIONS USA, INC.**

21. Severability

If a court of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable, or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them, will not be affected, unless an essential purpose of this Agreement would be defeated by the loss of the illegal, unenforceable, or invalid provision.

22. Debt Limitation

This Agreement is contingent on the appropriation of sufficient funding by Valley Water for the services described in this Agreement. The District is subject to laws or policies which limit its ability to incur debt in future years. Nothing in this Agreement shall constitute an obligation of future legislative bodies of the District to appropriate funds for purposes of this Agreement."

2. The Agreement, Standard On-Call Consultant Agreement, Section Twelve, subsection 23. Appendices, is amended to state as follows:

"23. Appendices. The following listed Appendices are incorporated herein by this reference as though set forth in full:

Appendix One to the Standard Consultant Agreement – Additional Legal Terms
(UNCHANGED)

Appendix Two to the Standard Consultant Agreement – Dispute Resolution (UNCHANGED)

Appendix Three to the Standard Consultant Agreement – Task Order Template
(UNCHANGED)

Revised Appendix Four to the Standard Consultant Agreement – Insurance Requirements
(REVISED)."

3. The Agreement, Standard On-Call Consulting Agreement, Section 12, subsection 24, Schedules and Attachments, is amended as follows:

"24. Schedules and Attachments. Schedule OC, Scope of Services, and the following listed Attachments are incorporated herein by this reference as though set forth in full.

Revised Attachment One to Schedule OC – Fees and Payments (REVISED)

Revised Attachment Two to Schedule OC – Schedule of Completion (REVISED)

Revised Attachment Three to Schedule OC – Consultant's Key Staff and Subconsultants
(REVISED)

Attachment Four to Schedule OC – Reference Materials (UNCHANGED)"

4. Revised Appendix Four to the Standard On-Call Consultant Agreement, Insurance Requirements, is amended as set forth in the Revised Appendix Four to the Standard On-Call Consultant Agreement, Insurance Requirements, attached hereto and incorporated herein by this reference.
5. Schedule OC – Scope of Services is amended as set forth in the attached Revised Schedule OC, Scope of Services, and incorporated herein by this reference.

**AMENDMENT NO. 1 TO AGREEMENT A4296A
BETWEEN THE SANTA CLARA VALLEY WATER DISTRICT
AND VENA SOLUTIONS USA, INC.**


6. Revised Attachment One to Schedule OC – Fees and Payments is amended as set forth in the Revised Attachment One to Revised Schedule OC, Fees and Payments, attached hereto and incorporated herein by this reference.
7. Revised Attachment Two to Schedule OC – Schedule of Completion is amended as set forth in the Revised Attachment Two to Revised Schedule OC, Schedule of Completion, attached hereto and incorporated herein by this reference.
8. Revised Attachment Three to Schedule OC – Consultants Key Staff and Subconsultants is amended as set forth in the Revised Attachment Three to Revised Schedule OC, Consultants Key Staff and Subconsultants, attached hereto and incorporated herein by this reference.
9. All other terms and conditions of the Agreement A4296A not amended as stated herein, remain in full force and effect.

IN WITNESS WHEREOF, THE PARTIES HAVE SET FORTH BELOW THEIR CONSENT TO THE TERMS AND CONDITIONS OF THIS AMENDMENT NO. 1 TO AGREEMENT A4296A THROUGH THE SIGNATURES OF THEIR DULY AUTHORIZED REPRESENTATIVES

SANTA CLARA VALLEY WATER DISTRICT
District

VENA SOLUTIONS USA, INC.
Consultant

By: 
Tony Estremera
Chair, Board of Directors

By: 
Linda Neff
Vice President, Professional Services

Date: March 9, 2021

Date: 2/10/2021

Consultant's Address:

ATTEST:

2 Fraser Solutions, Suite 200
Toronto, ON M6K1Y6


Michele L. King, CMC
Clerk, Board of Directors

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**AMENDMENT NO. 1 TO AGREEMENT A4296A
REVISED APPENDIX FOUR TO THE
STANDARD CONSULTANT AGREEMENT
INSURANCE REQUIREMENTS**

Please Note: Failure to comply with the instructions below could result in a delay in receiving the Notice to Proceed. The District will not be responsible for time lost or costs incurred due to failure to comply with these requirements. Please note the check-list of documents needed at the end of this Revised Appendix Four Insurance Requirements.

Without limiting the Consultant's indemnification of, or liability to, the Santa Clara Valley Water District ("District" or "Valley Water"), the Consultant must provide and maintain at its own expense, during the term of this Agreement, or as may be further required herein, the following insurance coverages and provisions as listed below.

Consultant must provide its insurance broker(s)/agent(s) with a copy of these requirements and warrants that these requirements have been reviewed by Consultant's insurance agent(s) and/or broker(s), who have been instructed by Consultant to procure the insurance coverage required herein.

In addition to certificates, Consultant must furnish District with copies of all original endorsements affecting coverage required by this Revised Appendix Four Insurance Requirements. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. **All endorsements and certificates are to be received and approved by District before the Agreement is executed.**

In the event of a claim or dispute, District has the right to require Consultant's insurer to provide complete, certified copies of all required pertinent insurance policies, including endorsements affecting the coverage required by this Revised Appendix Four Insurance Requirements.

If your insurance broker has any questions about the above requirements, please advise him/her to call Mr. David Cahen, District Risk Manager at (408) 630-2213.

Certificates of Insurance

Consultant shall furnish the District with a Certificate of Insurance. The certificates will be issued on a standard ACORD Form.

Consultant shall instruct their insurance broker/agent to submit all insurance certificates and required notices electronically in PDF format to the designated District Contract Administrator and email a copy to valleywater@ebix.com.

The certificates will:

1. Identify the underwriters, the types of insurance, the insurance limits, the deductibles and the policy term;
2. Include copies of all the actual policy endorsements required herein; and
3. In the "Certificate Holder" box include:

**AMENDMENT NO. 1 TO AGREEMENT A4296A
REVISED APPENDIX FOUR TO THE
STANDARD CONSULTANT AGREEMENT
INSURANCE REQUIREMENTS**

**Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118
Agreement A4296A /CAS No. 5027**

IMPORTANT: The agreement or CAS number must be included.

In the Description of Operations/Locations/Vehicles/Special Items Box:

1. Certificate Holder shall be named as Additional Insured;
2. District agreement or project number shall appear;
3. The list of policies scheduled as underlying on the Umbrella policy shall be listed; and
4. Waiver of Subrogation must be indicated as endorsed to all policies.

If Consultant receives any notice that any of the insurance policies required by this Revised Appendix Four Insurance Requirements may be cancelled or coverage reduced for any reason whatsoever, Consultant or insurer shall immediately provide written notice to the designated District Contract Administrator that such insurance policy required by this Revised Appendix Four Insurance Requirements is canceled or coverage is reduced.

Maintenance of Insurance

If Consultant fails to maintain such insurance as is called for herein, District, at its option, may suspend payment for work performed and/or may order Consultant to suspend all Consultant's work at Consultant's expense until a new policy of insurance is in effect.

Renewal of Insurance

Consultant will provide the District with a current Certificate of Insurance and endorsements within thirty (30) business days from the expiration of insurance.

Consultant shall instruct its insurance broker/agent to:

1. Submit all renewals of insurance certificates and required notices electronically in PDF format to: valleywater@ebix.com
2. Provide the following information in the "Certificate Holder" box:

**Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118
Agreement A4296A / CAS No. 5027**

IMPORTANT: The agreement or CAS number must be included.

Consultant must, at its sole cost and expense, procure and maintain during the entire period of this Agreement the following insurance coverage(s).

Amendment No. 1 to Agreement A4296A
On-Call Vena Enhancements and Support Services
Standard On-Call Consultant Agreement for GEN-ADMIN Consultant
Ver. 1/19/21

CAS File No. 5027

**AMENDMENT NO. 1 TO AGREEMENT A4296A
REVISED APPENDIX FOUR TO THE
STANDARD CONSULTANT AGREEMENT
INSURANCE REQUIREMENTS**

Required Coverages

1. **Commercial General/Business Liability Insurance** with coverage as indicated:

\$2,000,000 per occurrence / **\$2,000,000** aggregate limits for bodily injury and property damage

General Liability insurance must include:

- a. Coverage at least as broad as found in standard ISO form CG 00 01.
- b. Contractual Liability expressly including liability assumed under this contract.
- c. If Consultant must be working within fifty (50) feet of a railroad or light rail operation, any exclusion as to performance of operations within the vicinity of any railroad bridge, trestle, track, roadbed, tunnel, overpass, underpass, or crossway must be deleted, or a railroad protective policy in the above amounts provided.
- d. Severability of Interest.
- e. Broad Form Property Damage liability.

2. **Business Auto Liability Insurance** with coverage as indicated:

\$2,000,000 combined single limit for bodily injury and property damage per occurrence, covering all owned, non-owned and hired vehicles.

3. **Professional/Errors and Omissions Liability** with coverage as indicated:

\$5,000,000 per claim/ **\$5,000,000** aggregate

Professional/Errors and Omission Liability appropriate to the Consultant's profession, and must include:

- a. If coverage contains a deductible, or self-insured retention, it shall not be greater than one hundred thousand dollars (\$100,000) per occurrence/event.
- b. Coverage shall include contractual liability
- c. If coverage is claims-made:
 - i. Certificate of Insurance shall clearly state that the coverage is claims-made.
 - ii. Policy retroactive date must coincide with or precede the Consultant's start of work (including subsequent policies purchased as renewals or replacements).
 - iii. Policy must allow for reporting of circumstances or incidents that might give rise to future claims.
 - iv. Insurance must be maintained and evidence of insurance must be provided for at least three (3) years after completion of the contract of work.

4. **Workers' Compensation and Employer's Liability Insurance**

Statutory California Workers' Compensation coverage covering all work to be performed for the District.

**AMENDMENT NO. 1 TO AGREEMENT A4296A
REVISED APPENDIX FOUR TO THE
STANDARD CONSULTANT AGREEMENT
INSURANCE REQUIREMENTS**

Employer Liability coverage for not less than \$1,000,000 per occurrence.

General Requirements

With respect to all coverages noted above, the following additional requirements apply:

1. **Additional Insured Endorsement(s):** Consultant must provide an additional insured endorsement for Commercial General/Business Liability (for both on-going and completed operations) and Business Automobile liability coverage naming the **Santa Clara Valley Water District, its Directors, officers, employees, and agents, individually and collectively**, as additional insureds, and must provide coverage for acts, omissions, etc. arising out of the named insureds' activities and work. Other public entities may also be added to the additional insured endorsement as applicable and the Consultant will be notified of such requirement(s) by the District. **NOTE:** This section does not apply to the Workers' Compensation and Professional Liability policies.

(**NOTE:** Additional insured language on the Certificate of Insurance is **NOT** acceptable without a separate endorsement such as Form CG 20 10, CG 2033, CG 2037, or CG 2038. Editions dated 07/04 are not acceptable.)

2. **Primacy Clause:** Consultant will provide evidence (either through the Certificate of Insurance, endorsement or language in the insurance contract) that consultant's insurance is primary with respect to any other insurance which may be carried by the District, its Directors, its officers, agents and employees, and the District's coverage must not be called upon to contribute or share in the loss. **NOTE:** This section does not apply to the Workers' Compensation policies.
3. **Cancellation Clause:** Consultant will provide endorsements for all policies stating that the policy will not be cancelled without 30 days prior notification to the District.
4. **Acceptability of Insurers:** All coverages must be issued by companies admitted to conduct business in the State of California, which hold a current policy holder's alphabetic and financial size category rating of not less than A- V, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the District's Risk Manager. Non-Admitted companies may be substituted on a very limited basis at the Risk Manager's sole discretion.
5. **Self-Insured Retentions or Deductibles:** Any deductibles or self-insured retentions must be declared to and approved by the District. At the option of the District, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District, its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the Entity guaranteeing payment of losses and related investigations, claim administration, and defense expenses. Consultant agrees that in the event of a claim they will pay down any agreed upon SIR in a prompt manner as soon as bills are incurred in order to trigger the insurance related to the SIR.

**AMENDMENT NO. 1 TO AGREEMENT A4296A
REVISED APPENDIX FOUR TO THE
STANDARD CONSULTANT AGREEMENT
INSURANCE REQUIREMENTS**

6. **Subconsultants:** The Consultant shall secure and maintain or shall be responsible for ensuring that all subconsultants performing the Contract Services secure and maintain all insurance coverages appropriate to their tier and scope of work in a form and from insurance companies reasonably acceptable to the District.
7. **Amount of Liability not Limited to Amount of Insurance:** The insurance procured by Consultant for the benefit of the District must not be deemed to release or limit any liability of Consultant. Damages recoverable by the District for any liability of Consultant must, in any event, not be limited by the amount of the required insurance coverage.
8. **Coverage to be Occurrence Based:** Except for Professional Liability, all coverage must be occurrence-based coverage. Claims-made coverage is not allowed.
9. **Waiver of Subrogation:** Consultant agrees to waive subrogation against the District to the extent any loss suffered by Consultant is covered by any Commercial General Liability policy, Automobile policy, Workers' Compensation policy described in **Required Coverages** above. Consultant agrees to advise its broker/agent/insurer and agrees to provide evidence (either through the Certificate of Insurance, endorsement or language in the insurance contract) that subrogation has been waived by its insurer.
10. **Non-compliance:** The District reserves the right to withhold payments to the Consultant in the event of material noncompliance with the insurance requirements outlined above.



**AMENDMENT NO. 1 TO AGREEMENT A4296A
REVISED APPENDIX FOUR TO THE
STANDARD CONSULTANT AGREEMENT
INSURANCE REQUIREMENTS**

CHECK LIST OF DOCUMENTS NEEDED

General Liability:	A.	Limits (\$2,000,000)	
	B.	Additional Insured (Endorsement)	
	C.	Waiver of Subrogation (COI, Endorsement or policy language)	
	D.	Primacy (COI, Endorsement or policy language)	
	E.	Cancellation Endorsement	
Auto Liability:	A.	Limits (\$2,000,000)	
	B.	Additional Insured (Endorsement)	
	C.	Waiver of Subrogation (COI, Endorsement or policy language)	
	D.	Primacy (COI, Endorsement or policy language)	
	E.	Cancellation Endorsement	
Umbrella:	A.	Limits (\$)	
	B.	Primacy (Endorsement or policy language)	
Workers Comp:	A.	Limits (\$1,000,000)	
	B.	Waiver of Subrogation (Endorsement or policy language)	
	C.	Cancellation Endorsement	
Professional Liability:	A.	Limits (\$5,000,000)	
	B.	Cancellation Endorsement	

ConsultantGL2AL2PL5_rev. 07.20.20/CAS 1.19.21

**AMENDMENT NO. 1 TO AGREEMENT A4296A
REVISED SCHEDULE OC
SCOPE OF SERVICES**

1. Representatives

- A. The District's representatives are as listed below. Unless otherwise provided in this Agreement, all correspondence to the District must be addressed to the District's Project Manager (DPM).

Jennifer Martin (District Project Manager)
Program Administrator
Planning and Analysis Unit
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118-3638

Phone: (408) 630-3724
Email: jmartin@valleywater.org

Jessica Collins (District Unit Manager)
Business Planning and Analysis Unit
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118-3638

Phone: (408) 630-2200
Email: jcollins@valleywater.org

Darin Taylor (Chief Financial Officer)
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118-3126

Phone: (408) 630-3068
Email: dtaylor@valleywater.org

- B. The Consultant's Project Manager is as listed below. All District questions and correspondence pertaining to this Agreement shall be referred to the Consultant's Project Manager.

Justin Chiu
Director, Solution Services
Vena Solutions
2 Fraser Ave, Toronto, ON, M6K 1Y6 Suite #200

Phone: (416) 450-8808
Email: jchiu@venacorp.com



**AMENDMENT NO. 1 TO AGREEMENT A4296A
REVISED SCHEDULE OC
SCOPE OF SERVICES**

- C. The Consultant's Principal Officer for this Agreement is as listed below. As per the Agreement, Section Twelve, subsection 18., Notices, all notices pertaining to this Agreement must be submitted to the Consultant's Principal Officer.

Mark Barrese
Customer Success Manager
Vena Solutions
2 Fraser Ave, Toronto, ON, M6K 1Y6 Suite #200

Phone: (416) 207-1770, ext. 339
Email: mbarrese@venacorp.com

2. Scope of Services

The objective of this Agreement for on-call services is for Consultant to perform general and specialized programming and Vena support services on an "as-requested" or "as-needed basis", to assist the Santa Clara Valley Water District (District) in accomplishing its capital improvement program (CIP) and annual budget development and reporting in an effective and timely manner. Requests for the services of qualified software staff from the Consultant's team may come at any time and may require different levels of staff experience and expertise to perform the requested tasks. In addition to these on-call services, Vena will be assisting District staff in implementing a two-year budget cycle.

3. Project Background

- A. The Santa Clara Valley Water District (District) is a public agency providing water supply, flood protection and stream stewardship throughout Santa Clara County. It serves approximately two million people in all 15 cities and the unincorporated areas in the county. The District also manages the groundwater basins, which is the source of nearly half of the county's water supply. Groundwater basins are replenished with local surface water and imported water conveyed through the Sacramento-San Joaquin Delta. Imported water and local surface water also supply the District's three water treatment plants. The District collaborates and coordinates with local agencies and recycled water producers on recycled water development and use.
- B. The District's CIP and Budget Office staff routinely provides support for capital projects as well as annual budget development process. The on-call services under this agreement will augment the services of District staff and provide additional Vena software programming and support services as needed.
- C. Agreement A4020A, enacted on 9/13/2016, with Vena Solutions, USA, Inc., was for the design and implementation of a new CIP system, with improved long-term (15 year) planning and forecasting and integration with PeopleSoft Financial system and the Budget Office to improve data accuracy and reduce data redundancy.



**AMENDMENT NO. 1 TO AGREEMENT A4296A
REVISED SCHEDULE OC
SCOPE OF SERVICES**

- D. To help further this improvement process, enhancements, upgrades and improvements to data transfer, depiction and presentation, along with improvements to technical requirements, will be required on an as-needed basis. Specialized support will be required on a regular basis to help support further improvements to the District's CIP and budget development processes.

4. Assumptions and Requirements

A. General Assumptions and Requirements

- 1) **Manage Scope of Services.** The Consultant shall manage the Scope of Services such that the work is completed within the Not-to-Exceed Fees limit and in accordance with the Project schedule and ensure that all services and deliverables meet the District and Project requirements.
- 2) **Deliverable Format.** Consultant shall submit deliverables in both electronic and hardcopy format, if requested. Deliverables shall be submitted in PDF and native (editable) format, including Word documents, Excel spreadsheets, PowerPoint files, AutoCAD files, etc. The hard copy deliverables shall be printed in professional quality presentation and submitted in five copies, if requested. District may require original copies of signed documents and/or scanned (Adobe PDF) versions.
- 3) **Review of Deliverables.** The District will review and comment on all Project deliverables and forward to the Consultant for revision and preparation of final versions. As determined by the District, some of the deliverables may also be subject to review and comment from regulatory agencies and stakeholders following the District review process.
- 4) **District Quality Environmental Management System.** The District maintains a Quality Environmental Management System (QEMS) which has procedures, guidelines and work instructions for the performance of various District work. Consultant will perform the Agreement tasks and/or sub-tasks in accordance with the QEMS framework.
- 5) **Consultant Responsibility.** Consultant, with its expertise in performing the services described herein is responsible for making the appropriate assumptions in each task to complete each task's deliverables and to achieve the Project objectives of this Agreement as described in section 3, Project Background.
- 6) **Document Control.** The Consultant is responsible for establishing and maintaining its own document control system to execute this Scope of Services. An internal document control system for this project is maintained by the District.
- 7) **File Exchange Service.** Consultant will provide a file exchange service, accessible to all parties as designated by the District, to facilitate communications; particularly of large files over three megabytes. Difficulties in using and transmitting information with this exchange service shall be resolved by the Consultant. In the event that transmitting or receiving information does not occur in a timely manner, the District



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will not be responsible for delays in completing Project work. Consultant may need to coordinate with District's Information Technology Division to address any firewall issues and/or permissions required to allow for these communications.

B. Project-Specific Assumptions and Requirements.

- 1.) Services provided as part of this Agreement will be for the District's CIP and Budget Office Teams and will be provided on a task order basis.
- 2.) Response time for services under Tasks 2 and 3 will be under one business day. Turn-around time for deliverables under Tasks 2 and 3 will be mutually agreed upon but no longer than 10 business days (unless otherwise stated). Turn-around times for services provided on a Task Order basis will be negotiated as part of each Task Order.
- 3.) The Consultant employees assigned to District Tasks will be familiar with all current Vena elements provided to the District and qualified to address questions and changes that do not require major changes to the architectural design.
- 4.) Deliverables provided based on Task Orders issued from this Agreement require due diligence on the part of the Consultant with regard to project management for each Task Order Scope of Services, functional testing, startup and implementation.
- 5.) Standard upgrades and updates of Vena software currently in use by the District is assumed to be required as part of the Software as a Service (SaaS) Master Subscription Agreement, enacted 9/13/2016 and will not be covered in this Agreement. Consultant is required to inform District Project Manager if deliverable(s) specified in any Task Order are being delivered in a current or future Vena update – whether in part or in full.
- 6.) Task 4 Biennial Budget listed in the Agreement as incorporated with Amendment No. 1 will allow Consultant to provide support services to the District Budget Office to implement a two-year budget cycle. These services will be provided in addition to ongoing support provided as part of this On-Call Agreement.

5. Scope of Services Tasks

The On-Call Scope of Services will generally include, but is not limited to the following:

Task 1 – Project Management

The purpose of Task 1 is to require the Consultant to manage the Scope of Services such that the work is completed within the NTE fee limit and according to the schedule stated in each Task Order, while ensuring that all services and deliverables by the Consultant meet these Scope of Services requirements. The Consultant will perform all Subtasks in the outlined Tasks unless otherwise specified.



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This Task includes all project management efforts required to organize Consultant's team, assign and control work, and report progress to the District in the form of monthly progress reports. The Consultant shall be available for meetings with additional parties as requested by the District on matters concerning a Task Order.

1.1 Monthly and Biweekly Progress Reports. Each monthly invoice must be accompanied by a monthly Progress Report, unless otherwise directed by the District's Project Manager. In the event there is no invoice, a Progress Report must nonetheless be sent in. Upon request, Consultant must provide a biweekly Progress Report. All Progress Reports must document the work completed, along with the execution of the tasks charged, so as to enable the District to evaluate the Consultant's progress and performance of the work. The Progress Reports shall include:

- 1.1.1 Assessment of actual versus planned progress with regard to the Project Schedule, including a description of the Tasks, and deliverables completed to date;
- 1.1.2 Upon request, Consultant will provide a biweekly progress report detailing the actual versus planned progress with regard to the Project Schedule, including a description of the Tasks and deliverables completed to date;
- 1.1.3 For each task, the percentage of Services performed versus the percentage of Agreement NTE fees incurred for such task, and explanation of any significant variances in percentage of services performed compared to percentage of fees incurred;
- 1.1.4 The fees incurred for each task compared to dollar amount allocated to each task;
- 1.1.5 For each task, identify costs to date and forecast to complete, including staffing by task;
- 1.1.6 For Task Order-based services: A summary of performed tasks to date, an updated Task Order work plan including estimate of level of effort required to complete the Task Order, explanation of any major variances in percentage of Services to be completed compared to percentage of the Task Order NTE fees remaining, and any anticipated changes to the Task Order that may be necessary to complete the Scope of Services; and
- 1.1.7 Any changes in Consultant's key staff or subconsultants.

Task 2 – Expert Managed Services

The purpose of this Task is to provide the District expert feedback and support in order to assist with and optimize the District CIP and Budget processes. Support will be provided to District staff at a maximum of 12 hours per month. Services provided under this Task will include but not be limited to:

2.1 Problem Definition and Concept Development Report. Consultant will perform investigations, evaluation, and recommendations for enhancement design based on District's existing infrastructure and hardware. Report will include:



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- 2.1.1 Identification of bugs and weak points in existing platform;
- 2.1.2 Suggestions for bug fixes and patches;
- 2.1.3 Design of new tools which will improve interface performance;
- 2.1.4 Programming and implementation of new tools to improve speed and interface performance; and
- 2.1.5 Recommendations for infrastructure enhancements and improvements.
- 2.2 Implementation** of identified bug fixes and patches.
- 2.3. Technical support** provided via telephone, conference call or email, as needed.
- 2.4 Improvement/optimization** of existing elements, including but not limited to reports, architectural design and templates.
- 2.5 Training** will be provided to District staff as necessary to assist with any upgrades/enhancements/improvements to Vena platform.

Task 2 – Deliverables

- 1. Problem Definition and/or Concept Development Report.
- 2. 12 hours per month of remote support (i.e. GoTo meetings, conference calls).
- 3. Monthly status reports detailing all Expert Managed Services provided to District staff.

Task 2 – Assumptions

- 1. The District will communicate clear requirements.
- 2. Unused service hours will not carry forward.
- 3. Services and deliverables will be provided in English on weekdays (excluding Canadian Holidays) during the following hours:
 - a. During CIP and Budget active phase October 1 to Dec 31 and January 1 to April 30 - 9:00am PST to 5:00 pm PST (12pm to 8pm EST)
 - b. May 1 to September 30 - 6:00 am to 2:00 pm PST (9:00 am - 5:00 pm EST, North America).
- 4. Services will be provided remotely.
- 5. If onsite is required, travel costs will be additional and charged to the District.
- 6. The fees specified for Task 2 are based on a subscription service.
- 7. The District shall not be invoiced for excess fees in the event that more than twelve (12) hours are used in a single month.

Task 3 – Extended Expert/Hypercare Services

The purpose of this Task is for the Consultant to provide additional Expert Managed Services support for eight hours per week, as necessary, during CIP and Budget active phase between October and April in order to assist with last-minute or emergency requests within a more rapid turn-around time of at least six hours.



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3.1 Problem Definition and Concept Development Report. Consultant will perform investigations, evaluation, and recommendations for enhancement design based on District's existing infrastructure and hardware. Report will include:

- 3.1.1 Identification of bugs and weak points in existing platform;
- 3.1.2 Suggestions for bug fixes and patches;
- 3.1.3 Design of new tools which will improve interface performance;
- 3.1.4 Programming and implementation of new tools to improve speed and interface performance; and
- 3.1.5 Recommendations for infrastructure enhancements and improvements.

3.2 Implementation of identified bug fixes and patches.

3.3. Technical support provided via telephone, conference call or email, as needed.

3.4 Improvement/optimization of existing elements, including but not limited to reports, architectural design and templates.

3.5 Training will be provided to District staff as necessary to assist with any upgrades/enhancements/improvements to Vena platform.

Task 3 – Deliverables

- 1. Problem Definition and/or Concept Development Report.
- 2. 8 hours per week of remote support (i.e. GoTo meetings, conference calls) between the months of October and April.
- 3. Monthly status reports detailing all Expert Managed Services provided to District staff.

Task 3 – Assumptions

- 1. Upon receipt of a request for Hypercare services, provide Client with an effort estimation and proposed schedule immediately, within 6 hours.
- 2. For items prioritized as "High"/"Urgent", Vena will make every effort to perform the requested services as quickly as possible during the same day(s) in which they were scheduled
- 3. For items prioritized as "Medium"/"Low", Vena and Client will coordinate a mutually agreeable schedule to perform the services
- 4. The fees specified for Task 3 are based on a subscription service.
- 5. Any unused hours may not be carried over into the following month(s).

Task 4 – Biennial Budget Implementation

The purpose of this Task is for the Consultant to provide and configure the solution to support the biennial budget requirement.

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4.1 Solution Design

- 4.1.1 Develop mock-ups for a subset of templates/reports based on business requirements for biennial budgeting.
- 4.1.2 Develop high-level solution design document focusing on the subset of configuration defined below in "Build".
- 4.1.3 The Consultant will provide prescribed file formats for all data sources and dimensions/hierarchies.
- 4.1.4 Conduct solution design review to gain acceptance.

4.2 Configuration and Build

- 4.2.1 Modify existing data model to support input, reporting and time aggregation for biennial budget process.
- 4.2.2 Update data model integration between CIP and Budget module to support biennial budget requirements.
- 4.2.3 Configure/update reports and templates listed in the deliverables section in Task 4 to support biennial budgeting process.
- 4.2.4 Configure additional process variable to assign Year 2 for each process.

4.3 Testing

- 4.3.1 Provide sample user acceptance scripts.
- 4.3.2 Test system in collaboration with the District power user to ensure the configured solution meets the solution design.
- 4.3.3 Provide up to 80 hours of testing support to assist in solution modifications and complete the testing phase as defined in the project plan that result from Customer-led User Acceptance Tests ("UAT").

4.4 Deploy

- 4.4.1 Document steps to maintain and operate the solution for the District super user.
- 4.5.2 Perform transition to the Consultant Support Team and Customer Success Management team for closeout of task.

Task 4 – Deliverables

Deliverables for this task are related to templates and reports that will be created, modified or updated for the biennial budgeting process. The templates & reports include

1. Capital Offset Input Template
2. High-level Target Input Template



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3. Non-Expense Budget Input Template
4. Overhead Allocation 11 – Configuration
5. Overhead Allocation 71 – Configuration
6. Overhead Allocation 72 – Configuration
7. Overhead Allocation 73 – Configuration
8. Position Configuration
9. Project Configuration
10. Salary Savings Factor Configuration
11. Department Narrative Publication
12. Project Narrative Publication
13. Budget Master Recipient Allocation Report
14. Labor Cost Distribution Report
15. Project Input template
16. Project Manager Report
17. Department Input Template
18. Unfunded Needs Request Template
19. Department Report
20. Budget Pivot Table Report
21. By-Ends Report
22. Proforma Base Report – Chiefs Only (Macros)
23. Hours by Staff Report
24. Hours S&S Reports
25. Project Plan – CIP Team
26. Project Plan

Task 4 – Assumptions

1. Consultant will provide support to District during testing and deployment phases as needed.
2. Consultant will provide regular reports on the development and implementation of Task 4 as part of the Monthly Status Report and in line with Task 1 Project Management.
3. Weekly meetings between District and Consultant will be conducted to address all concerns/questions/requirements related to the development and implementation of Task four, for example, to review system requirements and testing, UAT strategy plan and timelines, etc.
4. Vena shall provide a monthly cost breakdown based on hours performed, work classifications and services provided in the format of an invoice.
5. Work completed as part of Task 4 shall be tracked, recorded and reported each month as part of the Monthly Status Report.

Task 5 – Supplemental Services

The purpose of this Task is to provide the District additional services not defined in Tasks 1 through 4. Additional tasks will be issued on a Task Order basis and will include, but not be limited to:

5.1 Additional Enhancements for CIP purposes. These tasks may include:

- 5.1.1 Template and Report Design Assistance and modification. During CIP development time.

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On-Call Vena Enhancements and Support Services
Standard On-Call Consultant Agreement for GEN-ADMIN Consultant
Ver. 1/19/21

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- 5.1.2 Data modeling assistance.
- 5.1.3 Data Integration/SQL view related changes
- 5.1.4 Vena Server/Add-in upgrade and installation assistance.
- 5.1.5 Troubleshooting of software issues/bug fixes to Vena software to resolve, during budget development time, within the same business day.
- 5.1.6 Additional coaching/knowledge transfer or formal training from the Vena consulting team, includes unique system functionalities not commonly utilized.
- 5.1.7 Create system or template customizations as needed to meet CIP requirements.
- 5.1.8 Other support, as requested by CIP staff.
- 5.2 Additional Enhancements for Budget purposes.** These tasks may include:
 - 5.2.1 Template and Report Design Assistance and modification during Budget development time.
 - 5.2.2 Data modeling assistance.
 - 5.2.3 Data Integration/SQL view related changes.
 - 5.2.4 Vena Server/Add-in upgrade and installation assistance.
 - 5.2.5 Troubleshooting of software issues/bug fixes to Vena software to resolve, during budget development time, within the same business day.
 - 5.2.6 Additional coaching/knowledge transfer or formal training from the Vena consulting team, includes unique system functionalities not commonly utilized.
 - 5.2.7 Create system or template customizations as needed to meet Budget Office requirements.
 - 5.2.8 Other support, as requested by Budget Office staff.
- 5.3 Additional Enhancements.** The Vena software based on Task Order requests in order to improve user interface, multidirectional flow of data, up and download speed of project plans and depiction of data. Such requests may include, but will not be limited to, the following tasks:
 - 5.3.1 Consultant will perform investigations, evaluation, and recommendations for optimizations to user interface;
 - 5.3.2 Consultant will design, program and implement improvements to optimize existing interface applications with Vena and other software in order to:



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- 5.3.3 Improve flow of and auto-population of data from Vena to other programs used by the District (i.e. Microsoft Excel); and
- 5.3.4 Improve flow of and auto-population of data from other programs into Vena project plans.
- 5.3.5 Consultant will develop tools to improve the display and presentation of data on user platform, publication onto second-party applications and publication on District website, as needed;
- 5.3.6 Consultant will create enhancements to improve functions of CIP Project Pages and implement new tools for Project Pages as needed; and
- 5.3.7 Speed optimization: Consultant will create enhancements to improve download and upload rates for project pages.
- 5.4 IT Infrastructure Assessment.** At the District's request, the Consultant shall provide an independent assessment of the District's existing IT infrastructure and provide suggestions for improvements with regard to optimally meeting the requirements of the Vena applications in use
 - 5.4.1 Contract submittals and other documents relating to the progress, tracking, reporting, payment, and scheduling of work
 - 5.4.2 Engineering analysis of work performed or proposed by the Consultant
- 5.5 Updates.** Consultant will provide updates to software in order to improve usability and speed.
- 5.6 Additional Services.** Consultant shall provide additional quantities of previously identified services as requested by the District. Additional Services can include, but are not limited to:
 - 5.6.1 Additional meetings
 - 5.6.2 Additional status/progress reports
 - 5.6.3 Additional enhancements or reports

Task 5 – Deliverables

- 1. Deliverables will be based on a case-by-case Task assignment. Specific Task Order deliverables will be listed in the specific Task Order issued to the Consultant.

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Task 5 – Assumptions

1. The District will provide data requirements and support on data extraction (as necessary).
2. The District will provide written definition of requirements where deemed necessary to clearly articulate requirement.
3. The District will be responsible for validation and reconciliation of all data loaded into the solution to ensure accuracy and address any data quality issues.
4. The District will be responsible for the user testing of the configured solution.
5. The District shall be invoiced on a monthly basis based on actual time for work performed, payable based on the fee schedule in Attachment One.

6. ATTACHMENTS

The following listed Attachments are incorporated herein by this reference as though set forth in full:

Attachment One to Schedule OC - Fees and Payments (REVISED)

Attachment Two to Schedule OC - Schedule of Completion (REVISED)

Attachment Three to Schedule OC - Consultant's Key Staff and Subconsultants (REVISED)

Attachment Four to Schedule OC - Reference Materials (UNCHANGED)

**AMENDMENT NO. 1 TO AGREEMENT A4296A
REVISED SCHEDULE OC
REVISED ATTACHMENT ONE
FEES AND PAYMENTS**

1. Total Authorized Funding (REVISED)

Total payment for Services performed, to the satisfaction of District, as described in the Schedule and in all approved Task Orders will not exceed a total amount of **\$500,000** (Not-to-Exceed Fees or NTE). Consultant shall complete the Services for an amount within this NTE. Under no conditions will the total payment to the Consultant under this agreement exceed this NTE amount without prior written approval in the form of a written executed by the District's Board of Directors (Board), or Chief Executive Officer, or designee, as authorized by the Board. It is understood and agreed that this total is an estimate, and the total amount of Services to be requested by the District may be less. **There is no guarantee, either expressed or implied, as to the actual dollar amount that will be authorized pursuant to this Agreement.**

2. Cost Breakdown (REVISED)

The NTE total compensation of this Agreement consists of the following task fee breakdown. No services will be performed or fees paid by the District to the Consultant for Supplemental Services without prior written authorization by the District as stated in this Agreement.

COST BREAKDOWN

Task	Description	Original Not-to- Exceed Fees	Amendment No. 1 Not-to- Exceed Fees	Revised Total Not-to- Exceed Fees
1	Project Management	\$10,000	\$10,000	\$20,000
2	Expert Managed Services	\$72,000	\$	\$72,000
3	Extended Expert/Hypercare Services	\$100,000	\$	\$100,000
4	Biennial Budgeting Implementation		\$128,000	\$128,000
5	Supplemental Services	\$120,000	\$60,000	\$180,000
Total Not-to-Exceed Fees		\$302,000	\$198,000	\$500,000

3. Terms and Conditions (UNCHANGED)

Payments for Services performed, as defined in each Task Order, which applies to the specific Services, will be based on the following terms:

- A. The District will pay for Services provided by the Consultant according to the rates for professional, technical, and administrative personnel as well as materials and supplies as listed in the Hourly/Unit Rate Schedule and the Cost Breakdown table. In lieu of hourly/unit rates, a flat fee shall apply for all tasks performed under Tasks 2 and 3 for each twelve-month period following the effective date of this Agreement and the issuance of a corresponding task order. The 12-month flat fee for Task 2 shall be \$36,000, and the 12-month flat fee for Task 3 shall be \$50,000 payable at the start of the

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REVISED ATTACHMENT ONE
FEES AND PAYMENTS**

12-month period following the issuance of a task order. The District may modify the payment rate structure for Tasks 2 and 3 in accordance with paragraph 3(B) below.

- B. The stated hourly rates are effective for the term of this Agreement unless otherwise revised as indicated. After 12 months from the date this Agreement is entered into by parties ("anniversary date"), and each 12 months thereafter, these hourly rates may be negotiated by the Consultant and the District, provided Consultant submits written notice to District of Consultant's request to revise the hourly rates 90 calendar days prior to the anniversary date of this Agreement. Both parties will use as a benchmark for negotiations the percent change for the previous 12 months of the "Employment Cost Index (ECI), for total compensation for private industry workers, for the San Francisco-Oakland-San Jose, CA CSA Census region and metropolitan area (not seasonally adjusted)" as published by the U.S. Department of Labor, Bureau of Labor Statistics, or 2.5% whichever is less. A negative index will result in rates remaining the same. Such rate revisions are subject to written approval by the District's Deputy Operating Officer.

C. Reimbursable Expenses

- 1) All reimbursable expenses not already covered in overhead may include, but are not limited to, mapping, rendering, printouts, leased equipment, mailing and delivery services, printing services, film and processing, plotting and supplies, and Subconsultant and vendor services. These other direct expenses may be billed at actual cost-plus 2.5% percent linked to each Task Order, as approved by the District's Project Manager, provided that the Agreement total NTE amount is not exceeded. Consultant shall provide receipts for each other direct expense item(s) with invoices submitted. The 2.5% markup will be applied only once, either by the Consultant or by its subconsultants, subcontractors, or vendors.
- 2) Equipment purchased on behalf of the District that costs \$50 or more must receive the prior written approval of the District Project Manager. All equipment purchased on behalf of the District and paid for by the District shall become the property of the District and be delivered to District prior to expiration of this Agreement.
- 3) Travel expenses are reimbursed at actual cost. Travel, including air travel, overnight accommodations, and meals, required for performance of this Agreement will be paid per diem at the U.S. General Services Agency Per Diem Rates for Sunnyvale/Palo Alto/San Jose, California area, provided prior approval for such travel has been obtained from the District Project Manager. For air travel, District will pay the cost of a coach class or equivalent ticket. Where air travel is required, District will pay the total cost of taxi, rideshare, public transportation, or a rental car, which may include insurance, gas, car fee, and taxes, and will be paid for the actual costs incurred. Vehicle rental is limited to a compact or economy model, unless prior approval has been obtained from the District Project Manager for a different type of vehicle.



**AMENDMENT NO. 1 TO AGREEMENT A4296A
REVISED SCHEDULE OC
REVISED ATTACHMENT ONE
FEES AND PAYMENTS**

- D. Expenses incurred by the Consultant for Subconsultants, subcontractors and vendors, including lab services, will be reimbursed at actual cost plus 2.5%. Consultant shall provide invoices for all such services regardless of cost.

E. Prevailing Wage Requirements - NOT USED

HOURLY/UNIT RATE TABLE (REVISED)

CLASSIFICATION	HOURLY/ UNIT RATE EFFECTIVE 10/8/2019	HOURLY/ UNIT RATE EFFECTIVE 02/01/2021
Consultant: Vena Solutions USA, Inc.		
Software technician	\$200/hr	\$205/hr
Consultant	\$200/hr	\$205/hr
Manager	\$200/hr	\$205/hr
Operations Analyst	\$200/hr	\$205/hr
Success Advisor	\$200/hr	\$205/hr
Director	\$200/hr	\$205/hr
Expert Consultant	\$200/hr	\$205/hr

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**AMENDMENT NO. 1 TO AGREEMENT A4296A
REVISED SCHEDULE OC
REVISED ATTACHMENT TWO
SCHEDULE OF COMPLETION**

1. This Agreement commences on the Effective Date, subject to accomplishment of all of the conditions to formation of an agreement listed in the Agreement at Section Twelve, Miscellaneous Provisions, subsection 2. Formation of Agreement.
2. This Agreement expires January 31, 2023 unless, prior to its expiration, its term is modified by a written amendment hereto, and signed by both Parties. Upon agreement, the parties may extend the Agreement for 2 additional 1-year periods.
3. Each Task Order will state the schedule for Consultant's performance of that Task Order.
4. District and Consultant may agree to modify the schedule specified for Consultant's performance in an executed Task Order, as an administrative modification to the Agreement, and will confirm such modification in writing.

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**AMENDMENT NO. 1 TO AGREEMENT A4296A
REVISED SCHEDULE OC
REVISED ATTACHMENT THREE
CONSULTANT'S KEY STAFF AND SUBCONSULTANTS**

1. Consultant's key staff assigned to the Project are as follows:

Team Member	Classification	Project Role	Contact Information
Justin Chiu	Director	Sponsor	2 Fraser Avenue, Suite 200 Toronto, ON M6K1Y6 jchiu@venacorp.com 416-450-8808
Mike Liu	Manager	Advisor/Manager	2 Fraser Avenue, Suite 200 Toronto, ON M6K1Y6 mliu@venacorp.com 647-669-2823
Ali Jaffer	Manager	Advisor/Manager	2 Fraser Avenue, Suite 200 Toronto, ON M6K1Y6 ajaffer@venacorp.com 416-207-1770
Mark Barrese	Manager	Advisor	2 Fraser Avenue, Suite 200 Toronto, ON M6K1Y6 mbarrese@venacorp.com 416-207-1770
Tim Szego	Director	Advisor	2 Fraser Avenue, Suite 200 Toronto, ON M6K1Y6 tszego@venacorp.com 416-207-1770
Vickie Kwan	Expert Consultant	Primary Consultant	2 Fraser Avenue, Suite 200 Toronto, ON M6K1Y6 vkwan@venacorp.com 416-720-7661
Josh Tang	Success Advisor	Secondary Consultant	2 Fraser Avenue, Suite 200 Toronto, ON M6K1Y6 jtang@venacorp.com 647-200-4525
Alex Young	Success Advisor	Secondary Consultant	2 Fraser Avenue, Suite 200 Toronto, ON M6K1Y6 ayoung@venacorp.com 647-283-4336

2. The following Subconsultants are authorized to perform Services on the Agreement:

Firm	Project Role	Contact Information
N/A	N/A	N/A



Project Manager: Jennifer Martin
Extension: 3724
Date: January 10, 2023

AGREEMENT APPROVAL REQUEST

CAS FILE NO.: 5027

CONTRACT NAME:

Amendment No. 2 to the Standard On-Call Consultant Agreement between the Santa Clara Valley Water District and Vena Solutions USA, Inc.

RECOMMENDATION:

Approve Amendment No. 2 (Amendment) to the Standard On-Call Consultant Agreement A4296A (Agreement) between the Santa Clara Valley Water District (District) and Vena Solutions USA, Inc. (Consultant) for On-Call Enhancements and Support Services for the Capital Improvement Program Development Project (Project).

EL-5 COMPLIANCE:

EL 5.1.2 states: "A Board Appointed Officer shall not make a single Consultant service contract greater than \$225,000 unless authorized by the District Board of Directors." The recommended action to approve Amendment No. 2 is in full compliance with the EL 5.1.2 as this Amendment only extends the Agreement term from January 31, 2023 to January 31, 2025 and does not increase the total not-to-exceed amount of the Agreement.

CEQA COMPLIANCE:

The recommended action to approve the Agreement does not constitute a project under the California Environmental Quality Act (CEQA) because it does not have the potential to result in direct or reasonably foreseeable indirect physical change in the environment.

SUMMARY:

Agreement A4296A provides for the Consultant to continue to provide as-needed enhancements and support services for the Capital Improvement Program Development Project. The purpose of Amendment No. 2 is to extend its term to provide additional time for the Consultant to perform as-needed services associated with task orders; and to implement administrative updates to Agreement A4296A.

Project Background and Previous Board Actions

The Consultant has been providing enhancements and support services to support the Capital Improvement Program Project and the Budget Office. The Vena software was chosen through a competitive process to replace the outdated Budget and the Capital Dashboard tools. The implementation of the Vena software is for Valley Water's Capital Improvement Program.

On August 11, 2020, the Board of Directors directed staff to implement a rolling biennial budget process to be updated annually after implementation of, and demonstrated stability of, the Infor Enterprise Resource Planning (ERP) system. Valley Water is currently using the Vena budgeting system on an annual Capital Budget, Operating Budget, and Rate setting cycle. Vena was implemented in FY18 and

continues to be refined. Financial information in Vena is currently synched with the accounting software by fiscal year.

Amendment No. 1 to Agreement A4296A extended the Agreement term to January 31, 2023, increased the Not-to-Exceed fee by \$198,000, and modified the scope of services, adding an additional Task 4 Biennial Budget to assist Valley Water with the implementation of a two-year budget cycle, as directed by Valley Water's Board of Directors.

The purpose of Amendment No. 2 is to extend its term to provide additional time for the Consultant to continue to perform as-needed support services to support the Capital Improvement Program associated with task orders; and to implement administrative updates to the Agreement.

Recommended Amendment No. 2 to Agreement A4296A


Staff recommends approval of Amendment No. 2 to extend the term of the Agreement to allow the Consultant to continue to provide staff the necessary support it requires to complete the Capital Improvement Program and budget cycles. Therefore, Agreement A4296A must be extended from January 31, 2023 to January 31, 2025.

FINANCIAL IMPACT:

There is no change in the total Agreement not-to-exceed fee of \$500,000 and there are sufficient funds remaining budget to Project Nos. 60221001, Budget and Financial Analyses and 00074033, Capital Improvement Program Development and Administration to compensate the Consultant for the continued services required.

ATTACHMENTS:

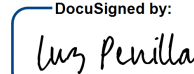
1. Amendment No. 2 to the Standard On-Call Consultant Agreement A4296A (original will be executed in DocuSign)

DocuSigned by:
APPROVALS:

 60EB38F8EB0C46A

 Jessica Collins
 Unit Manager
 Business Planning & Analysis Unit

1/13/2023

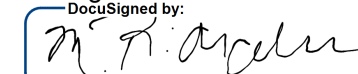
 Date

DocuSigned by:

 569326E851AB42A

 Luz Penilla
 Assistant Officer
 Office of Integrated Water
 Management

1/17/2023

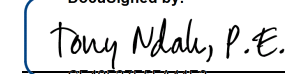
 Date

DocuSigned by:

 F081305937A24A4

 Melanie Richardson, P.E.
 Assistant Chief Executive Officer

1/17/2023

 Date

DocuSigned by:

 CE49F27E8FA2BE3

 Tony Ndaah, P.E.
 Deputy Administrative Officer
 General Services Division

1/20/2023

 Date

This Amendment No. 2 (Amendment) effective as of the date it is fully executed by the Parties, amends the terms and conditions of the Standard On-Call Consulting Agreement A4296A (Agreement) dated October 8, 2019, and Amendment No. 1 executed March 9, 2021, between the SANTA CLARA VALLEY WATER DISTRICT (District or Valley Water) and VENA SOLUTIONS USA, INC. (Consultant), collectively the "Parties."

RECITALS

WHEREAS, Consultant is currently providing professional on-call financial budgeting services for the District's On-Call Enhancements and Support Services for the Capital Improvement Program Development Project;

WHEREAS, the agreement currently expires on January 31, 2023; and

WHEREAS, the Parties desire to extend the term of the Agreement to allow the Consultant to continue to provide on-call financial budgeting services.

NOW, THEREFORE, in consideration of the mutual promises and agreements stated herein and notwithstanding any provision to the contrary stated in the Agreement, District and Consultant hereby amend the Agreement as follows:

1. The Agreement, Standard On-Call Consulting Agreement, Section 12, subsection 24, Schedules and Attachments, is amended as follows:

"24. Schedules and Attachments. Schedule OC, Scope of Services, and the following listed Attachments are incorporated herein by this reference as though set forth in full.

Revised Attachment One to Schedule OC – Fees and Payments (UNCHANGED)

Revised Attachment Two to Schedule OC – Schedule of Completion (REVISED)

Revised Attachment Three to Schedule OC – Consultant's Key Staff and Subconsultants (UNCHANGED)

Attachment Four to Schedule OC – Reference Materials (UNCHANGED)"

2. Revised Schedule OC, Revised Attachment Two, Schedule of Completion, Section 2. is amended to state as follows:

"This Agreement expires January 31, 2025 unless, prior to its expiration, its term is modified by a written amendment hereto, and signed by both Parties."

3. All other terms and conditions of the Agreement A4296A, and Amendment No. 1 not otherwise amended as stated herein remain in full force and effect.

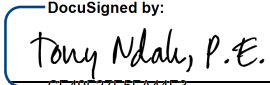
(SIGNATURES FOLLOW ON NEXT PAGE)

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, THE PARTIES HAVE SET FORTH BELOW THEIR CONSENT TO THE TERMS AND CONDITIONS OF THIS AMENDMENT NO. 2 TO AGREEMENT A4296A THROUGH THE SIGNATURES OF THEIR DULY AUTHORIZED REPRESENTATIVES

SANTA CLARA VALLEY WATER DISTRICT

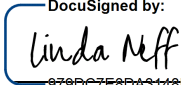
District

By: 
Tony Ndaah, P.E.
Deputy Administrative Officer
General Services Division

Date: 1/20/2023

VENA SOLUTIONS USA, INC.

Consultant

By: 
Linda Neff
Vice President, Professional Services

Date: 1/10/2023

Consultant's Address:
2 Fraser Solutions, Suite 200
Toronto, ON M6K1Y6

**STANDARD ON-CALL CONSULTANT AGREEMENT**

(For GEN-ADMIN Consultant Agreements)

Terms and Conditions Template
Rev. B [7/1/2018-06/30/2019]

This agreement (Agreement) is effective once fully executed (Effective Date), by and between SANTA CLARA VALLEY WATER DISTRICT (District), and VENA SOLUTIONS USA, INC., a Delaware Corporation (Consultant), individually the Party or collectively the Parties.

WHEREAS, the District desires certain services hereinafter described and Consultant affirms it has the requisite experience and expertise, and desires to provide such services.

NOW, THEREFORE, the District and Consultant, for the consideration and upon the Terms and Conditions specified, agree as follows:

SECTION ONE**SCOPE OF SERVICES**

The Scope of Services (Services) to be performed pursuant to this Agreement is described in the Schedule, Scope of Services, attached hereto and incorporated herein by this reference (Schedule). The District may require Consultant to provide all or a portion of these services (Services) through subsequently executed task orders (Task Orders). Task Orders will be in the form of the template described in Section Twelve, subsection 13, Task Orders and in Appendix Three of the Standard On-Call Consultant Agreement, Task Order Template. These Services will be provided on an on-call basis (On-Call).

SECTION TWO**DUTIES OF CONSULTANT****1. Performance**

- A. Each Scope of Service described in an attached Schedule must be performed by Consultant, or at its direction, to meet the purposes specified in this Agreement. References to "Consultant" herein include those performing any portion of the Services at its direction such as Subconsultants, vendors, suppliers, subcontractors, and other business entities and individuals. Consultant will collaborate with District staff in engineering, asset management, operations, and maintenance units to be made aware of District operational constraints, procedures, or preferences relevant to Consultant's performance of the Services described in the attached Schedule.
- B. Unless the requirements for the Services described in the attached Schedule are specifically modified in writing, Consultant must perform Services and provide all deliverables as required.

- C. Consultant shall not undertake any Services not described in the attached Schedule unless authorized in writing by the District prior to the performance of such Services by issuance of a Task Order or pursuant to an amendment to this Agreement signed by both Parties.

2. Consultant Controlled Areas

Consultant is responsible for the security and safety of the area(s) it controls wherein it is required to perform field operations pursuant to the Scope of Services.

3. Licensing

Services performed by Consultant will be undertaken only by persons appropriately licensed, certified, or registered in California, as applicable to the Services described herein, when required by statutes or regulations, as well as pursuant to the relevant standard of care as described in subsection 11 Standard of Care. Consultant shall make available upon District's request documentation of qualifications and licensing of personnel performing Services described herein.

4. District's Approval of Deliverables

Deliverables prepared by Consultant, notwithstanding acceptance and approval by District, which District determines must subsequently be modified due to errors or omissions, will be corrected at no additional cost to District.

5. Errors and Omissions

Consultant is responsible for any direct or actual damages incurred by District which District determines result from Consultant's errors or omissions in Consultant's deliverables.

6. District Standardization Requirements

- A. Consultant shall perform the Services utilizing District nomenclature, standardized forms, software requirements, documented procedures, and best management practices. Consultant shall use Microsoft Office software that is compatible with the District Microsoft Office software used at the time(s) the District issues a Notice to Proceed pursuant to this Agreement.

7. Consultant's Key Staff and Subconsultants

- A. Consultant's and firms subcontracted by the consultant (Subconsultants) assigned to perform the Services are identified in Attachment Three to the Scope of Services, Consultant's Key Staff and Subconsultants.
- B. The Project team organization chart and delegated responsibilities of each team member will be submitted to the District for concurrence.

- C. Consultant may utilize Subconsultants, subcontractors, suppliers, or vendors it deems appropriate to the complexity and nature of the required Services.
 - 1) Consultant must obtain the District's approval of all Subconsultants. Upon the District's request, Consultant must provide copies of all Subconsultant agreements.
 - 2) Consultant must require its delegates or Subconsultants to agree, in writing, to adhere to Terms and Conditions of this Agreement.
- D. Any delegation or use of Subconsultants by Consultant will not operate to relieve Consultant of its responsibilities as described in this Agreement.
- E. If any of Consultant's designated key staff persons or Subconsultants fail to perform to the satisfaction of the District, on written notice from the District, Consultant will have 15 calendar days to remove that person from the Project and provide a replacement acceptable to the District.
- F. Consultant will not charge the District for the time it takes Consultant's replacement personnel to obtain the District-specific Project knowledge in the possession of the person(s) being replaced.
- G. Consultant's Key Staff: The District Project Manager may approve any revisions to Consultant's list of key staff assigned to the Project as an administrative modification to this Agreement, and such approval will be confirmed in writing.
- H. Consultant's Subconsultants
 - 1) The District Project Manager may approve any revisions to Consultant's list of authorized Subconsultants when the Subconsultant is deleted from the list and the Scope of Services is deleted from the Agreement or such services are assumed by the Consultant; such approval will be confirmed in writing.
 - 2) The District's authorized representative may approve any revisions to Consultant's list of authorized Subconsultants when a listed Subconsultant is replaced (to perform the same Scope) or a new Subconsultant is added (to perform new Scope), provided the firm complies with all insurance requirements established by the District for such work; such approval will be confirmed in writing.

8. Compliance with All Laws

- A. Consultant's performance must be in compliance with the most current versions of any and all laws relevant to the Services it performs pursuant to this Agreement, including, but not limited to adherence to: all applicable governmental laws, statutes, ordinances, rules, codes, regulations, orders, and other requirements.
- B. Consultant shall provide, at District's request, documentation demonstrating Consultant's compliance with all laws as described herein. After reasonable notice and according to

reasonable conditions, the District has the right to inspect and copy any records of Consultant regarding such compliance.

- C. Consultant represents and warrants that neither Consultant nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal government department or agency.

9. Occupational Safety and Health

- A. Consultant will perform the Services in compliance with the most current versions of all laws, standards, rules, and regulations of the Occupational Safety and Health Act, and all state and federal laws and regulations relating to safety and health standards. Consultant shall perform the Services in compliance with, will furnish only supplies, articles, and equipment that comply with such laws, standards, and regulations.
- B. Consultant shall immediately notify the District in the event of any personal injury accident or occurrence occurring during the performance of the Services. Upon the District's request, Consultant shall provide the District with documentation fully describing the accident and injury and the actions implemented to prevent similar occurrences.

10. Consultant as Independent Contractor

Consultant will perform all Services as an independent contractor and not an agent or employee of District. Consultant represents and warrants that it and its contractors who are performing any of the Services as Subconsultants will perform such Services as an independent contractor, and neither Consultant nor Subconsultants nor their employees are the servants, agents or employees of the District. Except as expressly provided in this Agreement, the District exercises no direction, supervision or control over Consultant, its employees, agents, or Subconsultants.

11. Standard of Care

- A. Consultant must possess and maintain during the term of this Agreement all certifications, licenses, permits, and qualifications to perform the Services and prepare all deliverables. Consultant must perform all Services and prepare all deliverables in accordance with those standards and practices of care, skill, and diligence that are generally recognized and customarily observed by competent persons in Consultant's area of specialty in the State of California at the time such Services are rendered.
- B. Consultant shall perform the Services and prepare all deliverables without any errors or omissions, and in accordance with Section Two Duties of Consultant, subsection 8. Compliance with All Laws.
- C. Consultant and its Subconsultants must perform the Services in compliance with all applicable written federal, state and local codes, statutes, laws, regulations, and

ordinances, including, but not limited to, environmental, energy conservation, and disabled access requirements as per the provisions of Section Two Duties of Consultant, subsection 8. Compliance with All Laws.

SECTION THREE

DUTIES OF DISTRICT

1. Available Data

The District will make available to Consultant all data and information in its possession and control and which it deems necessary to the preparation of the deliverables specified in the Schedule. The District will actively aid and assist Consultant in obtaining such information from other agencies and individuals as it deems necessary. The District is not responsible for providing data and information that it does not possess.

2. Review of Deliverables

- A. The District will designate a Project Manager (District Project Manager) for purposes of administering and managing this Agreement.
- B. Consultant's progress in completing the Services will be reviewed by the District Project Manager at each milestone identified in an executed Task Order or at such other time(s) at the discretion of the District.
- C. Consultant must notify the District in writing when it completes and has submitted to the District each deliverable as per an executed Task Order. Deliverables deemed satisfactory and in compliance with this Agreement are subject to approval by District. Within 30 calendar days of receipt of each deliverable, the District will either (1) notify Consultant that the District accepts the deliverable, or (2) notify the Consultant that the deliverable is not acceptable and must be revised.
- D. If the District advises Consultant that a deliverable must be revised due to errors or omissions by the Consultant, Consultant must correct, at no cost to the District, those deficiencies as soon as possible and shall notify the District upon completion of the revised deliverable and submit to the District.
- E. The District will then review the revised deliverable and within 30 calendar days of receipt, advise the Consultant if the revised deliverable is acceptable. All deficient deliverables will be revised at no cost to the District and this process will continue until Consultant has corrected all deficiencies identified by the District.
- F. None of the proposed changes or revisions or anything else in this Agreement will be construed to relieve the Consultant of professional or legal responsibility for the performance of the Services as otherwise required by the Terms and Conditions of this Agreement. Corrections to any deliverable as a result of Consultant's errors or

omissions, as determined by the District, will not result in additional costs or expenses to the District.

3. Access to District Facilities

The District will facilitate access to District facilities as required for the Consultant to perform the Services.

SECTION FOUR

FEES AND PAYMENTS

1. Total Fixed Not-to-Exceed Fees

- A. Payment for all Services performed by Consultant to the satisfaction of the District, as described in the Schedule will be based on the Total Fixed Not-to-Exceed (NTE) Fees stated in Attachment One to the Schedule, Fees and Payments, for completion of the associated tasks. The District will make payments to the Consultant according to the terms provided for herein and in Attachment One to the Schedule, Fees and Payments. Payments made by the District to the Consultant for Services rendered will be considered full compensation for all personnel, materials, supplies, Subconsultant(s), equipment, reimbursable travel and per diem expenses incurred by the Consultant to perform the Services. All Service requests will be made by the District on an as-needed basis, subject to future Task Order(s) executed by the District and Consultant.
- B. It is understood and agreed that this total is an estimate, and that the actual amount of Services requested by the District may be less. There is no guarantee, either expressed or implied, as to the actual dollar amount that will be authorized under this Agreement.
- C. Attachment One to the Scope of Services, Fees and Payments, sets forth the hourly rates and fixed fee amounts, if any, for Services Consultant may perform pursuant to an executed Task Order.
- D. Services to be performed pursuant to a Task Order will commence only after written approval from the District Deputy Operating Officer.
- E. Notwithstanding any other provision of this Agreement, District agrees to pay Consultant in accordance with the terms set forth in an executed Task Order. Consultant represents and warrants that the amounts charged to the District for Services do not exceed the amounts normally charged by Consultant to other customers for similar Services.
- F. Upon the written approval of the District Deputy Operating Officer referenced herein, the Services described in a Task Order task may be reduced or eliminated.
- G. Automobile travel mileage expenses will be paid at the current IRS rate. District will not reimburse Consultant nor its Subconsultants for mileage nor travel time to and from District Headquarters and surrounding campus located at 5700 Almaden Expressway,

San Jose, California. However, District will reimburse Consultant and its Subconsultants for mileage incurred from District Headquarters or Consultant's and Subconsultants' firm address, whichever is closer to the destination, to Project site(s) and, if directed or authorized by the District, to meeting locations with regulatory agencies, for community outreach activities and meetings, for partnering meetings, and Dispute Review Board meetings.

2. Consultant Invoices

- A. Consultant's invoices will be prepared in accordance with the terms of this Agreement, Section Four Fees and Payments, and represent Services performed and reimbursable costs incurred during the identified billing period. Invoices must be consistent with Scope of Services and executed Task Orders; and include the following:
 - 1) Employee classification and name itemized with all labor charges by Service task;
 - 2) Summary of the amount Consultant has been billed by their Subconsultants and further detailed by Service task;
 - 3) A description of the site where Services were performed, if applicable;
 - 4) The name of District staff requesting Services;
 - 5) The dates when Services were performed;
 - 6) Other direct charges and reimbursable expenses by Task Order task;
 - 7) Other direct charges and expenses must reflect actual fees versus the Task Order not-to-exceed fees as stated in Attachment One to Schedule, Fees and Payments; and/or Task Orders.
 - 8) The total amount due for completing the Services specified in that Task Order, which must not exceed the not-to-exceed amount specified in that Task Order.
 - 9) To the extent that the Consultant is adding an administrative, processing, overhead or mark-up fee, the District will not pay for such duplication of costs for both the Consultant and its Subconsultants.
- B. Invoices will include a summary of labor expenditures, direct costs, and billed Subconsultant charges. Invoices will be organized such that the billing categories correspond with the Task Order.
- C. Notwithstanding language to the contrary in an executed Task Order, the Consultant must invoice the District for a Task Order within 30 calendar days of the District accepting the deliverables of that Task Order.
- D. Consultant shall send all invoices to:

Santa Clara Valley Water District
Attention: Accounts Payable
P.O. Box 20670
San Jose, CA 95160-0670

- E. Consultant must also ensure that each invoice contains the following information:
- 1) Agreement Number;
 - 2) Task Order Number.
 - 3) Full Legal Name of Consultant/Firm;
 - 4) Payment Remit-to Address;
 - 5) Invoice Number;
 - 6) Invoice Date (the date invoice is mailed); and
 - 7) Beginning and end date for billing period that services were provided.
- F. Consultant shall invoice for its performance of the Services as stated in an executed Task Order on a monthly basis consistent with the task fee breakdown stated in Attachment A to the Task Order(s). Unless otherwise specified in a Task order, Consultant will be paid for the Services as described in an executed Task Order.
- G. District Project Manager will review Consultant's written invoice within five District business days of receipt, address any questions with Consultant's Contact/Principal Officer and approve the undisputed amount of the invoice within ten working days of receipt of the invoice. District will pay undisputed invoice amounts within 30 calendar days from date invoice is received by District Project Manager.
- H. District may in good faith assert a bonafide dispute as to all or a portion of fees specified in any invoice. If any portion of an amount due to Consultant under this Agreement is subject to a bonafide dispute between the Parties, within 30 calendar days of Consultant's delivery of the invoice on which a disputed amount appears, District will notify Consultant in writing of the specific items in dispute, and will describe the District's reason(s) for disputing each such item. Consultant and the District Project Manager must act in good faith to resolve this dispute in a timely manner. If the dispute is not resolved by the Consultant and District Project Manager within 30 calendar days of Consultant receiving District's written notice of dispute, Consultant and the District will attempt to resolve the Dispute pursuant to Appendix Two to the Standard On-Call Consultant Agreement, Dispute Resolution.
- I. Consultant's Services will be performed by its staff members and Subconsultants' staff members at the lowest hourly and unit rates commensurate with the complexity of the required Services.

3. Prevailing Wages – NOT USED

- A. A portion of the Services to be performed pursuant to this Agreement may be considered “Public Works” subject to California Labor Code §1771, et. seq. and the applicable implementing regulations.
- B. Labor Code §1720 includes “Inspection and Land Surveying” in its definition of “Public Works.” If Consultant’s Services includes such work, Consultant and its Subconsultants must comply with all Labor Codes applicable to prevailing wages.
- C. The Consultant and its Subconsultants shall not engage in the performance of public work, as defined in California Labor Code §1771.1, unless currently registered and qualified to perform public work pursuant to California Labor Code §1725.5.
- D. The General Prevailing Wage Rates issued by the California Department of Industrial Relations may be adjusted by the State throughout the term of this Agreement. Notwithstanding any other provision of this Agreement, Consultant will not be entitled to any adjustment in compensation rates in the event there are adjustments to the General Prevailing Wage Rates.
- E. This Agreement is subject to compliance monitoring and enforcement by the State of California Department of Industrial Relations. Upon request, the Consultant and Subconsultants must furnish the records specified in Labor Code §1776 directly to the Labor Commissioner, in a format prescribed by the Labor Commissioner.
- F. All records or documents required to be kept to verify statutory compliance with the prevailing wage requirement, such as certified payroll records, must be made available for audit at no cost to the District, at any time during regular business hours, upon written request by the District.
- G. **California State Department of Industrial Relations Contractor and Sub-Contractor Registration Requirements**

Prior to the District executing a Task Order for Services involving public works, as defined herein, the Consultant, and its Subconsultant(s) performing public works, must provide evidence, in the form required by the District, that Consultant and its Subconsultant(s) are in compliance with the California State Department of Industrial Relations Contractor and Sub-Contractor Registration Requirements.

4. Retention

Unless otherwise specified in an executed Task Order, when the total compensation payable pursuant to this Agreement for an individual Task Order exceeds \$20,000, ten percent of each invoices for that Task Order will be withheld by the District and not paid to Consultant until 30 calendar days after the assigned District representative signs the final approval for all Services/deliverables as stated in the executed Task Order, consistent with Section Three Duties of District, subsection 2. Review of Deliverables. Provided that at any

time after 50% of the work has been completed, the District may, at its sole discretion, determine that satisfactory progress is being made in the completion of the Agreement, and prospectively make the remaining progress payments in full. The retention previously withheld on the first 50% of the work will continue to be withheld until final contract close out.

SECTION FIVE

SCHEDULE OF COMPLETION

1. Performance of Tasks

Consultant will commence performing the tasks described in the Scope of Services of an executed Task Order upon receipt of the Task Order Notice to Proceed (NTP) issued by the District.

2. Task Order Schedule

Consultant will perform and complete the Services in accordance with the schedule (Schedule) as described in each Task Order. Consultant will coordinate Services with the District to provide the timeline of all tasks and subtasks including the site visits, document review, meetings, and deliverables.

3. Project Delays

Consultant will make all reasonable efforts to comply with the Schedule as stated in a Task Order. In the event the Task Order Schedule will be delayed, Consultant will notify the District Project Manager as soon as possible, providing the reason why, the length of the delay, and a description of the actions being taken to address the delay. In the event Consultant is delayed in performance of its Services by circumstances beyond its control, District may, at its discretion, grant a reasonable adjustment in the Schedule.

4. Changes to the Schedule.

District's Project Manager and Consultant may agree to modify the Schedule specified for Consultant's performance in an executed Task Order as an administrative modification to the Task Order and will confirm such modifications in writing.

SECTION SIX

AGREEMENT MODIFICATIONS

The Parties may agree to modify the Terms and Conditions of this Agreement by executing a written amendment hereto.

SECTION SEVEN

TERM AND TERMINATION

1. Term & Automatic Termination.

No Task Order will be written which extends beyond the expiration date of this Agreement. Consultant will not undertake to provide Services where it reasonably appears that the Services cannot be performed and completed within the Term of this Agreement. Uncompleted and/or unfinished Task Orders will co-terminate with this Agreement.

2. District Rights

- A. Suspension: District may, by written notice to Consultant, suspend any or all Services pursuant to this Agreement or to any individual Task Order. District may subsequently terminate this Agreement or any Task Order for convenience, or determine to proceed. If a decision to proceed is not made within 90 days from the date of the notice of suspension, any decision to proceed must be conditioned upon execution of a new Notice to Proceed or Task Order.
- B. Termination for Convenience: District may, by written notice to Consultant, terminate all or part of this Agreement or any Task Order at any time for District's convenience. Upon receipt of such notice, Consultant will immediately cease all work as specified in the notice. If this Agreement or any Task Order is so terminated, Consultant will be compensated as set forth in subsection 3. Consultant's Compensation upon Termination or Suspension.
- C. Termination for Breach: If Consultant violates any of the covenants, agreements or stipulations of this Agreement or a Task Order, or if Consultant fails to fulfill in a timely and proper manner its obligations pursuant to this Agreement or any Task Order, and does not cure such failure or violation within 30 days (or a reasonable extension thereof, if requested, which extension will not be unreasonably withheld) after receipt of written notice from District specifying such failure or violation, District will thereupon have the right to terminate this Agreement and any or all uncompleted Task Orders by giving written notice to Consultant of such termination. Such notice will specify the effective date thereof, and Consultant will not be entitled to compensation for Services or expenses beyond the specified termination date.
- D. If, after notice of termination for breach of this Agreement or any Task Order, it is determined that Consultant did not breach the Agreement or Task Order, the termination will be deemed to have been effected for District's convenience, and Consultant will receive payment that is allowed by this Agreement for a termination for convenience.
- E. The rights and remedies provided herein to District are in addition to any other rights and remedies provided by law, this Agreement, or a Task Order.

3. Consultant's Compensation upon Termination or Suspension

In the event of termination of this Agreement or any Task Order, or suspension of Services by District, Consultant shall receive compensation based on satisfactory performance, accepted by the District, as follows:

- A. Direct Labor: Consultant shall be entitled to receive compensation for all authorized direct labor performed prior to termination pursuant to the provisions of this Agreement or Task Order and all authorized labor expenses incurred to demobilize from the Project after the date of termination;
- B. Other Direct Costs and Expenses: Consultant shall be entitled to receive compensation for all authorized other direct costs and expenses incurred prior to termination and all authorized expenses incurred to demobilize from the Project after the date of termination;
- C. In no event shall the total compensation paid for any item of Service exceed the payment specified in the Agreement or applicable Task Order for that item of Service.

4. Survival

The Terms and Conditions of this Agreement, that by their context and a standard of reasonableness, are intended to survive termination, suspension, completion, and expiration of this Agreement, shall survive, including but not limited to, the following Sections and subsections: Independent Contractor Status, Confidentiality, Indemnification, Insurance Requirements, and Dispute Resolution, as well as any Consultant representations and warranties.

SECTION EIGHT

INDEMNIFICATION

Notwithstanding any other provision of this Agreement, Consultant agrees to indemnify, defend and hold harmless the District, its agents, officers, directors, and employees from and against any and all demands, claims, damages, losses and reasonable expenses, including but not limited to liabilities, obligations, claims, costs, reasonable expenses (including, without limitation, interest, penalties and reasonable attorney's fees), fines, taxes, levies, imposts, assessment, demands, damages or judgments of any kind or nature, whether in law or equity (including, without limitation, death or injury to any person, property damage, administrative and judicial orders and consents, or any other loss) to the extent they arise out of, pertain to, or relate to the Consultant's negligence, recklessness, or willful misconduct. The foregoing does not limit any strict liability imposed onto the Consultant by law. The rights, duties, and obligations of the Parties as set forth above in this Section Eight, Indemnification, survive termination, expiration, completion, and suspension of this Agreement.

SECTION NINE

INSURANCE REQUIREMENTS

Insurance requirements applicable to this Agreement are set forth in the Standard On-Call Consultant Agreement, Appendix Four Insurance Requirements. Consultant must provide and maintain at its own expense, during the term of this Agreement, or as may be further required

herein, all insurance coverages as detailed in the Standard On-Call Consultant Agreement, Appendix Four Insurance Requirements, and comply with all provisions stated therein.

SECTION TEN

OWNERSHIP AND REUSE OF DELIVERABLES

1. District Ownership

All deliverables and other materials prepared by Consultant, including computer programs and media developed by the Consultant, to perform the Services, during the term of this Agreement, will be and remain the property of the District following payment in full to Consultant for each task or portion of a completed task, or in accordance with Section Seven Term and Termination. In the event the work is not completed, the completed portions thereof will become the property of the District. Consultant will provide the District with such deliverables and material at appropriate times during this Agreement. Consultant may retain a copy for its records. Consultant does not convey, assign, or transfer the intellectual property rights it has so as to limit its ability or right to develop, design, or provide services on other projects of or for its other clients.

2. Reuse of Instruments of Service

If the District desires to reuse the completed plans, specifications, or other deliverables, in total or in part, on project sites associated with this Agreement, or any other site, or to complete any incomplete portion of construction documentation which the District has already paid Consultant, the District will release Consultant from any liability incurred by the District from reusing said deliverables.

3. Copies of Data

Copies of data exchanged by, through, and between the District and Consultant that may be relied upon are limited to printed copies. Computer-generated files, disks, or tapes of text, data or graphics that are furnished are only for the mutual convenience of the Parties.

4. Computer-Generated Material

Any risk of translation or reliance on information obtained or derived from computer-generated material is at the user's sole risk, and no representations are made, either express or implied, as to the long-term performance of data thus transferred.

5. Work for Hire

Any and all original correspondence, memoranda, reports, designs, plans, specifications, data compilations, computer programs, or drawings delivered to the District by Consultant according to the Terms of this Agreement, in or by any medium is deemed to be "work for hire" according to the copyright laws of the United States and the copyright belongs to the District.

6. Copyright Claims

Co-venturers, subcontractors, Subconsultants, suppliers, and vendors to Consultant are likewise bound by these copyright terms. The District makes no copyright claim and requires no release for copyrighted material or trademarked names used incidentally by Consultant.

SECTION ELEVEN

EQUAL OPPORTUNITY

1. Equal Opportunity Employer

The Santa Clara Valley Water District is an equal opportunity employer and requires its consultants to have and adhere to a policy of equal opportunity and non-discrimination. In the performance of the Agreement, the Consultant will comply with all applicable federal, state, local laws and regulations, and will not discriminate against any subcontractor, employee, or applicant for employment in the recruitment, hiring, employment, utilization, promotion, classification or reclassification, transfer, recruitment advertising, evaluation, treatment, demotion, layoff, termination, rates of pay or other forms of compensation, and selection for professional development training (including apprenticeship), or against any other person, on the basis of sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), race, religion, color, national origin (including language use restrictions), ancestry, religious creed (including religious dress and grooming practices), political affiliation, disability (mental and physical, including HIV or AIDS), medical condition (cancer and genetic characteristics), genetic information, marital status, parental status, gender, age (40 and over), pregnancy, military and veteran status, sexual orientation, gender identity and gender expression, the exercise of family and medical care leave, the exercise of pregnancy disability leave, or the request, exercise, or need for reasonable accommodation.

2. Compliance with Applicable Equal Opportunity Laws

The Consultant's policy must conform with applicable state and federal guidelines including the Federal Equal Opportunity Clause, "Section 60-1.4 of Title 41, Part 60 of the Code of Federal Regulations," Title VII of the Civil Rights Act of 1964 as amended; the Americans with Disabilities Act of 1990; the Rehabilitation Act of 1973 (Sections §503 and 504); the Age Discrimination Act of 1975 (42 U.S.C. sec. 6101 et seq.); the California Fair Employment and Housing Act (Government Code §12900 et. seq.); and California Labor Code §1101 and 1102.

3. Investigation of Claims

Consultant must designate a specific position within its organization to be responsible for assuring nondiscrimination and non-harassment as provided in this Agreement. Consultant must investigate all complaints directed to it by District. District will refer complaints in writing and Consultant will advise District in writing when such investigations are concluded. The scope of such investigations must include all appropriate officers, employees, and agents of

the Consultant, as well as all subcontractors, Subconsultants, and material suppliers of the Consultant. In cases where such investigation results in a finding of discrimination, harassment, or hostile work environment, Consultant must take prompt, effective disciplinary action against the offender.

SECTION TWELVE

MISCELLANEOUS PROVISIONS

1. Entire Agreement

This Agreement, which includes the Terms and Conditions, Appendices, the Schedule Attachments to the Schedule, and all executed Task Orders, represents the entire understanding between the Parties hereto relating to the Services described in this Agreement and its executed Task Orders incorporated herein by this reference hereto and supersedes any and all prior proposals or agreements, whether written or oral, that may exist between the Parties. This Agreement may not be modified or amended except in writing as stated herein. To the extent that any Schedule conflicts with this Agreement, this Agreement shall control.

2. Formation of Agreement

- A. No agreement between the Parties is formed until all applicable actions have been completed to the satisfaction of District. The District Project Manager will not issue a Notice to Proceed until all required documents have been submitted and accepted by the District.
- B. Formation of this Agreement between the Parties requires accomplishment of the following, as applicable:
 - 1) Execution of the Agreement by Consultant;
 - 2) Submission by the Consultant, and acceptance by the District, of evidence of all required insurance coverages and documents;
 - 3) Submission by the Consultant, and acceptance by the District, of evidence of all required Form 700 documents, if applicable;
 - 4) Submission by the Consultant, and acceptance by the District, of all required Non-Disclosure Agreements (NDA) documents as provided in Attachment Four to the Schedule, Reference Materials, if applicable;
 - 5) Submission by the Consultant, and acceptance by the District, of a Health and Safety Plan, if applicable;
 - 6) Any other requirements that are deemed necessary by the District; and
 - 7) Execution of the Agreement by the District.

3. No Assignment

- A. The expertise and experience of Consultant are material considerations for District's award and execution of this Agreement. Consultant will not assign or transfer any interest in this Agreement nor the performance of any of Consultant obligations hereunder, without prior written consent of District in the form of an amendment executed by the Parties, and any attempt to so assign this Agreement, or any rights, duties or obligations arising hereunder, will be void and of no effect. Any assignment of monies due or to become due in accordance with this Agreement, will be to the extent permitted by law, and will be subject to all proper set-offs, deductions, and withholdings in favor of the District.
- B. In no event shall an assignment of any interest in this Agreement release the Consultant from its duties and responsibilities as described in this Agreement nor shall the Consultant be released from liability created by the provision of Services as described in this Agreement until such assignment takes effect. Any attempted or purported assignment without the District's written consent in the form of an amendment executed by the Parties is null and void.

4. Reasonableness

Discretionary actions or approvals to be performed by the Parties will be exercised in a reasonable manner.

5. Gifts

Consultant hereby acknowledges that District policy prohibits the acceptance by District personnel of gifts of any kind from its contractors, consultants, suppliers or vendors. Consultant shall honor this policy by not sending or bringing gifts to the District.

6. Audits

Consultant agrees that the District and its agent(s) have the right to review, obtain, and copy all records pertaining to performance of this Agreement. Consultant agrees to provide the District and its agent(s) with any relevant information requested and will permit the District and its agent(s) access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting or copying books, records, accounts, computerized records, and other materials that may be relevant to the matter under investigation or subject to audit, such as by a government agency, providing the District with grant funds to pay for Consultant's services for the purpose of determining compliance with this Agreement. Consultant further agrees to maintain such records for a period of three years after final payment as provided for in this Agreement.

7. Force Majeure

Neither Party will be held responsible for delays caused by acts beyond its control, such as acts of God or public enemies, utility or communication delays, or failures not caused by

such Party's negligence or fault, accidents not caused by such Party's negligence or fault, labor disputes, war, or failure of the other Party to provide data as required pursuant to this Agreement.

8. Binding Effect

This Agreement is binding on the heirs, executors, administrators, successors and assigns of the Parties.

9. Choice of Law and Venue

The Parties agree that this Agreement is to be governed, construed and enforced in accordance with the laws of the State of California. The Parties also agree that the venue of any litigation arising out of or connected with this Agreement will lie exclusively in the state trial court or Federal District Court located in Santa Clara County in the State of California, and the Parties consent to jurisdiction over their persons and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.

10. Confidentiality

- A. Due to the nature of the services Consultant will provide pursuant to this Agreement, there may be disclosures made to Consultant of detailed information about the District's operations, including on a need-to-know basis information which may be protected from public disclosure by confidentiality laws, the attorney-client privilege, and/or other provisions of law which govern the nature and timing of disclosure of public information.
- B. Consultant understands and acknowledges that District staff members providing information to the Consultant do so with the understanding that such information will be handled appropriately.
- C. In the event Consultant receives such restricted or confidential information, Consultant will limit access to the information to only those of Consultant's employees, its subcontractors and its Subconsultants authorized by the District to have the information.
- D. Consultant will notify the District immediately of any request by any third party to have access to confidential information and will not disclose the requested information without first receiving express written authorization from the District.
- E. Notwithstanding the aforementioned Confidentiality requirements, upon the request of the District Project Manager Consultant and its Subconsultants shall execute the District's most current Non-Disclosure Agreement in effect at that time.
- F. The requirements stated herein will survive completion, expiration, suspension, and termination of this Agreement.

11. Release of Information Prohibited

Consultant is not permitted to provide any information concerning the Project to the media

nor anyone other than authorized District personnel. Consultant will not release any information pertinent to the Project for publication, public disclosure, or in any other manner without first obtaining clearance and a release in writing from the District. Any media inquiry at any time to Consultant relating to any matter concerning Services provided or requested to be provided pursuant to this Agreement will be referred immediately to the District. Consultant will not communicate with the media regarding any such matter.

12. Conflict of Interest

- A. Consultant represents that there exists no actual or potential conflict of interest concerning the services to be performed pursuant to this Agreement.
- B. Consultant represents that Consultant's performance required as stated in this Agreement does not require the breach of any agreement or obligation to keep in confidence the proprietary information of another party. Consultant will not bring to the District, or use in the performance of Consultant's duties as described in this Agreement, any materials or documents of another party considered confidential or proprietary unless Consultant has obtained written authorization from such party, and the informed consent of the District, for the possession and use of such materials.
- C. Consultant represents and warrants that during the term of the Agreement, Consultant, Consultant's parent company, Consultant's subsidiaries, or any affiliated entity sharing substantially similar ownership of or control with Consultant shall not act as a Consultant or expert for any party in support of any potential or active claim or legal action against the District by such party.
- D. CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION STATEMENT OF ECONOMIC INTEREST FORM 700 ("FORM 700"): Upon District's request, Consultant employees, officers, agents, Subconsultants, and subcontractors shall complete, execute, and submit a Form 700 as follows:
 - 1) Consultant employees, officers, agents, Subconsultants, and subcontractors assigned to perform services pursuant to this Agreement, shall file, in a manner prescribed by the District, an Assuming Office Statement. The Assuming Office Statement shall be filed:
 - a. Within 30 calendar days of the effective date of this Agreement; and
 - b. Within 30 calendar days of Consultant hiring, adding, or promoting to a designated filer position employees, officers, agents, Subconsultants, and subcontractors to perform services pursuant to this Agreement.
 - 2) Consultant employees, officers, agents, Subconsultants, and subcontractors assigned to perform services pursuant to this Agreement, that filed an Assuming Office Statement, shall file in a manner prescribed by the District, an amendment to their Form 700 any time there is a change to their disclosure information.

- 3) Consultant employees, officers, agents, Subconsultants, and subcontractors assigned to perform services pursuant to this Agreement, that filed an Assuming Office Statement, shall file an Annual Statement in a manner prescribed by the District, during the District's annual filing season as determined by the District;
- 4) Consultant employees, officers, agents, Subconsultants, and subcontractors assigned to perform services pursuant to this Agreement, that filed an Assuming Office Statement, shall file, in a manner prescribed by the District, a Leaving Office Statement with the District when one of the following occurs:
 - a. Upon termination of this Agreement; and
 - b. Within 30 calendar days of Consultant employees, officers, agents, Subconsultants, and subcontractors vacating a designated filing position (i.e., removed from the Project, promotion, demotion, transfer to non-designated position, end of employment, or as a result of changes in designated filer positions in the District's Conflict of Interest Code).
- 5) Consultant understands and agrees that its employees, officers, agents, Subconsultants, and subcontractors may be disqualified from providing services to the District pursuant to the California Political Reform Act, Gov. Code §81000 et. seq. and Government Code §1090. If any of Consultant's employees, officers, agents, Subconsultants, and subcontractors are disqualified from providing services, on written notice from District Project Manager, Consultant will have 15 calendar days to remove said employee(s), officer(s), agent(s), Subconsultant(s)' and subcontractor(s)' employee(s) from the Project and provide a replacement acceptable to the District.
- 6) The failure of Consultant's employees, officers, agents, Subconsultants, and subcontractors to file an Assuming Office, Annual, Amended, or Leaving Office Statement within the time prescribed by the District is deemed a material breach and may result in termination of the Agreement for cause.

13. Task Orders

- A. Some tasks and Services will be assigned to the Consultant through issuance of Task Orders. After the tasks and Services are identified and communicated to the Consultant by the District Project Manager, Consultant will prepare a proposed Task Order (See the Standard On-Call Consultant Agreement, Appendix Three Task Order Template).

The proposed Task Order must identify the following:

- 1) Description of the services, including deliverables;
- 2) The total Not-to-Exceed Fees for Consultant to complete the services, including estimated number of hours per assigned staff to complete the services;

- 3) Proposed staff that will be assigned to complete the services, including resumes if not previously provided to the District's Project Manager;
 - 4) Estimated cost of each other direct cost and reimbursable expense, including any applicable fees;
 - 5) Schedule for completing the services; and
 - 6) Copies of applicable state and federal permits required to complete the services, unless previously provided to the District.
- B. Consultant agrees that the Not-to-Exceed Fees specified in a proposed Task Order will be the product of a good faith effort in exercising its professional judgment. After an agreement has been reached on the negotiable items, the finalized Task Order will be signed by both the District's authorized representative referenced in the Standard On-Call Consultant Agreement, Appendix One Additional Legal Terms and the Consultant's authorized representative.
- C. Consultant must not commence performance of work or services on a Task Order until it has been approved by the District's authorized representative and Notice to Proceed has been issued by the District Project Manager. No payment will be made for any services performed prior to approval or after the period of performance of the Task Order. The period of performance for Task Orders will be in accordance with dates specified in the Task Order. No Task Order will be written which extends beyond the expiration date of this Agreement. The total amount payable by the District for an individual Task Order will not exceed the amount agreed to in the Task Order.
- D. Prevailing Wage Requirements: The Scope of Services may be considered by the District to be "Public Works" requiring the payment of prevailing wages. See the Standard Consultant Agreement Section Four Fees and Payments, subsection 3. Prevailing Wages, and Appendix Three Task Order Template.

14. Good Neighbor

The District always strives to be a good neighbor to the community adjacent to its facilities. Consultant will ensure that disturbance to neighbors is minimized. Consultant, its staff, and Subconsultants will always interact with the members of the public in a polite and professional manner.

15. Governmental Permits and Notifications

Unless otherwise expressly stated herein or in an executed Task Order, Consultant represents and warrants that it has investigated the need for, and has or will procure, at its cost, and in its own name to the extent allowed by law, all governmental permits, notifications, approvals and inspections required for the performance of the Services. Consultant shall promptly notify the District if any such permit or approval lapses or is modified or revoked. If, pursuant to applicable law, any such permits or approvals must be

procured in the District's name, Consultant shall promptly so inform the District and assist the District in obtaining such permits or approvals.

16. Taxes and Benefits

Consultant has full and exclusive liability for the payment of, and Consultant will pay, any and all taxes and contributions for unemployment insurance, retirement benefits, workers' compensation insurance or benefits, life insurance, pensions, annuities and similar benefits and any other employment-related costs, obligations, and duties that may now or hereafter be imposed by law, collective bargaining agreements or otherwise with respect to persons employed by Consultant for the performance of Services pursuant to this Agreement.

17. Nonwaiver of Rights

The failure of either Party to this Agreement to object to or to take affirmative action with respect to any conduct of the other Party that is in violation of the terms of this Agreement will not be construed as a waiver thereof, or as waiver of any future breach or subsequent wrongful conduct.

18. Notices

Unless otherwise specified in this Agreement, all requests for written approval or legal notices must be sent to the representatives below. All notices are deemed to have been given when made in writing and when delivered or mailed to the representatives of the District and Consultant at their respective addresses as follows:

DISTRICT:

Deputy Officer, as listed in section 1. Representatives, of the attached Schedule, Scope of Services.

CONSULTANT:

Consultant Principal Officer, as listed in section 1. Representatives, of the attached Schedule, Scope of Services.

19. Appendices

Standard On-Call Consultant Agreement, and the following listed Appendices incorporated herein by this reference as though set forth in full:

Appendix One - Additional Legal Terms
Appendix Two - Dispute Resolution
Appendix Three - Task Order Template
Appendix Four - Insurance Requirements

20. Schedule and Attachments

Schedule OC, Scope of Services, and the following listed Attachments are incorporated herein by this reference as though set forth in full:

Attachment One - Fees and Payments

Attachment Two - Schedule of Completion

Attachment Three - Consultant's Key Staff and Subconsultants

Attachment Four - Reference Materials

(SIGNATURES FOLLOW ON NEXT PAGE)

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IN WITNESS WHEREOF, THE PARTIES HAVE SET FORTH BELOW THEIR CONSENT TO THE TERMS AND CONDITIONS OF THIS AGREEMENT THROUGH THE SIGNATURES OF THEIR DULY AUTHORIZED REPRESENTATIVES.

SANTA CLARA VALLEY WATER DISTRICT

District

By:


Linda J. LeZotte

Chair, Board of Directors

Date: 10/08/19

VENA SOLUTIONS USA, INC.

Consultant

By:


Neil Thomas

Chief Revenue Officer

Date: 9/26/19

Consultant's Address:

2 Fraser Solutions, Suite 200
Toronto, ON M6K1Y6

ATTEST:


Michele L. King, CMC

Clerk, Board of Directors

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**STANDARD ON-CALL CONSULTANT AGREEMENT
APPENDIX ONE
ADDITIONAL LEGAL TERMS**

1. Conflict of Interest for Future Services

Consultant, Consultant's parent company, Consultant's subsidiaries, or any affiliated entity sharing substantially similar ownership of or control with Consultant shall not submit a proposal:

- A. For any agreement to be awarded for any project that is related to the Services provided pursuant to this Agreement;
- B. In response to any request for proposal or District solicitation developed or prepared by or with the assistance of Consultant, Consultant's parent company, Consultant's subsidiaries, or any affiliated entity sharing substantially similar ownership of or control with Consultant; or
- C. For any single or sole source products/services related to the Services pursuant to this Agreement, or have a financial stake in any single or sole source products/services resulting from this Agreement.

2. Dispute Resolution

If a dispute occurs between the Parties as a result of this Agreement, then the Parties agree to use the Dispute Resolution process outlined in the Standard On-Call Consultant Agreement, Appendix Two Dispute Resolution.

3. Small Business Enterprise (SBE) Participation

This Agreement provides for the Consultant to include California Department of General Services certified Small/Micro Businesses in the performance of the Services, estimated to be 0% or more of the Total Not-to-Exceed Fees stated in the Standard On-Call Consultant Agreement, Schedule OC, Attachment One Fees and Payments, and Consultant agrees to use its best efforts to meet this goal.

4. Task Order Approvals

- A. Services to be performed pursuant to a Task Order may only commence once a specific Notice to Proceed for that Task Order has been issued by the District.
- B. Task Orders are subject to approval by the District's Deputy Operating Officer unless delegated to the Unit Manager.
- C. District Unit Manager(s) is authorized to approve individual Task Orders in an amount not-to-exceed \$60,000.
- D. The total not-to-exceed amount for any one Task Order shall not exceed \$ [NOT-TO-EXCEED AMOUNT]. [NOT USED]

**STANDARD ON-CALL CONSULTANT AGREEMENT
APPENDIX TWO
DISPUTE RESOLUTION**

1. Consultant's Questions and Concerns

Questions regarding the Terms, Conditions, and Services relating to this Agreement will be decided by the District who will furnish the decisions to Consultant in writing within 30 days after receiving a written request from Consultant.

2. Dispute Resolution

A. Alternate Dispute Resolution

District intends to use Alternate Dispute Resolution (ADR) techniques including partnering and mediation to resolve disputes relating to the Project.

B. Consultant and its Subconsultants are expected to participate in all ADR efforts.

C. The cost of partnering, training facilities, and facilitator will be borne by District.

3. Negotiations Before and During Mediation

Negotiations to resolve disputes before and during mediation are initiated for settlement purposes only and are not binding unless otherwise agreed by District and Consultant.

4. Voluntary Mediation

A. Initiation of Mediation

Any Party to a dispute or claim may initiate mediation by notifying the other Party or Parties in writing.

B. Request for Mediation

A request for mediation must contain a brief written statement of the nature of the dispute or claim, and the names, addresses, and phone numbers of all parties to the dispute or claim, and those who will represent them, if any, in the mediation.

C. Selection of Mediator

- 1) Upon receipt of a written request for mediation, unless otherwise agreed by the Parties, within 14 days, the Parties will confer to select an appropriate mediator agreeable to all Parties.
- 2) If the Parties cannot agree on a mediator, they hereby agree to accept a mediator appointed by a recognized association such as the American Arbitration Association.

**STANDARD ON-CALL CONSULTANT AGREEMENT
APPENDIX TWO
DISPUTE RESOLUTION**

D. Qualifications of a Mediator

- 1) Any mediator selected must have expertise in the area of the dispute and be knowledgeable in the mediation process.
- 2) No person shall serve as a mediator in any dispute in which that person has any financial or personal interest in the result of the mediation.
- 3) Before accepting an appointment, the prospective mediator must disclose any circumstances likely to create a presumption of bias or prevent a prompt meeting with the Parties. Upon receipt of such information, the Parties will confer and decide whether to select another mediator.

E. Vacancies

If any mediator becomes unwilling or unable to serve, another mediator will be selected unless the Parties agree otherwise.

F. Representation

- 1) Any Party may be represented by person(s) of their choice who must have full authority to negotiate.
- 2) The names and addresses of such person(s) must be communicated in writing to both Parties and to the mediator.

G. Time and Place of Mediation

- 1) The mediator will set the time of each mediation session.
- 2) The mediation will be held at a convenient location agreeable to the mediator and the Parties, as determined by the mediator.
- 3) All reasonable efforts will be made by the Parties and the mediator to schedule the first session within 60 days after selection of the mediator.

H. Identification of Matters in Dispute

- 1) Parties shall comply with the process as required by the mediator with regard to providing the mediator with a memorandum setting forth its position with regard to the issues that need to be resolved. At the discretion of the mediator, or otherwise agreed by the Parties, the Parties may mutually exchange such memoranda.
- 2) At the first session, the Parties will be expected to produce all information reasonably required for the Mediator to understand the issue(s) presented. The mediator may

**STANDARD ON-CALL CONSULTANT AGREEMENT
APPENDIX TWO
DISPUTE RESOLUTION**

require each Party to supplement such information.

I. Authority of Mediator

- 1) The mediator does not have authority to impose a settlement on the Parties but will attempt to assist the Parties in reaching a satisfactory resolution of their dispute.
- 2) The mediator is authorized to conduct joint and separate meetings with the Parties and to make oral and written recommendations for settlement.
- 3) Whenever necessary, the mediator may also obtain expert advice concerning technical aspects of the dispute, provided the Parties agree and assume the expenses of obtaining such advice. Arrangements for obtaining such advice will be made by the mediator or the Parties, as determined by the mediator.
- 4) The mediator is authorized to end the mediation whenever, in the mediator's judgment, further efforts at mediation would not contribute to a resolution of the dispute between the Parties.

J. Privacy

- 1) Mediation sessions are private.
- 2) The Parties and their representatives may attend mediation sessions.
- 3) Other persons may attend only with the permission of the Parties and with the consent of the mediator.

K. Confidentiality

Except as provided by California or federal law or regulation:

- 1) The mediator will not divulge confidential information disclosed to a mediator by the Parties or by witnesses in the course of the mediation.
- 2) All records, reports, or other documents received by a mediator while serving as mediator, are confidential.
- 3) The mediator must not be compelled to divulge such records or to testify in regard to the mediation in any adversary proceeding or judicial forum.
- 4) The Parties must maintain the confidentiality of the mediation and must not rely on, or introduce as evidence in any arbitration, judicial or other proceedings:
 - a. Views expressed, or suggestions made by the other Party with respect to a possible settlement of the dispute;

**STANDARD ON-CALL CONSULTANT AGREEMENT
APPENDIX TWO
DISPUTE RESOLUTION**

- b. Statements made by the other Party in the course of the mediation proceedings;
- c. Proposals made or views expressed by the mediator; and
- d. Whether the other Party had or had not indicated willingness to accept a proposal for settlement made by the mediator.

L. No Stenographic Record

There shall be no stenographic record of the mediation.

M. Termination of Mediation

1) The mediation shall be terminated:

- a. By the execution of a Settlement Agreement by the Parties;
- b. By a written declaration of the mediator to the effect that further efforts at mediation are no longer worthwhile; or
- c. By a written declaration of a Party or Parties to the effect that the mediation proceedings are terminated.

2) No mediator shall be a necessary Party in judicial proceedings related to the mediation.

N. Exclusion of Liability

No mediator shall be a necessary Party in judicial proceedings related to the mediation.

O. Interpretation and Application of These Mediation Provisions

The mediator will interpret and apply these mediation provisions insofar as they relate to the mediator's duties and responsibility.

P. Expenses

- 1) The expenses of witnesses for each Party must be paid by the Party producing the witnesses.**
- 2) All other expenses of the mediation, including required travel and other expenses of the mediator, and the expenses of any witness called by the mediator, or the cost of any proofs or expert advice produced at the direct request of the mediator, will be apportioned as the mediator finds appropriate or as otherwise agreed to by the Parties.**

**STANDARD ON-CALL CONSULTANT AGREEMENT
APPENDIX TWO
DISPUTE RESOLUTION**

5. Compensation for Participation in Mediation

Neither Consultant nor the District is entitled to compensation for time spent in or for negotiations or mediation to resolve questions or disputes between Consultant and District arising out of this Agreement.

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**STANDARD ON-CALL CONSULTANT AGREEMENT
APPENDIX THREE
TASK ORDER TEMPLATE**

Task Order No. _____

Title: _____

Agreement: Standard On-Call Consultant Agreement _____ (Agreement) by and
between the Santa Clara Valley Water District (District) and
_____ (Consultant), dated _____.

District: _____

Consultant: _____

Dollar Amount of Task Order: Not-to-Exceed \$ _____

1. Upon full execution of this Task Order No. _____, as set forth in the Standard On-Call Consultant Agreement, Section Twelve Miscellaneous Provisions, subsection 13. Task Orders, and the issuance of a Notice to Proceed by the District Project Manager, the Consultant is hereby authorized to perform the Services described in Attachment A to this Task Order. Any costs incurred, Services performed or expenditures by the Consultant before this Task Order is executed or before the issuance of the Notice to Proceed will be considered outside the contracted Scope of Services and will not be eligible for payment.
2. Both the Scope of Services to be performed and the deliverables to be provided in accordance with this Task Order are described in Attachment A which is attached hereto and incorporated by this reference. Attachment A shall include at a minimum the following:
 - A. The Consultant personnel to be assigned to perform the Services, including resumes if not previously provided to the District;
 - B. The total not-to-exceed fees amount for Consultant to complete the Services, including estimated number of hours required to perform the Services assigned to each Consultant classification;
 - C. Estimated cost of each other direct cost and reimbursable expense, including any applicable fees; and
 - D. Project schedule for completing the Scope of Services.
3. Consultant shall be compensated at fixed fees or at the hourly rates established in Attachment One to the Schedule, Fees and Payments, of the Agreement. Consultant agrees that it will provide all equipment, furnish all materials, except as may be otherwise noted in the Attachment A.

**STANDARD ON-CALL CONSULTANT AGREEMENT
APPENDIX THREE
TASK ORDER TEMPLATE**

4. This Task Order will become effective on the date of full execution by authorized representatives of the Parties and remain in effect until the earlier of: completion of the tasks set forth in Attachment A; or [expected completion date].
5. Copies of applicable local, state and federal permits required to perform the Services described in Attachment A are attached to this Task Order, unless the Consultant previously provided the appropriate permits to the District.
6. Consultant shall perform all Services described in Attachment A to this Task Order in accordance with the Terms and Conditions of the Agreement.
7. Prevailing Wage Requirements [NOT USED]
 - A. The Scope of Services described in this Task Order is considered by the District to be "Public Works" requiring the payment of prevailing wages. See the Standard On-Call Consultant Agreement, Section Four Fees and Payments, subsection 3. Prevailing Wages.
 - B. In accordance with prevailing wage laws, the Director of the California Department of Industrial Relations (Director) has ascertained the general prevailing rate of wages and employer payments for health and welfare, pension, vacation, and similar purposes available to the particular craft, classification, or type of workers employed on the Project. These rates are set forth in the latest determination obtained from the Director, which is on file in the District's Office of the Clerk of the Board of Directors and incorporated herein by reference the same as though set forth in full. The rates are also available on the State of California Department of Industrial Relations website at <http://www.dir.ca.gov>.

8. Signatures:

Signature:

[NAME OF CONSULTANT FIRM]
[PRINT NAME]
[PRINT TITLE]

DATE

Signature:

SANTA CLARA VALLEY WATER DISTRICT
[PRINT NAME]
[PRINT TITLE]

DATE

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**STANDARD ON-CALL CONSULTANT AGREEMENT
APPENDIX FOUR
INSURANCE REQUIREMENTS**

Please Note: Failure to comply with the instructions below could result in a delay in receiving the Notice to Proceed. The District will not be responsible for time lost or costs incurred due to failure to comply with these requirements. Please note the check-list of documents needed at the end of this Appendix IV insurance requirement.

Without limiting the Consultant's indemnification of, or liability to, the Santa Clara Valley Water District ("District"), the Consultant must provide and maintain at its own expense, during the term of this Agreement, or as may be further required herein, the following insurance coverages and provisions as listed below.

Consultant must provide its insurance broker(s)/agent(s) with a copy of these requirements and warrants that these requirements have been reviewed by Consultant's insurance agent(s) and/or broker(s), who have been instructed by Consultant to procure the insurance coverage required herein.

In addition to certificates, Consultant must furnish District with copies of all original endorsements affecting coverage required by this Appendix. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. **All endorsements and certificates are to be received and approved by District before the Agreement is executed.** In the event of a claim or dispute, District has the right to require Consultant's insurer to provide complete, certified copies of all required pertinent insurance policies, including endorsements affecting the coverage required by this Appendix insurance document.

If your insurance broker has any questions about the above requirements, please advise him/her to call Mr. David Cahen, District Risk Manager at (408) 630-2213.

Certificates of Insurance

Consultant shall furnish the District with a Certificate of Insurance. The certificates will be issued on a standard ACORD Form.

Consultant shall instruct their insurance broker/agent to submit all insurance certificates and required notices electronically in PDF format to the designated District Contract Administrator and email a copy to **Insurance.Certificates@valleywater.org**.

The certificates will:

1. Identify the underwriters, the types of insurance, the insurance limits, the deductibles and the policy term;
2. Include copies of all the actual policy endorsements required herein; and
3. In the "Certificate Holder" box include:

**Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118
Agreement/CAS No. 5027**

**STANDARD ON-CALL CONSULTANT AGREEMENT
APPENDIX FOUR
INSURANCE REQUIREMENTS**

IMPORTANT: The agreement or CAS number must be included.

In the Description of Operations/Locations/Vehicles/Special Items Box:

1. Certificate Holder shall be named as Additional Insured;
2. District agreement or project number shall appear;
3. The list of policies scheduled as underlying on the Umbrella policy shall be listed; and
4. Waiver of Subrogation must be indicated as endorsed to all policies.

If Consultant receives any notice that any of the insurance policies required by this Appendix IV Insurance may be cancelled or coverage reduced for any reason whatsoever, Consultant or insurer shall immediately provide written notice to the designated District Contract Administrator that such insurance policy required by this Appendix IV Insurance is canceled or coverage is reduced.

Maintenance of Insurance

If Consultant fails to maintain such insurance as is called for herein, District, at its option, may suspend payment for work performed and/or may order Consultant to suspend all Consultant's work at Consultant's expense until a new policy of insurance is in effect.

Renewal of Insurance

Consultant will provide the District with a current Certificate of Insurance and endorsements within thirty (30) business days from the expiration of insurance.

Consultant shall instruct its insurance broker/agent to:

1. Submit all renewals of insurance certificates and required notices electronically in PDF format to:

Insurance.Certificates@valleywater.org

2. Provide the following information in the "Certificate Holder" box:

**Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118
Agreement/CAS No. 5027**

IMPORTANT: The agreement or CAS number must be included.

Consultant must, at its sole cost and expense, procure and maintain during the entire period of this Agreement the following insurance coverage(s).

**STANDARD ON-CALL CONSULTANT AGREEMENT
APPENDIX FOUR
INSURANCE REQUIREMENTS**

Required Coverages

- 1. Commercial General/Business Liability Insurance** with coverage as indicated:

\$2,000,000 per occurrence / **\$2,000,000** aggregate limits for bodily injury and property damage

General Liability insurance must include:

- a. Coverage at least as broad as found in standard ISO form CG 00 01.
- b. Contractual Liability expressly including liability assumed under this contract.
- c. If Consultant must be working within fifty (50) feet of a railroad or light rail operation, any exclusion as to performance of operations within the vicinity of any railroad bridge, trestle, track, roadbed, tunnel, overpass, underpass, or crossway must be deleted, or a railroad protective policy in the above amounts provided.
- d. Severability of Interest.
- e. Broad Form Property Damage liability.

- 2. Business Auto Liability Insurance** with coverage as indicated:

\$2,000,000 combined single limit for bodily injury and property damage per occurrence, covering all owned, non-owned and hired vehicles.

- 3. Professional/Errors and Omissions Liability** with coverage as indicated:

\$5,000,000 per claim/ **\$5,000,000** aggregate

Professional/Errors and Omission Liability appropriate to the Consultant's profession, and must include:

- a. If coverage contains a deductible, or self-insured retention, it shall not be greater than one hundred thousand dollars (\$100,000) per occurrence/event.
- b. Coverage shall include contractual liability
- c. If coverage is claims-made:
 - i. Certificate of Insurance shall clearly state that the coverage is claims-made.
 - ii. Policy retroactive date must coincide with or precede the Consultant's start of work (including subsequent policies purchased as renewals or replacements).
 - iii. Policy must allow for reporting of circumstances or incidents that might give rise to future claims.
 - iv. Insurance must be maintained and evidence of insurance must be provided for at least three (3) years after completion of the contract of work.

- 4. Workers' Compensation and Employer's Liability Insurance**

Statutory California Workers' Compensation coverage covering all work to be performed for the District.

**STANDARD ON-CALL CONSULTANT AGREEMENT
APPENDIX FOUR
INSURANCE REQUIREMENTS**

Employer Liability coverage for not less than \$1,000,000 per occurrence.

General Requirements

With respect to all coverages noted above, the following additional requirements apply:

1. **Additional Insured Endorsement(s):** Consultant must provide an additional insured endorsement for Commercial General/Business Liability (for both on-going and completed operations) and Business Automobile liability coverage naming the **Santa Clara Valley Water District, its Directors, officers, employees, and agents, individually and collectively**, as additional insureds, and must provide coverage for acts, omissions, etc. arising out of the named insureds' activities and work. Other public entities may also be added to the additional insured endorsement as applicable and the Consultant will be notified of such requirement(s) by the District. **NOTE:** This section does not apply to the Workers' Compensation and Professional Liability policies.

(**NOTE:** Additional insured language on the Certificate of Insurance is **NOT** acceptable without a separate endorsement such as Form CG 20 10, CG 2033, CG 2037, or CG 2038. Editions dated 07/04 are not acceptable.)

2. **Primacy Clause:** Consultant will provide evidence (either through the Certificate of Insurance, endorsement or language in the insurance contract) that consultant's insurance is primary with respect to any other insurance which may be carried by the District, its Directors, its officers, agents and employees, and the District's coverage must not be called upon to contribute or share in the loss. **NOTE:** This section does not apply to the Workers' Compensation policies.
3. **Cancellation Clause:** Consultant will provide endorsements for all policies stating that the policy will not be cancelled without 30 days prior notification to the District.
4. **Acceptability of Insurers:** All coverages must be issued by companies admitted to conduct business in the State of California, which hold a current policy holder's alphabetic and financial size category rating of not less than A- V, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the District's Risk Manager. Non-Admitted companies may be substituted on a very limited basis at the Risk Manager's sole discretion.
5. **Self-Insured Retentions or Deductibles:** Any deductibles or self-insured retentions must be declared to and approved by the District. At the option of the District, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District, its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the Entity guaranteeing payment of losses

**STANDARD ON-CALL CONSULTANT AGREEMENT
APPENDIX FOUR
INSURANCE REQUIREMENTS**

and related investigations, claim administration, and defense expenses. Consultant agrees that in the event of a claim they will pay down any agreed upon SIR in a prompt manner as soon as bills are incurred in order to trigger the insurance related to the SIR.

6. **Subconsultants:** The Consultant shall secure and maintain or shall be responsible for ensuring that all subconsultants performing the Contract Services secure and maintain all insurance coverages appropriate to their tier and scope of work in a form and from insurance companies reasonably acceptable to the District.
7. **Amount of Liability not Limited to Amount of Insurance:** The insurance procured by Consultant for the benefit of the District must not be deemed to release or limit any liability of Consultant. Damages recoverable by the District for any liability of Consultant must, in any event, not be limited by the amount of the required insurance coverage.
8. **Coverage to be Occurrence Based:** Except for Professional Liability, all coverage must be occurrence-based coverage. Claims-made coverage is not allowed.
9. **Waiver of Subrogation:** Consultant agrees to waive subrogation against the District to the extent any loss suffered by Consultant is covered by any Commercial General Liability policy, Automobile policy, Workers' Compensation policy described in **Required Coverages** above. Consultant agrees to advise its broker/agent/insurer and agrees to provide evidence (either through the Certificate of Insurance, endorsement or language in the insurance contract) that subrogation has been waived by its insurer.
10. **Non-compliance:** The District reserves the right to withhold payments to the Consultant in the event of material noncompliance with the insurance requirements outlined above.

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**STANDARD ON-CALL CONSULTANT AGREEMENT
APPENDIX FOUR
INSURANCE REQUIREMENTS**

CHECK LIST OF DOCUMENTS NEEDED

General Liability:	A.	Limits (\$2,000,000)	
	B.	Additional Insured (Endorsement)	
	C.	Waiver of Subrogation (COI, Endorsement or policy language)	
	D.	Primacy (COI, Endorsement or policy language)	
	E.	Cancellation Endorsement	
Auto Liability:	A.	Limits (\$2,000,000)	
	B.	Additional Insured (Endorsement)	
	C.	Waiver of Subrogation (COI, Endorsement or policy language)	
	D.	Primacy (COI, Endorsement or policy language)	
	E.	Cancellation Endorsement	
Umbrella:	A.	Limits (\$)	
	B.	Primacy (Endorsement or policy language)	
Workers Comp:	A.	Limits (\$1,000,000)	
	B.	Waiver of Subrogation (Endorsement or policy language)	
	C.	Cancellation Endorsement	
Professional Liability:	A.	Limits (\$5,000,000)	

Appendix IV ConsultantGL2AL2PL5_rev. 10.23.18

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**SCHEDULE OC
ON-CALL SCOPE OF SERVICES**

1. Representatives

- A. The District's representatives are as listed below. Unless otherwise provided in this Agreement, all correspondence to the District must be addressed to the District's Project Manager (DPM).

Jennifer Martin (District Project Manager)
Senior Management Analyst
Planning and Analysis Unit
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118-3638

Phone: (408) 630-3724
Email: jmartin@valleywater.org

Beth Redmond (District Unit Manager)
Planning and Analysis Unit
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118-3638

Phone: (408) 630-2682
Email: bredmond@valleywater.org

Darin Taylor (Chief Financial Officer)
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118-3126

Phone: (408) 630-3068
Email: dtaylor@valleywater.org

- B. The Consultant's Project Manager is as listed below. All District questions and correspondence pertaining to this Agreement shall be referred to the Consultant's Project Manager.

Justin Chiu
Director, Solution Services
Vena Solutions
2 Fraser Ave, Toronto, ON, M6K 1Y6 Suite #200

Phone: (416) 450-8808
Email: jchiu@venacorp.com

- C. The Consultant's Principal Officer for this Agreement is as listed below. As per the Agreement, Section Twelve, subsection 18., Notices, all notices pertaining to this Agreement must be submitted to the Consultant's Principal Officer.

SCHEDULE OC ON-CALL SCOPE OF SERVICES

Mark Barrese
Customer Success Manager
Vena Solutions
2 Fraser Ave, Toronto, ON, M6K 1Y6 Suite #200

Phone: (416) 207-1770, ext. 339
Email: mbarrese@venacorp.com

2. Scope of Services

The objective of this Agreement for on-call services is for Consultant to perform general and specialized programming and Vena support services on an "as-requested" or "as-needed basis", to assist the Santa Clara Valley Water District (District) in accomplishing its capital improvement program (CIP) and annual budget development and reporting in an effective and timely manner. Requests for the services of qualified software staff from the Consultant's team may come at any time and may require different level of staff experience, and expertise to perform the requested tasks.

3. Project Background

- A. The Santa Clara Valley Water District (District) is a public agency providing water supply, flood protection and stream stewardship throughout Santa Clara County. It serves approximately two million people in all 15 cities and the unincorporated areas in the county. The District also manages the groundwater basins, which is the source of nearly half of the county's water supply. Groundwater basins are replenished with local surface water and imported water conveyed through the Sacramento-San Joaquin Delta. Imported water and local surface water also supply the District's three water treatment plants. The District collaborates and coordinates with local agencies and recycled water producers on recycled water development and use.
- B. The District's CIP and Budget Office staff routinely provides support for capital projects as well as annual budget development process. The on-call services under this agreement will augment the services of District staff and provide additional Vena software programming and support services as needed.
- C. Agreement A4020A, enacted on 9/13/2016, with Vena Solutions, USA, Inc., was for the design and implementation of a new CIP system, with improved long-term (15 year) planning and forecasting and integration with PeopleSoft Financial system and the Budget Office to improve data accuracy and reduce data redundancy.
- D. To help further this improvement process, enhancements, upgrades and improvements to data transfer, depiction and presentation, along with improvements to technical requirements, will be required on an as-needed basis. Specialized support will be required on a regular basis to help support further improvements to the District's CIP and budget development processes.

4. Assumptions and Requirements

A. General Assumptions and Requirements

On-Call Vena Enhancements and Support Services
Standard On-Call Consultant Agreement for GEN-ADMIN Consultant
Agreements
Ver. 09-20-19

CAS File No. 5027

SCHEDULE OC ON-CALL SCOPE OF SERVICES

- 1) **Manage Scope of Services.** The Consultant shall manage the Scope of Services such that the work is completed within the Not-to-Exceed Fees limit and in accordance with the Project schedule and ensure that all services and deliverables meet the District and Project requirements.
- 2) **Deliverable Format.** Consultant shall submit deliverables in both electronic and hardcopy format, if requested. Deliverables shall be submitted in PDF and native (editable) format, including Word documents, Excel spreadsheets, PowerPoint files, AutoCAD files, etc. The hard copy deliverables shall be printed in professional quality presentation and submitted in five copies, if requested. District may require original copies of signed documents and/or scanned (Adobe PDF) versions.
- 3) **Review of Deliverables.** The District will review and comment on all Project deliverables and forward to the Consultant for revision and preparation of final versions. As determined by the District, some of the deliverables may also be subject to review and comment from regulatory agencies and stakeholders following the District review process.
- 4) **District Quality Environmental Management System.** The District maintains a Quality Environmental Management System (QEMS) which has procedures, guidelines and work instructions for the performance of various District work. Consultant will perform the Agreement tasks and/or sub-tasks in accordance with the QEMS framework.
- 5) **Consultant Responsibility.** Consultant, with its expertise in performing the services described herein is responsible for making the appropriate assumptions in each task to complete each task's deliverables and to achieve the Project objectives of this Agreement as described in section 3, Project Background.
- 6) **Document Control.** The Consultant is responsible for establishing and maintaining its own document control system to execute this Scope of Services. An internal document control system for this project is maintained by the District.
- 7) **File Exchange Service.** Consultant will provide a file exchange service, accessible to all parties as designated by the District, to facilitate communications; particularly of large files over three megabytes. Difficulties in using and transmitting information with this exchange service shall be resolved by the Consultant. In the event that transmitting or receiving information does not occur in a timely manner, the District will not be responsible for delays in completing Project work. Consultant may need to coordinate with District's Information Technology Division to address any firewall issues and/or permissions required to allow for these communications.

B. Project-Specific Assumptions and Requirements.

- 1.) Services provided as part of this Agreement will be for the District's CIP and Budget Office Teams and will be provided on a task order basis.

SCHEDULE OC ON-CALL SCOPE OF SERVICES

2.) Response time for services under Tasks 2 and 3 will be under one business day. Turn-around time for deliverables under Tasks 2 and 3 will be mutually agreed upon but no longer than 10 business days (unless otherwise stated). Turn-around times for services provided on a Task Order basis will be negotiated as part of each Task Order.

3) The Consultant employees assigned to District Tasks will be familiar with all current Vena elements provided to the District and qualified to address questions and changes that do not require major changes to the architectural design.

4.) Deliverables provided based on Task Orders issued from this Agreement require due diligence on the part of the Consultant with regard to project management for each Task Order Scope of Services, functional testing, startup and implementation.

5.) Standard upgrades and updates of Vena software currently in use by the District is assumed to be required as part of the Software as a Service (SaaS) Master Subscription Agreement, enacted 9/13/2016 and will not be covered in this Agreement. Consultant is required to inform District Project Manager if deliverable(s) specified in any Task Order are being delivered in a current or future Vena update – whether in part or in full.

5. Scope of Services Tasks

The On-Call Scope of Services will generally include, but is not limited to the following:

Task 1 – Project Management

The purpose of Task 1 is to require the Consultant to manage the Scope of Services such that the work is completed within the NTE fee limit and according to the schedule stated in each Task Order, while ensuring that all services and deliverables by the Consultant meet these Scope of Services requirements. The Consultant will perform all Subtasks in the outlined Tasks unless otherwise specified.

This Task includes all project management efforts required to organize Consultant's team, assign and control work, and report progress to the District in the form of monthly progress reports. The Consultant shall be available for meetings with additional parties as requested by the District on matters concerning a Task Order.

1.1 Monthly and Biweekly Progress Reports. Each monthly invoice must be accompanied by a monthly Progress Report, unless otherwise directed by the District's Project Manager. In the event there is no invoice, a Progress Report must nonetheless be sent in. Upon request, Consultant must provide a biweekly Progress Report. All Progress Reports must document the work completed, along with the execution of the tasks charged, so as to enable the District to evaluate the Consultant's progress and performance of the work. The Progress Reports shall include:

1.1.1 Assessment of actual versus planned progress with regard to the Project Schedule, including a description of the Tasks, and deliverables completed to date;

SCHEDULE OC ON-CALL SCOPE OF SERVICES

- 1.1.2 Upon request, Consultant will provide a biweekly progress report detailing the actual versus planned progress with regard to the Project Schedule, including a description of the Tasks and deliverables completed to date;
- 1.1.3 For each task, the percentage of Services performed versus the percentage of Agreement NTE fees incurred for such task, and explanation of any significant variances in percentage of services performed compared to percentage of fees incurred;
- 1.1.4 The fees incurred for each task compared to dollar amount allocated to each task;
- 1.1.5 For each task, identify costs to date and forecast to complete, including staffing by task;
- 1.1.6 For Task Order-based services: A summary of performed tasks to date, an updated Task Order work plan including estimate of level of effort required to complete the Task Order, explanation of any major variances in percentage of Services to be completed compared to percentage of the Task Order NTE fees remaining, and any anticipated changes to the Task Order that may be necessary to complete the Scope of Services; and
- 1.1.7 Any changes in Consultant's key staff or subconsultants.

Task 2 – Expert Managed Services

The purpose of this Task is to provide the District expert feedback and support in order to assist with and optimize the District CIP and Budget processes. Support will be provided to District staff at a maximum of 12 hours per month. Services provided under this Task will include but not be limited to:

- 2.1 Problem Definition and Concept Development Report** Consultant will perform investigations, evaluation, and recommendations for enhancement design based on District's existing infrastructure and hardware. Report will include:
 - 2.1.1 Identification of bugs and weak points in existing platform;
 - 2.1.2 Suggestions for bug fixes and patches;
 - 2.1.3 Design of new tools which will improve interface performance;
 - 2.1.4 Programming and implementation of new tools to improve speed and interface performance; and
 - 2.1.5 Recommendations for infrastructure enhancements and improvements.
- 2.2 Implementation** of identified bug fixes and patches.
- 2.3. Technical support** provided via telephone, conference call or email, as needed.
- 2.4 Improvement/optimization** of existing elements, including but not limited to reports, architectural design and templates.

**SCHEDULE OC
ON-CALL SCOPE OF SERVICES**

- 2.5 Training** will be provided to District staff as necessary to assist with any upgrades/enhancements/improvements to Vena platform.

Task 2 – Deliverables

1. Problem Definition and/or Concept Development Report.
2. 12 hours per month of remote support (i.e. GoTo meetings, conference calls).
3. Monthly status reports detailing all Expert Managed Services provided to District staff.

Task 2 – Assumptions

1. The District will communicate clear requirements.
2. Unused service hours will not carry forward.
3. Services and deliverables will be provided in English on weekdays (excluding Canadian Holidays) during the following hours:
 - a. During CIP and Budget active phase October 1 to Dec 31 and January 1 to April 30 - 9:00am PST to 5:00 pm PST (12pm to 8pm EST)
 - b. May 1 to September 30 - 6:00 am to 2:00 pm PST (9:00 am - 5:00 pm EST, North America).
4. Services will be provided remotely.
5. If onsite is required, travel costs will be additional and charged to the District.
6. The fees specified for Task 2 are based on a subscription service.
7. The District shall not be invoiced for excess fees in the event that more than twelve (12) hours are used in a single month.

Task 3 – Extended Expert/Hypercare Services

The purpose of this Task is for the Consultant to provide additional Expert Managed Services support for eight hours per week, as necessary, during CIP and Budget active phase between October and ~~March~~ April in order to assist with last-minute or emergency requests within a more rapid turn-around time of at least six hours.

- 3.1 Problem Definition and Concept Development Report** Consultant will perform investigations, evaluation, and recommendations for enhancement design based on District's existing infrastructure and hardware. Report will include:

- 3.1.1 Identification of bugs and weak points in existing platform;
- 3.1.2 Suggestions for bug fixes and patches;
- 3.1.3 Design of new tools which will improve interface performance;
- 3.1.4 Programming and implementation of new tools to improve speed and interface performance; and
- 3.1.5 Recommendations for infrastructure enhancements and improvements.

- 3.2 Implementation** of identified bug fixes and patches.

SCHEDULE OC ON-CALL SCOPE OF SERVICES

- 3.3. Technical support** provided via telephone, conference call or email, as needed.
- 3.4 Improvement/optimization** of existing elements, including but not limited to reports, architectural design and templates.
- 3.5 Training** will be provided to District staff as necessary to assist with any upgrades/enhancements/improvements to Vena platform.

Task 3 – Deliverables

- 1. Problem Definition and/or Concept Development Report.
- 2. 8 hours per week of remote support (i.e. GoTo meetings, conference calls) between the months of October and April.
- 3. Monthly status reports detailing all Expert Managed Services provided to District staff.

Task 3 – Assumptions

- 1. Upon receipt of a request for Hypercare services, provide Client with an effort estimation and proposed schedule immediately, within 6 hours.
- 2. For items prioritized as “High”/”Urgent”, Vena will make every effort to perform the requested services as quickly as possible during the same day(s) in which they were scheduled
- 3. For items prioritized as “Medium”/”Low”, Vena and Client will coordinate a mutually agreeable schedule to perform the services
- 4. The fees specified for Task 3 are based on a subscription service.
- 5. Any unused hours may not be carried over into the following month(s).

Task 4 – Supplemental Services

The purpose of this Task is to provide the District additional services not defined in Tasks 1 through 3. Additional tasks will be issued on a Task Order basis and will include, but not be limited to:

4.1 Additional Enhancements for CIP purposes. These tasks may include:

- 4.1.1 Template and Report Design Assistance and modification. During CIP development time.
- 4.1.2 Data modeling assistance.
- 4.1.3 Data Integration/SQL view related changes
- 4.1.4 Vena Server/Add-in upgrade and installation assistance.
- 4.1.5 Troubleshooting of software issues/bug fixes to Vena software to resolve, during budget development time, within the same business day.
- 4.1.6 Additional coaching/knowledge transfer or formal training from the Vena consulting team, includes unique system functionalities not commonly utilized.

**SCHEDULE OC
ON-CALL SCOPE OF SERVICES**

- 4.1.7 Create system or template customizations as needed to meet CIP requirements.
- 4.1.8 Other support, as requested by CIP staff.
- 4.2 Additional Enhancements for Budget purposes.** These tasks may include:
 - 4.2.1 Template and Report Design Assistance and modification during Budget development time.
 - 4.2.2 Data modeling assistance.
 - 4.2.3 Data Integration/SQL view related changes.
 - 4.2.4 Vena Server/Add-in upgrade and installation assistance.
 - 4.2.5 Troubleshooting of software issues/bug fixes to Vena software to resolve, during budget development time, within the same business day.
 - 4.2.6 Additional coaching/knowledge transfer or formal training from the Vena consulting team, includes unique system functionalities not commonly utilized.
 - 4.2.7 Create system or template customizations as needed to meet Budget Office requirements.
 - 4.2.8 Other support, as requested by Budget Office staff.
- 4.3 Additional Enhancements** the Vena software based on Task Order requests in order to improve user interface, multidirectional flow of data, up and download speed of project plans and depiction of data. Such requests may include, but will not be limited to, the following tasks:
 - 4.3.1 Consultant will perform investigations, evaluation, and recommendations for optimizations to user interface;
 - 4.3.2 Consultant will design, program and implement improvements to optimize existing interface applications with Vena and other software in order to:
 - 4.3.3 Improve flow of and auto-population of data from Vena to other programs used by the District (i.e. Microsoft Excel); and
 - 4.3.4 Improve flow of and auto-population of data from other programs into Vena project plans.
 - 4.3.5 Consultant will develop tools to improve the display and presentation of data on user platform, publication onto second-party applications and publication on District website, as needed;

SCHEDULE OC ON-CALL SCOPE OF SERVICES

- 4.3.6 Consultant will create enhancements to improve functions of CIP Project Pages and implement new tools for Project Pages as needed; and
- 4.3.7 Speed optimization: Consultant will create enhancements to improve download and upload rates for project pages.
- 4.4 IT Infrastructure Assessment** At the District's request, the Consultant shall provide an independent assessment of the District's existing IT infrastructure and provide suggestions for improvements with regard to optimally meeting the requirements of the Vena applications in use
 - 4.4.1 Contract submittals and other documents relating to the progress, tracking, reporting, payment, and scheduling of work
 - 4.4.2 Engineering analysis of work performed or proposed by the Consultant
- 4.5 Updates** Consultant will provide updates to software in order to improve usability and speed
- 4.6 Additional Services.** Consultant shall provide additional quantities of previously identified services as requested by the District. Additional Services can include, but are not limited to:
 - 4.6.1 Additional meetings
 - 4.6.2 Additional status/progress reports
 - 4.6.3 Additional enhancements or reports

Task 4 – Deliverables

1. Deliverables will be based on a case-by-case Task assignment. Specific Task Order deliverables will be listed in the specific Task Order issued to the Consultant.

Task 4 – Assumptions

1. The District will provide data requirements and support on data extraction (as necessary).
2. The District will provide written definition of requirements where deemed necessary to clearly articulate requirement.
3. The District will be responsible for validation and reconciliation of all data loaded into the solution to ensure accuracy and address any data quality issues.
4. The District will be responsible for the user testing of the configured solution.
5. The District shall be invoiced on a monthly basis based on actual time for work performed, payable based on the fee schedule in Attachment One.

6. ATTACHMENTS

On-Call Vena Enhancements and Support Services
Standard On-Call Consultant Agreement for GEN-ADMIN Consultant
Agreements
Ver. 09-20-19

CAS File No. 5027

**SCHEDULE OC
ON-CALL SCOPE OF SERVICES**

The following listed Attachments are incorporated herein by this reference as though set forth in full:

Attachment One to Schedule OC - Fees and Payments
Attachment Two to Schedule OC - Schedule of Completion
Attachment Three to Schedule OC - Consultant's Key Staff and Subconsultants
Attachment Four to Schedule OC - Reference Materials

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**ATTACHMENT ONE TO
SCHEDULE OC
FEES AND PAYMENTS**

1. Total Authorized Funding

Total payment for Services performed, to the satisfaction of District, as described in the Schedule and in all approved Task Orders will not exceed a total amount of **\$302,000** (Not-to-Exceed Fees or NTE). Under no conditions will the total compensation to the Consultant exceed this NTE payment amount without prior written approval in the form of an amendment to this Agreement executed by the District's Board of Directors (Board), or Chief Executive Officer, or designee, as authorized by the Board. It is understood and agreed that this total is an estimate, and the total amount of Services to be requested by the District may be less. **There is no guarantee, either expressed or implied, as to the actual dollar amount that will be authorized pursuant to this Agreement.**

2. Cost Breakdown

The NTE total compensation of this Agreement consists of the following task fee breakdown. No services will be performed or fees paid by the District to the Consultant for Supplemental Services without prior written authorization by the District as stated in this Agreement

COST BREAKDOWN

Task	Description	Not-to-Exceed Fees
1	Project Management	\$10,000
2	Expert Managed Services	\$72,000
3	Extended Expert/Hypercare Services	\$100,000
4	Supplemental Services	\$120,000
Total Not-to-Exceed Fees		\$302,000

3. Terms and Conditions

Payments for Services performed, as defined in each Task Order, which applies to the specific Services, will be based on the following terms:

- A. The District will pay for Services provided by the Consultant according to the rates for professional, technical, and administrative personnel as well as materials and supplies as listed in the Hourly/Unit Rate Schedule and the Cost Breakdown table. In lieu of hourly/unit rates, a flat fee shall apply for all tasks performed under Tasks 2 and 3 for each twelve-month period following the effective date of this Agreement and the issuance of a corresponding task order. The 12-month flat fee for Task 2 shall be \$36,000, and the 12-month flat fee for Task 3 shall be \$50,000 payable at the start of the 12-month period following the issuance of a task order. The District may modify the payment rate structure for Tasks 2 and 3 in accordance with paragraph 3(B) below.

**ATTACHMENT ONE TO
SCHEDULE OC
FEES AND PAYMENTS**

- B. The stated hourly rates are effective for the term of this Agreement unless otherwise revised as indicated. After 12 months from the date this Agreement is entered into by parties ("anniversary date"), and each 12 months thereafter, these hourly rates may be negotiated by the Consultant and the District, provided Consultant submits written notice to District of Consultant's request to revise the hourly rates 90 calendar days prior to the anniversary date of this Agreement. Both parties will use as a benchmark for negotiations the percent change for the previous 12 months of the "Employment Cost Index (ECI), for total compensation for private industry workers, for the San Francisco-Oakland-San Jose, CA CSA Census region and metropolitan area (not seasonally adjusted)" as published by the U.S. Department of Labor, Bureau of Labor Statistics, or 2.5% whichever is less. A negative index will result in rates remaining the same. Such rate revisions are subject to written approval by the District's Deputy Operating Officer.

C. Reimbursable Expenses

- 1) All reimbursable expenses not already covered in overhead may include, but are not limited to, mapping, rendering, printouts, leased equipment, mailing and delivery services, printing services, film and processing, plotting and supplies, and Subconsultant and vendor services. These other direct expenses may be billed at actual cost plus 2.5% percent linked to each Task Order, as approved by the District's Project Manager, provided that the Agreement total NTE amount is not exceeded. Consultant shall provide receipts for each other direct expense item(s) with invoices submitted. The 2.5% markup will be applied only once, either by the Consultant or by its subconsultants, subcontractors, or vendors.
- 2) Equipment purchased on behalf of the District that costs \$50 or more must receive the prior written approval of the District Project Manager. All equipment purchased on behalf of the District and paid for by the District shall become the property of the District and be delivered to District prior to expiration of this Agreement.
- 3) Travel expenses are reimbursed at actual cost. Travel, including air travel, overnight accommodations, and meals, required for performance of this Agreement will be paid per diem at the U.S. General Services Agency Per Diem Rates for Sunnyvale/Palo Alto/San Jose, California area, provided prior approval for such travel has been obtained from the District Project Manager. For air travel, District will pay the cost of a coach class or equivalent ticket. Where air travel is required, District will pay the total cost of taxi, rideshare, public transportation, or a rental car, which may include insurance, gas, car fee, and taxes, and will be paid for the actual costs incurred. Vehicle rental is limited to a compact or economy model, unless prior approval has been obtained from the District Project Manager for a different type of vehicle.

- D. Expenses incurred by the Consultant for Subconsultants, subcontractors and vendors, including lab services, will be reimbursed at actual cost plus 2.5%. Consultant shall provide invoices for all such services regardless of cost.

**ATTACHMENT ONE TO
SCHEDULE OC
FEES AND PAYMENTS**

- E. For staff with rates exceeding the rate of \$/hr., the Consultant must obtain written approval from the District Project Manager as to the numbers of hours per task prior to that individual working on the Project. [NOT USED]

F. Prevailing Wage Requirements - NOT USED

- 1) The Scope of Services described in the Task Order; if applicable, is considered by the District to be "Public Works" requiring the payment of prevailing wages. See the Standard On-Call Consultant Agreement Section Four, Fees and Payments, subsection 3. Prevailing Wages.
- 2) In accordance with prevailing wage laws, the Director of the California Department of Industrial Relations (Director) has ascertained the general prevailing rate of wages and employer payments for health and welfare, pension, vacation, and similar purposes available to the particular craft, classification, or type of workers employed on the Project. These rates are set forth in the latest determination obtained from the Director, which is on file in the District's Office of the Clerk of the Board of Directors and incorporated herein by reference the same as though set forth in full. The rates are also available on the State of California Department of Industrial Relations website at <http://www.dir.ca.gov>.

**ATTACHMENT ONE TO
SCHEDULE OC
FEES AND PAYMENTS**

HOURLY/UNIT RATE SCHEDULE

CLASSIFICATION	HOURLY/ UNIT RATE
Consultant: Vena Solutions USA, Inc.	
Software technician	\$200/hr
Consultant	\$200/hr
Manager	\$200/hr
Operations Analyst	\$200/hr
Success Advisor	\$200/hr
Director	\$200/hr
Expert Consultant	\$200/hr

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**ATTACHMENT TWO TO
SCHEDULE OC
SCHEDULE OF COMPLETION**

1. This Agreement commences on the Effective Date, subject to accomplishment of all of the conditions to formation of an agreement listed in the Agreement at Section Twelve, Miscellaneous Provisions, subsection 2. Formation of Agreement.
2. This Agreement expires 24 months after the Effective Date unless, prior to its expiration, its term is modified by a written amendment hereto, and signed by both Parties. Upon agreement, the parties may extend the Agreement for 2 additional 1-year periods.
3. Each Task Order will state the schedule for Consultant's performance of that Task Order.
4. District and Consultant may agree to modify the schedule specified for Consultant's performance in an executed Task Order, as an administrative modification to the Agreement, and will confirm such modification in writing.

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**ATTACHMENT THREE TO
SCHEDULE OC
CONSULTANT'S KEY STAFF AND SUBCONSULTANTS**

1. Consultant's key staff assigned to the Project are as follows:

Team Member	Classification	Project Role	Contact Information (Address, Phone and Email)
Justin Chiu	Director	Sponsor	2 Fraser Avenue, Suite 200 Toronto, ON M6K1Y6 jchiu@venacorp.com 416-450-8808
Mike Liu	Manager	Advisor/Manager	2 Fraser Avenue, Suite 200 Toronto, ON M6K1Y6 mliu@venacorp.com 647-669-2823
Mark Barrese	Manager	Advisor	2 Fraser Avenue, Suite 200 Toronto, ON M6K1Y6 mbarrese@venacorp.com 416-207-1770
Tim Szego	Director	Advisor	2 Fraser Avenue, Suite 200 Toronto, ON M6K1Y6 tszego@venacorp.com 416-207-1770
Vickie Kwan	Expert Consultant	Primary Consultant	2 Fraser Avenue, Suite 200 Toronto, ON M6K1Y6 vkwan@venacorp.com 416-720-7661
Josh Tang	Success Advisor	Secondary Consultant	2 Fraser Avenue, Suite 200 Toronto, ON M6K1Y6 jtang@venacorp.com 647-200-4525
Alex Young	Success Advisor	Secondary Consultant	2 Fraser Avenue, Suite 200 Toronto, ON M6K1Y6 ayoung@venacorp.com 647-283-4336

**ATTACHMENT THREE TO
SCHEDULE OC
CONSULTANT'S KEY STAFF AND SUBCONSULTANTS**

2. The following Subconsultants are authorized to perform Services on the Agreement:

Firm	Project Role	Contact Information (Address, Phone and Email)
N/A	N/A	N/A

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**ATTACHMENT FOUR TO
SCHEDULE OC
REFERENCE MATERIALS**

Ref No.	Description
1	Santa Clara Valley Water District Non-Disclosure Agreement (NDA) and Personal Non-Disclosure Agreement (PNDA)

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Santa Clara Valley Water District

File No.: 25-0074

Agenda Date: 1/14/2025
Item No.: *10.2.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

CEO and Chiefs' Reports.


ATTACHMENTS:

*Handout 10.2-A: OCE, Update

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CREEK STEWARDSHIP

In December, three Adopt-A-Creek partners held cleanup events in Districts 2, 3 and 4. Their combined cleanup efforts leveraged 52 hours of volunteer service to remove 480 pounds of litter from 2.5 miles of Santa Clara County waterways, including Ross Creek, Guadalupe Creek, and Guadalupe River. Adopt-A-Creek partners continue to utilize Access Valley Water to request trash pickup following creek cleanups and to report other information about their adopted creek section.

 36
volunteers
1,183 fiscal
year-to-date

 2.5 miles
cleaned
71.5 fiscal
year-to-date


 480 pounds of
trash & recyclables
37,362 fiscal
year-to-date





Adopt-A-Creek partner Advanced Micro Devices Incorporated shows off some of the trash they collected along Ross Creek in San José.

EDUCATION OUTREACH

In December, staff reached 868 youth across Districts 2, 3, 4, 5, 6 and 7 through classroom lessons, field trips, and tabling. Staff welcomed fifth graders from Discovery Charter School and the Indigo Program within Earl Frost Elementary School to the Alamos Outdoor Classroom, where students engaged in discussion and activities about groundwater recharge, pollution prevention in our watershed, and protection of steelhead trout.

 3 field trips
5 fiscal year-to-date

 11 schools
48 fiscal year-to-date

 28 classroom lessons
110 fiscal year-to-date

 868 youth
5,757 fiscal year-to-date



Fifth graders from the Indigo Program in San José learn about groundwater recharge, pollution prevention, and steelhead trout during their rainy-day field trip at Alamos Outdoor Classroom.




Students from Discovery Charter School Falcon Campus learn about pollution, water runoff, and watersheds at the Alamos Outdoor Classroom in San José.

YOUTH COMMISSION

In December, the Youth Commissioners met with their respective project groups to continue working on project deliverables. Activities included a presentation from the Water Quality Lab, planning a donation drive for hygiene kit items for the unhoused youth at the Bill Willson Center, and writing blog posts to educate the community about pollution in creeks and grant funding opportunities for schools. The next Youth Commission quarterly meeting will be on Wednesday, January 22.

WATER SUPPLY OUTREACH

In December, the Silicon Valley Advanced Water Purification Center (Purification Center) shut down for two weeks for its annual maintenance. Staff conducted a tour for 22 students pursuing their certification in backflow prevention and cross-connection control with Backflow Prevention Specialists, Inc. In the 2024 calendar year, staff hosted 1,678 visitors at the Purification Center.

 22 university students
629 fiscal year-to-date

 960 purified demonstration
water samples
3,656 fiscal year-to-date



Water industry technicians attend a tour of the Purification Center as part of their cross-connection training with Backflow Prevention Specialists, Inc.

SAFE, CLEAN WATER GRANTS AND PARTNERSHIPS

Standard Grants

Staff is finalizing preparations for the January 2025 launch of the new Standard Grant Program. This includes developing updated program guidelines and outreach materials as well as planning an open house and virtual workshops. Future efforts will concentrate on promoting the program and supporting applicants throughout the submission process.

The 2025 grant cycle will have \$1.87 million in total funding to support community projects that promote safe, clean drinking water, water conservation, flood protection, and environmental stewardship in Santa Clara County. The changes under the new program include:

- Streamlined application processes
- Reduced or eliminated match funding requirements
- Reimbursable grant project insurance costs
- Simpler reporting and reimbursement requirements

More information about the 2025 Standard Grant Program is available at valleywater.org/grants.

LOOKING AHEAD

Purification Center Tours and Presentations:

- JAN 18 Public Tour
- JAN 24 Gilroy/Morgan Hill Homeschool Group
- JAN 31 Valley Water High School Interns Tour

Education Outreach Programs:

- JAN 14 Stockmeir Elementary School
- JAN 15 Stockmeir Elementary School
- JAN 21 Pearl Zanker Elementary School
- JAN 22 Pomeroy Elementary School
- JAN 23 Summerdale Elementary School
- JAN 27 Country Lane Elementary School
- JAN 28 Norwood Creek Elementary School
- FEB 3 Adelante Dual Language School
- FEB 4 Los Arobles Literacy and Technology Academy
- FEB 6 West Valley Elementary School
- FEB 10 San Martin Gwinn Environmental Academy
- FEB 12 Sutter Elementary School
- FEB 13 Rosemary Elementary School

Grants and Partnerships Program:

- Mid-JAN Standard Grant Program Cycle opens

Youth Commission Program:

- JAN 22 Youth Commission Quarterly Meeting



Santa Clara Valley Water District

File No.: 25-0048

Agenda Date: 1/14/2025
Item No.: *13.1.

BOARD AGENDA MEMORANDUM

Government Code Section 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A)

SUBJECT:

Review the Fiscal Year 2024-2025 Board Policy Planning Calendar.

RECOMMENDATION:

Review the Fiscal Year 2024-2025 Board Policy Planning Calendar.

SUMMARY:

This item provides the Board an opportunity to review the Fiscal Year 2024 Board Policy Planning Calendar (FY24-25 Board Calendar) and identify appropriate items for Board Committee work plans for discussion and feedback to the Board.

The current FY24-25 Board Calendar containing the Board work plan items is attached for Board review.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

There are no environmental justice and equity impacts associated with the FY24-25 Board Calendar. This action is unlikely to or will not result in human health or environmental effects and is not associated with an equity opportunity.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: FY24-25 Board Calendar

File No.: 25-0048

Agenda Date: 1/14/2025
Item No.: *13.1.

*Attachment 2: FY 24-25 Board Policy Planning Calendar, revised

UNCLASSIFIED MANAGER:
Max Overland, 408-630-2749

Fiscal Year 2024-2025 Board Work Plan			Committee	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
1.	Protect and maintain existing assets and infrastructure and advance new projects.	Capital Improvement Program (CIP) FY 23-24 Five-Year Plan Development Process	CIP Committee			C	R/C		C	R	R		R	R	
2.	Improve internal capability to negotiate and acquire regulatory permits.														
3.	Educate the community, elected officials and external stakeholders on our management of water resources in Santa Clara County.														
4.	Pursue new, diversified and cost-effective water supply and storage opportunities.	Los Vaqueros Reservoir Expansion Project	WSDM Committee				R	C		C	R				
		Sites Reservoir	WSDM Committee							C					C
		Sisk Dam Raise Reservoir	WSDM Committee		C	R	R	C/R		R	C/R				C
		Groundwater Banking Opportunities	WSDM Committee					C					C		
		Pacheco Reservoir Expansion Project	WSDM Committee			R				C	R				
5.	Secure existing water supplies and water supply infrastructure.	Water Supply Master Plan							R			R			
		Delta Conveyance Project	WSDM Committee							C/R					
6.	Lead Purified Water Efforts with committed partners.	Potable Reuse partnership with City of San Jose	RWC, JRWPAC	C	C	C	C	C	C	C	C	C	C	C	
7.	Complete the Anderson Dam Seismic Retrofit Project.	Anderson Dam Tunnel Project	CIP Committee	C	C	C	C	C	C	C	C	C	C	C	C
		Anderson Dam Seismic Retrofit Project Update	CIP Committee			C	R								
8.	Make water conservation a California way of life in Santa Clara County.	Water conservation program updates	WSDM Committee		C	C	C	C		C	C	C	C	C	C
9.	Protect people and property from flooding equitably in all regions of the County, prioritizing disadvantaged communities, by applying a comprehensive, integrated watershed management approach that balances environmental quality, environmental justice impacts, sustainability, and cost.	Stream Maintenance Program (SMP3) EIR											R		
		Watershed Master Plans	Board Policy and Monitoring Committee									C			C
10.	Plan and design projects with multiple benefits, including protecting ecosystem functions, enhancing habitat, and improving connectivity, equitably in all regions of the County.														

Fiscal Year 2024-2025 Board Work Plan			Committee	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
11.	Protect creeks, bay, and other aquatic ecosystems from threats of pollution and degradation.	AB 1469 Implementation Update	Environmental Creek Cleanup Committee	C											
		Valley Water & City of San José Collaboration to Resolve Encampments along Waterways	Environmental Creek Cleanup Committee	C											
		Countywide Water Resources Protection Zones Ordinance	Environmental Creek Cleanup Committee		C		S	R							
12.	Complete and implement the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) agreement.	FAHCE Implementation Update	Stream Planning and Operations Committee		C			C			C			C	
		Project Site Visits	Stream Planning and Operations Committee								C				
13.	Collaborate with agencies and other service providers to address the challenges posed by encampments and their impacts to waterways, water supply and flood risk reduction facilities, including supporting the provision of outreach, counseling, transitional or affordable housing, or other services by these agencies and service providers.	AB 1469 Implementation Update	Environmental Creek Cleanup Committee	C											
		Valley Water & City of San José Collaboration to Resolve Encampments along Waterways	Environmental Creek Cleanup Committee	C											
		Countywide Water Resources Protection Zones Ordinance	Environmental Creek Cleanup Committee		C		S	R							
14.	Collaborate with the County and municipal partners to secure the safety of unsheltered people living on Valley Water lands along waterways and at water supply and flood risk reduction facilities, as well as secure the safety of residential neighbors and Valley Water staff.	AB 1469 Implementation Update	Environmental Creek Cleanup Committee	C											
		Valley Water & City of San José Collaboration to Resolve Encampments along Waterways	Environmental Creek Cleanup Committee	C											
		Countywide Water Resources Protection Zones Ordinance	Environmental Creek Cleanup Committee		C		S	R							
15.	Address future impacts of climate change to Valley Water's mission and operations.	Climate Change Action Plan Update	Board Policy and Monitoring Committee							C					C
16.	Incorporate racial equity, diversity, and inclusion throughout Valley Water as a core value.	DEI Strategic Initiatives Implementation Update	Board Policy and Monitoring Committee		C										
17.	Maintain budgeted staffing levels and expertise, prioritize the safety of our staff, and build and sustain an inclusive and equitable working environment for all staff and partners while ensuring fair employment.														
18.	Provide affordable and cost-effective level of services.	Annual Audit Workplan Approval	Board Audit Committee						C	R					
		Grant Status Update Reports		R		R		R		R		R		R	
19.	Other Notable Policy and Board Actions	Legislative Proposals and Guiding Principles							R						
		EL – 1: General Principles	Board Policy and Monitoring Committee		C	R									

Fiscal Year 2024-2025 Board Work Plan			Committee	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
		EL – 2: Customer Relations	Board Policy and Monitoring Committee		C	R									
		EL – 3: Human Resources	Board Policy and Monitoring Committee		C	R		C							

Items Regularly Monitored by Board		July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
1.	BAO Performance	X	X					X					X
2.	BAO Compensation		X/R										
3.	Board Expense Report			R			R			R			R

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Fiscal Year 2024-2025 VALLEY WATER BOARD POLICY PLANNING CALENDAR

Fiscal Year 2024-2025 Board Work Plan			Committee	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
1.	Protect and maintain existing assets and infrastructure and advance new projects.	Capital Improvement Program (CIP) FY 23-24 Five-Year Plan Development Process	CIP Committee			C	R/C		C	R	R		R	R	
2.	Improve internal capability to negotiate and acquire regulatory permits.														
3.	Educate the community, elected officials and external stakeholders on our management of water resources in Santa Clara County.														
4.	Pursue new, diversified and cost-effective water supply and storage opportunities.	Los Vaqueros Reservoir Expansion Project	WSDM Committee				R	C		C	R				
		Sites Reservoir	WSDM Committee												C
		Sisk Dam Raise Reservoir	WSDM Committee		C	R	R	C/R			C/R				C
		Groundwater Banking Opportunities	WSDM Committee					C					C		
		Pacheco Reservoir Expansion Project	WSDM Committee			R					R			R	
5.	Secure existing water supplies and water supply infrastructure.	Water Supply Master Plan							R			R			
		Delta Conveyance Project	WSDM Committee							C/R					
6.	Lead Purified Water Efforts with committed partners.	Potable Reuse partnership with City of San Jose	RWC, JRWPAC	C	C	C	C	C	C	C	C	C	C	C	
7.	Complete the Anderson Dam Seismic Retrofit Project.	Anderson Dam Tunnel Project	CIP Committee	C	C	C	C	C	C	C	C	C	C/R	C	C
		Anderson Dam Seismic Retrofit Project Update	CIP Committee			C	R								R
8.	Make water conservation a California way of life in Santa Clara County.	Water conservation program updates	WSDM Committee		C	C	C	C		C	C	C	C	C	C
9.	Protect people and property from flooding equitably in all regions of the County, prioritizing disadvantaged communities, by applying a comprehensive, integrated watershed management approach that balances environmental quality, environmental justice impacts, sustainability, and cost.	Stream Maintenance Program (SMP3) EIR											R		
		Watershed Master Plans	Board Policy and Monitoring Committee									C			C
10.	Plan and design projects with multiple benefits, including protecting ecosystem functions, enhancing habitat, and improving connectivity, equitably in all regions of the County.														

Board Meetings

R = Regular
S = Special
C = Committee
X = Closed

Fiscal Year 2024-2025 VALLEY WATER BOARD POLICY PLANNING CALENDAR

Fiscal Year 2024-2025 Board Work Plan			Committee	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
11.	Protect creeks, bay, and other aquatic ecosystems from threats of pollution and degradation.	AB 1469 Implementation Update	Environmental Creek Cleanup Committee	C											
		Valley Water & City of San José Collaboration to Resolve Encampments along Waterways	Environmental Creek Cleanup Committee	C											
		Countywide Water Resources Protection Zones Ordinance	Environmental Creek Cleanup Committee		C		S	R							
12.	Complete and implement the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) agreement.	FAHCE Implementation Update	Stream Planning and Operations Committee		C			C			C			C	
		Project Site Visits	Stream Planning and Operations Committee								C				
13.	Collaborate with agencies and other service providers to address the challenges posed by encampments and their impacts to waterways, water supply and flood risk reduction facilities, including supporting the provision of outreach, counseling, transitional or affordable housing, or other services by these agencies and service providers.	AB 1469 Implementation Update	Environmental Creek Cleanup Committee	C											
		Valley Water & City of San José Collaboration to Resolve Encampments along Waterways	Environmental Creek Cleanup Committee	C											
		Countywide Water Resources Protection Zones Ordinance	Environmental Creek Cleanup Committee		C		S	R							
14.	Collaborate with the County and municipal partners to secure the safety of unsheltered people living on Valley Water lands along waterways and at water supply and flood risk reduction facilities, as well as secure the safety of residential neighbors and Valley Water staff.	AB 1469 Implementation Update	Environmental Creek Cleanup Committee	C											
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		Countywide Water Resources Protection Zones Ordinance	Environmental Creek Cleanup Committee		C		S	R							
15.	Address future impacts of climate change to Valley Water’s mission and operations.	Climate Change Action Plan Update	Board Policy and Monitoring Committee							C					C
16.	Incorporate racial equity, diversity, and inclusion throughout Valley Water as a core value.	DEI Strategic Initiatives Implementation Update	Board Policy and Monitoring Committee		C										
17.	Maintain budgeted staffing levels and expertise, prioritize the safety of our staff, and build and sustain an inclusive and equitable working environment for all staff and partners while ensuring fair employment.														
18.	Provide affordable and cost-effective level of services.	Annual Audit Workplan Approval	Board Audit Committee						C	R					
		Grant Status Update Reports		R		R				R		R		R	
19.	Other Notable Policy and Board Actions	Legislative Proposals and Guiding Principles							R						
		EL – 1: General Principles	Board Policy and Monitoring Committee		C	R									

Board Meetings
R = Regular
S = Special
C = Committee
X = Closed

Fiscal Year 2024-2025 VALLEY WATER BOARD POLICY PLANNING CALENDAR

Fiscal Year 2024-2025 Board Work Plan			Committee	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
		EL – 2: Customer Relations	Board Policy and Monitoring Committee		C	R									
		EL – 3: Human Resources	Board Policy and Monitoring Committee		C	R		C							

Items Regularly Monitored by Board		July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
1.	BAO Performance	X	X					X					X
2.	BAO Compensation		X/R										
3.	Board Expense Report			R			R			R			R

Board Meetings
R = Regular
S = Special
C = Committee
X = Closed

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