



Santa Clara Valley Water District Board of Directors Meeting

Headquarters Building Boardroom
5700 Almaden Expressway
San Jose, CA 95118

6:00 PM SPECIAL JOINT MEETING W/CITIES OF GILROY AND MORGAN HILL AGENDA

**Tuesday, August 21, 2018
6:00 PM**

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

DISTRICT BOARD OF DIRECTORS

Richard P Santos, Chair, District 3
Linda J LeZotte, Vice Chair, District 4
John L Varela, District 1
Barbara Keegan, District 2
Nai Hsueh, District 5
Tony Estremera, District 6
Gary Kremen - 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 for public inspection at the Office of the Clerk of the Board at the Santa Clara Valley Water District Headquarters Building, 5700 Almaden Expressway, San Jose, CA 95118, 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 attend Board of Directors' meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 265-2600.

NORMA CAMACHO
Chief Executive Officer

MICHELE L KING, CMC
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

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**Santa Clara Valley Water District
Board of Directors**

**SPECIAL JOINT MEETING W/CITIES OF GILROY AND MORGAN HILL
AGENDA**

Tuesday, August 21, 2018

6:00 PM

Headquarters Building Boardroom

1. CALL TO ORDER

- 1.1. Roll Call.
- 1.2. Pledge of Allegiance/National Anthem.

2. SPECIAL JOINT SESSION:

PURSUANT TO GOVERNMENT CODE SECTION 54956 AT A SPECIAL MEETING COMMENTS BY THE PUBLIC WILL BE TAKEN ONLY ON THOSE ITEMS ON THE AGENDA. Public testimony is subject to reasonable regulations, including but not limited to time restrictions for each individual speaker.

- 2.1. Overview of the District's Water Infrastructure, Current/Future Water Supply Planning, Capital Improvement Program, and Morgan Hill/South County Flood Protection Projects. [18-0652](#)

Recommendation: That the Santa Clara Valley Water District Board of Directors and the Gilroy and Morgan Hill City Councils consider directing their respective staff to continue their commitment to meaningful engagement in pursuit of new and innovative partnership opportunities for the continued delivery of a safe, and reliable water supply, and flood protection, in Santa Clara County.

Manager: Nina Hawk, 408-630-2736

Attachments: [Attachment 1: PowerPoint](#)

Est. Staff Time: 20 Minutes

- 2.2. Discussion of Homelessness Issues. [18-0654](#)

Recommendation: Receive information for discussion of homelessness issues

Manager: Melanie Richardson, 408-630-2035

Attachments: [Attachment 1: 082018 HEAHC Memo](#)

Est. Staff Time: 5 Minutes

2.3. Emergency Services Coordination.

[18-0655](#)

Recommendation: That the Santa Clara Valley Water District Board of Directors and the Gilroy and Morgan Hill City Councils consider directing their respective staff to commit to ongoing and strengthened coordination and partnership on emergency activities and service.

Manager: Tina Yoke, 408-630-2385

Attachments: [Attachment 1: PowerPoint](#)

Est. Staff Time: 10 Minutes

2.4. 2018 Legislative Efforts and Recommended Position on State Legislation: Senate Bill 1301 (Beall) Expedited Permitting for Flood Protection and Dam Safety.

18-0658

Recommendation: A. That the Santa Clara Valley Water District Board of Directors and Gilroy and Morgan Hill City Councils consider directing staff to work together on advocacy efforts on water supply, flood protection, and other issues of mutual interest, including letters of support on bills, rulemaking actions, and/or advocacy with federal and state elected officials and regulatory agency officials, and other actions; and

B. That the Gilroy and Morgan Hill City Councils consider taking a position of support on Senate Bill 1301 (Beall) - Expedited Permitting for Flood Protection and Dam Safety, and direct city staff to follow up with advocacy efforts, as appropriate.

Manager: Rachael Gibson, 408-630-2884

Attachments: Attachment 1: SB 1301 Fact Sheet
Attachment 2: SB 1301 Sample Support Letter

Est. Staff Time: 5 Minutes

3. ADJOURN:

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

Notice to the public: This item is reserved for persons desiring to address the Board on any matter not on this agenda. Members of the public who wish to address the Board on any item not listed on the agenda should complete a Speaker Card and present it to the Clerk of the Board. The Board Chair will call individuals to the podium in turn. Speakers comments should be limited to three minutes or as set by the Chair. The law does not permit Board action on, or extended discussion of, any item not on the agenda except under special circumstances. If Board 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 may take action on any item of business appearing on the posted agenda.

3.2. Clerk Review and Clarification of Board Requests.

3.3. Adjourn to 4:00 p.m. Closed Session and 6:00 p.m. Regular Meeting on August 28, 2018, in the District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California.

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File No.: 18-0652

Agenda Date: 8/21/2018

Item No.: 2.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Overview of the District's Water Infrastructure, Current/Future Water Supply Planning, Capital Improvement Program, and Morgan Hill/South County Flood Protection Projects.

RECOMMENDATION:

That the Santa Clara Valley Water District Board of Directors and the Gilroy and Morgan Hill City Councils consider directing their respective staff to continue their commitment to meaningful engagement in pursuit of new and innovative partnership opportunities for the continued delivery of a safe, and reliable water supply, and flood protection, in Santa Clara County.

SUMMARY:

This item describes various programs that the Santa Clara Valley Water District (District) provides in support and partnership with the Cities of Gilroy and Morgan Hill as the three agencies work together to provide a safe and reliable water supply and flood protection in southern Santa Clara County.

Water Supply and Infrastructure Master Plan

As the groundwater management agency and primary water resources agency for Santa Clara County (County), the District has a mission to provide safe, clean water for the County. In 2012, the Board adopted the Water Supply and Infrastructure Master Plan (Water Master Plan) which outlines the District's strategy for providing a reliable and sustainable future water supply for the County and ensuring new water supply investments are effective and efficient. The three key elements of the Water Master Plan strategy are 1) secure existing supplies and infrastructure, 2) optimize the use of existing supplies and infrastructure, and 3) expand water conservation and recycled water use to meet future increases in demands.

The District's Water Master Plan is intended to be updated every five years to adjust to changing conditions. Based on recent analyses, the County could experience shortages of more than thirty percent during extended droughts as demands increase. District staff is updating the Water Master Plan to reflect current and projected conditions and present projects and programs that meet the District's water supply reliability goal.

Water Supply Overview

Currently, the County's water supply portfolio includes 55 percent imported water sources, 40 percent local water sources (groundwater, surface water), and 5 percent recycled water. Long-term water

use averages about 350,000 acre-feet per year (AFY), though use is currently down following the drought. South Santa Clara County, including Morgan Hill and Gilroy, uses about 50,000 AFY of water from local, imported, and recycled sources.

Water use in the County would be more than 70,000 AFY higher if not for District, city, water retailer, and community commitments to water conservation. Water use efficiency programs reduce demand on existing water and energy supplies, helping to lessen the costs and environmental impacts of developing additional supplies. Conservation program elements include a variety of rebate programs for home, landscaping, and businesses as well as service calls and conservation tools. The District plans to increase water conservation contribution savings to 100,000 acre-feet per year by 2030.

To meet the future water needs and promote greater supply diversity, the District continues to explore additional water supply and water demand reduction options. Pursuing supply diversity helps minimize the potential risks of groundwater overdraft and subsidence, as well as overreliance on imported water supplies, which are used to recharge the groundwater basin and irrigate agriculture in southern Santa Clara County.

Projects being considered include additional water conservation, non-potable recycled water, potable reuse, surface and groundwater storage, stormwater capture, additional recharge ponds, dry year options, etc. Potential projects specific to South County include additional recharge ponds, stormwater capture on agricultural lands, and additional recycling.

On September 19, 2017, as part of the Water Master Plan update, the District Board authorized staff to begin planning for implementation of the projects and programs in the Water Master Plan's "No Regrets" package. The package, which increases the conservation savings goal to 110,000 AFY by 2040, consists of the following water conservation and stormwater capture projects:

- Advanced metering infrastructure,
- Graywater rebate program expansion,
- Leak repair incentives,
- New Development Model Ordinance, and
- Stormwater capture (agricultural land recharge, stormwater recharge in the Cities of San Jose and Saratoga, rain barrel rebates, and rain garden rebates).

Infrastructure Overview

The District operates a complex infrastructure and integrates natural and constructed systems to capture and convey raw and treated water. The District's system can deliver about 300 million gallons of raw water and 200 million gallons of treated drinking water every day. The District's distribution system includes 10 reservoirs, 3 pump stations, 142 miles of pipelines, 4 water treatment plants, 393 acres of recharge ponds, and 275 miles of jurisdictional streams.

The District plans to invest approximately \$2.1 Billion in its 5-year Capital Improvement Program to ensure the reliability of our water supply infrastructure. Some of the current/recent capital investments include:

- **10-Year Pipeline Inspection & Rehabilitation Program** - This Program involves the inspection, planning, design, and renewal of the District's pipelines and tunnels to rehabilitate distressed pipe sections as required, and replace old valves, flow meters, pipeline appurtenances assemblies, and piping, as appropriate. In the next two years, the Program work will include the Cross Valley Pipeline, Calero Pipeline, and the Central Pipeline.
- **Main Avenue/Madrone Pipelines Rehabilitation** - This project includes the replacement of about 2.6 miles of pipeline delivering raw water to the Main Avenue Recharge Ponds and the Madrone Channel in Morgan Hill for groundwater recharge of the Llagas Groundwater Sub-basin. Installation of 30-inch to 36-inch diameter pipelines and associated appurtenances will restore the Main Avenue and Madrone pipelines to their full operating capacity of 10 cubic feet per second (cfs) and 27 cfs, respectively. The project work will also restore a connection to the Anderson Dam outlet pipe that had been disconnected many years ago due to pipeline deficiencies. Upon project completion, both Anderson Dam and the Santa Clara Conduit will provide raw water for groundwater recharge at these two facilities.
- **Anderson Dam Seismic Retrofit** - The District is in the process of retrofitting four of its dams and associated infrastructure to meet current seismic design standards and other Division of Safety of Dam (DSOD) design and operational criteria. The current estimated investment for these four projects is \$780M. Anderson Dam is the largest of the District's dams, with a retrofit estimated cost of \$550M. Anderson Dam's project work will include excavation and reconstruction of its embankments; replacement of the intake structure and installation of two new outlet pipes; and replacement of the emergency spillway structure.

California WaterFix

On May 8, 2018, the District Board took several actions related to the California WaterFix (WaterFix), including adopting Resolution 18-23 making Responsible Agency findings pursuant to the California Environmental Quality Act (CEQA) and Resolution 18-24, authorizing support of, and participation in, the WaterFix.

Santa Clara County relies on water imported through the Delta by the State Water Project (SWP) and Central Valley Project (CVP) for about 40% of its water supplies, on average. South County imported water supplies come from the CVP, which provides on average about 10,000 acre feet of recharge into South County aquifers each year. Imported water supplies are projected to decline over time in response to continued environmental degradation in the Delta, climate change and sea level rise, and increased regulatory constraints. Modeling indicates that if no action is taken to improve the existing Delta conveyance approach, the District's SWP and CVP deliveries to the County could drop by about 36,000 AFY. Reductions in these SWP/CVP supplies will have a significant impact on the ability of the District to provide reliable water supplies to our communities, businesses, and local streams, and make it more difficult for us to protect our local groundwater basins and prevent land surface subsidence in North County.

WaterFix Benefits

With participation in the WaterFix, modeling indicates this decline can be avoided by diversion of

water during high flow periods. Total deliveries with the WaterFix would remain similar to current average levels. As reported to the Board on May 8, 2018, the primary benefits of the project are summarized in the table below.

Benefit	Staff Analysis of WaterFix
Sustained water supplies	Offsets supply reduction, improves groundwater storage conditions, increases reserves in the Semitropic Groundwater Bank, reduces the frequency and magnitude of water shortages.
More fish-friendly diversions	Equipped with state-of-the-art fish screens located away from important fish habitat; 52% of SWP/CVP exports, on average, will be through these more fish friendly diversions; diverts primarily during higher flow periods safer for fish.
Reduced reverse river flows to protect fish	Changes negative flow (-2,200 cfs on average) to more natural, positive flow (+50 cfs); reduces entrainment.
Improved water quality	20% decrease in average annual salinity of SWP/CVP exports; reduces salt loading to drinking water treatment plants and County groundwater basins.
Resiliency during Delta failure events	Continues water deliveries if Delta fails from earthquakes, sea level rise, and extreme flood events.
Resiliency to climate change including sea level rise	Diverts where salinity intrusion will be minimal under sea level rise scenarios; facilitates diversion during extreme storm events.
Increased access to transfer supplies	Conveys transfer water when existing system cannot; reduces water loss during transport.

WaterFix Costs

SWP contractors are expected to pay 67% of project costs and receive 67% of the WaterFix incremental yield; the District would receive 2.5% of the SWP benefit share, corresponding to its share of SWP contract supply (i.e., "Table A" contract amount). Metropolitan Water District (MWD) is expected to finance the 33% share originally intended for the CVP contractors and, in return, receive an interest in 3,000 cfs of capacity. The District may secure an interest in capacity to convey its CVP supplies through an agreement with MWD as well as a proportional share of WaterFix incremental yield through additional agreements with the U.S. Bureau of Reclamation (Reclamation). Staff has estimated that a capacity interest of 200 cfs, or 6.7% of the 3,000 cfs to be held by MWD for CVP contractors, would provide sufficient reliability to sustain the District's CVP supplies if modeling projections are realized.

Staff's analysis of costs indicates that the WaterFix remains one of the most cost-effective options

available, with the District's share of capital costs (unfinanced) in 2017 dollars ranging from \$280 million if the District participates only on the SWP side, to \$650 million if the District participates on both the SWP and CVP sides of the project. The levelized unit cost of project participation is roughly \$600/AF (2017 dollars). If the District only participates on the SWP side, there would be no increase in rates to South County households. If the District participates on both the SWP and CVP sides of the project, the increase in cost per average household in southern Santa Clara County for FY 2033, which coincides with the anticipated beginning of project operation, is estimated at \$4.47 per month (2033 dollars).

Table 4. Summary of District costs

	SWP-Side 2.5% share	SWP-CVP Combined
Costs to Santa Clara County		
Percent of Total Project Costs	1.7%	3.9%
Total Capital Costs (2017 dollars)	\$280 million	\$650 million
Present Value (PV) fully financed Capital Cost (2017 dollars)	\$230 million	\$535 million
Total Annual O&M (2017 dollars)	\$1.1 million	\$2.5 million
Cost per Acre-Foot (2017 dollars)	\$610	\$600
Rate Impacts (assuming all CWF costs are placed on water rates)		
Monthly Increase per Avg. Household (FY33) N. County	\$4.96	\$10.26
Monthly Increase per Avg. Household (FY33) S. County	\$0.00	\$4.47

District staff continues to participate in WaterFix discussions to further develop the best and most responsible agreements and contract amendments to protect the District's investment and to bring those agreements to the Board for consideration prior to execution.

South County Recycled Water Master Plan and Future Water Partnerships

Since 1978, the South County Recycled Water System (previously, the Gilroy Reclamation and Irrigation Project) has been servicing the southern portion of Santa Clara County. This system was developed by the Santa Clara Valley Water District (District) in partnership with the City of Gilroy. In 1999, the District entered into producer-wholesaler-retailer partnership agreements with the South County Regional Wastewater Authority (SCRWA) and the cities of Gilroy and Morgan Hill to develop a marketable recycled water program, which included expansion of the SCRWA Wastewater Treatment and Reclamation Plant and the recycled water distribution system. An element of the agreements was the preparation of a Master Plan to identify additional potential recycled water projects.

The initial *South County Recycled Water Master Plan* was completed in late 2004. It identified Immediate-, Short-, and Long-Term recycled water capital investment projects to improve the recycled water system's reliability and to expand the use of recycled water in South County. Since 2004, the District and SCRWA have successfully completed all immediate term projects, and have continued implementing the planning, design and construction of short and long-term projects as funding and resources have allowed.

The *2015 Master Plan Update* identified recycled water system alternatives that would both expand the use of recycled water in South County and improve the existing recycled water system. Alternatives were categorized as either expansions of the existing non-potable reuse (NPR) distribution system or embracing emerging recycled water technologies. The analysis considered expansions of the recycled water system within Gilroy and initiation of a recycled water system in Morgan Hill. This document serves to update potential users, recycled water regulations, demand projections, capital improvement alternatives, and recycled water projects for the future.

Through these partnerships, the capacity of recycled water treatment has been increased to provide up to 8.5 million gallons per day. By 2017, approximately 30 percent of the total regional wastewater received by SCRWA was recycled and used for beneficial uses. These uses include agricultural irrigation, public parkland irrigation; industrial systems cooling; and commercial manufacturing.

In 2017, the District commenced a process to develop a *Countywide Water Reuse Master Plan* (Master Plan) that initiated a new period of integrated and regional planning for water reuse. The Master Plan aims to improve water supply reliability through water reuse for Santa Clara County in collaboration with recycled water producers, wholesalers, retailers, users, and other interested parties. The Master Plan will identify how much water will be available for potential potable reuse development and non-potable reuse expansion, the optimal allocation between potable and non-potable reuse, options for system integration, recommendations for building upon non-potable reuse projects and creating new potable reuse projects, and proposals for governance model alternatives including roles and responsibilities. This planning process is expected to be completed in July 2019 and will be used to guide water reuse in the County, including development of potable/non-potable recycled water for Morgan Hill through 2040.

Pacheco Reservoir Expansion Project

The District is proposing to develop a 141,000 acre-foot surface reservoir project by expanding the existing Pacheco Reservoir (Pacheco Reservoir Expansion Project), which is located on the North Fork Pacheco Creek in south-east Santa Clara County. Partners to this project include the District, San Benito County Water District (SBCWD) and Pacheco Pass Water District (PPWD), of which the latter owns and operates the existing 6,000 acre-foot Pacheco Reservoir. On June 26, 2018, the District Board approved an option agreement with PPWD that provides the District with an option to acquire fee ownership of the existing Pacheco Reservoir should the District decide to proceed with construction of the Pacheco Reservoir Expansion Project.

Pacheco Benefits

Expansion of the existing Pacheco Reservoir will address several water supply, quality, and

environmental issues. Specifically, the Pacheco Reservoir Expansion will:

- Improve the resiliency of imported CVP water supplied for recharge in South County
- Help alleviate taste and odor issues in treated water that typically result from the formation of algae in the San Luis Reservoir during the summer period.
- Mitigate supply interruptions that can occur in late summer/early fall due to lower San Luis Reservoir levels
- Expand groundwater recharge for medium and high priority sub-basins which would ensure compliance with the Sustainable Groundwater Management Act
- Restore populations of the Federally threatened South Central California Coast Steelhead fish species

Pacheco Funding

On March 14, 2017, the District executed Principles of Agreement with SBCWD and PPWD, which committed the parties to coordinate and support the District's preparation and submittal of an application for California Proposition 1 Water Storage Investment Program (WSIP) funding for the Pacheco Reservoir Expansion. This application was submitted by the District to the California Water Commission (CWC) on August 14, 2017, and requested funding for public benefits amounting to \$484.5 million, fifty percent of the estimated cost to construct the Pacheco Reservoir Expansion Project.

The CWC conditionally approved the District's full funding request of \$484.55 million on July 24, 2018, which included an Early Funding award of \$24.2 million. The Early Funding award was authorized by the CWC to reimburse the District for funds expended in the completion of the Environmental Documentation and Permitting for the Pacheco Reservoir Expansion Project. Staff is currently in discussions with the CWC regarding the structure and requirements of the agreement that must be executed to receive the Early Funding award. In addition, for the District to remain eligible to receive the full amount of WSIP funds that have been conditionally awarded (beyond the Early Funding award), a draft CEQA Environmental Impact Report must be issued for public review by December 2021.

The District is also pursuing additional project funding through the Federal Water Infrastructure Improvements for the Nation (WIIN) Act. Should the Pacheco Reservoir Expansion qualify, the WIIN Act has the potential to fund up to 25 percent of the total project costs that are not covered by state investment through WSIP. The first step in the process to apply for WIIN Act funding is for the Governor of California to designate the Pacheco Reservoir Expansion as a "State-Led-Storage Project". To this end, Chair Santos sent a letter to Governor Brown on July 2, 2018, officially requesting that the Pacheco Reservoir Expansion receive the required designation.

Anderson Dam Project Update

The Anderson Dam Seismic Retrofit Project (Anderson Dam Retrofit Project) work is currently focused on design and environmental documentation. The 60% design plans were completed in April

2018 and are currently being reviewed by the state Division of Safety of Dams (DSOD) and the Federal Energy Regulatory Commission (FERC).

The Anderson Dam Retrofit Project's draft Environmental Impact Report (EIR) is currently being prepared. In parallel, the District has initiated meetings with various environmental regulatory agencies (California Dept. of Fish & Wildlife; Regional Water Quality Control Board; Army Corps of Engineers; U.S. Fish & Wildlife Service; National Marine Fisheries Service; and others) to discuss the Anderson Dam Retrofit Project construction, the likely environmental impacts, and to determine what mitigation measures and permit conditions will be required by these agencies before the Anderson Dam Retrofit Project can begin construction. The draft EIR will be released for public review later this calendar year.

The Anderson Dam Retrofit Project's seismic retrofit construction is anticipated to begin in 2020 or 2021. It is estimated to take 4 to 5 years to complete all the dam improvements. During two consecutive winter seasons, seasons 3 and 4, of this 5-year construction period, the dam embankment will be about 80 feet below its current height of 647 feet above sea level. Watershed runoff generated by winter storms in those two seasons will have to be conveyed directly to Coyote Creek to prevent the interim dam from being overtopped. To do this, the District will construct a diversion tunnel from the bottom of Anderson Reservoir to Coyote Creek as part of this project. The volume of water diverted through the tunnel will be controlled by the District. Statistical simulations have been conducted as part of the project planning to determine an operating rule curve for the interim dam during those two winter seasons. Based on nearly 40 years of historic rainfall data at Anderson Dam, 100,000 simulations of annual rainfall were modeled. The results indicate that 98% of the flows diverted from the Anderson/Coyote Watershed to Coyote Creek would be no greater than 1,000 cubic feet per second (cfs).

Before the Anderson Dam Retrofit Project construction begins, the District's Office of Emergency Services will establish communication protocols with appropriate personnel at the cities of Gilroy, Morgan Hill, and San Jose to share real-time flow diversion information and to provide them with warnings, as necessary, of higher-than-normal diversions in the event of heavy, back-to-back storm systems.

Update on Morgan Hill/South County Flood Protection Projects

The Upper Llagas Creek Flood Protection Project is steadily nearing the long-anticipated goal of a construction start for Phase 1. One remaining regulatory permit remains to be finalized, and two right of way acquisitions are pending in escrow. Staff anticipates obtaining Board approval to advertise for construction bids this fall, allowing for construction of Phase 1 to begin in early 2019. The Phase 1 work will improve Reach 4 and a portion of Reach 5 (from Buena Vista Avenue north to Highway 101) and will construct a 1.25-mile diversion channel (Reach 7a) from Monterey Road to Watsonville Road.

Phase 2 of the Upper Llagas Creek Flood Protection Project will construct channel improvements on Reaches 6, 7b, and 8 (extending from Highway 101 north to Llagas Road in downtown Morgan Hill) and Reach 14 (East Little Llagas Creek on the east side of Highway 101). Approximately 10 rights of way for Phase 2 work remain to be acquired. If Phase 1 construction begins in early 2019, Phase 2

construction will likely be initiated in 2020.

How Water Supply Services Are Funded

The District is the groundwater management agency and primary wholesale water provider in the County. The District actively manages the groundwater basins by replenishing them with local and imported water, and by operating surface water treatment plants that provide “in-lieu” recharge. A complex system that includes 10 reservoirs, 142 miles of pipelines, 4 water treatment plants, and 3 pump stations, helps keep water flowing across the County.

The cost to operate and maintain this system is reimbursed primarily through groundwater charges and treated water charges paid by water retail customers. Groundwater charges differ depending on the “zone of benefit.” The North County (Zone W-2) is defined as the portion of the County north of the Coyote Valley. The South County (Zone W-5) is defined as the portion of the County extending from Coyote Valley to Gilroy.

District Board Resolution 99-21 guides staff in the development of the overall pricing structure based on principles established in 1971. The general approach is to charge the recipients of the various benefits for the benefits received. More specifically, pricing is structured to manage surface water, groundwater supplies and recycled water conjunctively to ensure the sustainability of the Santa Clara Valley Groundwater Basin and Llagas Groundwater Subbasin.

Each year, the Board establishes groundwater production charges as well as surface water charges, recycled water charges, treated water surcharges, and the amount of the SWP cost to be recouped through the SWP Override tax. The groundwater charge increase for South County Zone W-5 for Fiscal Year 2018-19 equates to an increase of \$1.10 per month to the average household and is driven by critical infrastructure repair and replacement needs such as those listed in this memo, and efforts to bolster water supply reliability (this does not include any increase from the retail provider). The North County Zone W-2 groundwater charge increase equates to an increase of \$3.92 per month to the average household.

FINANCIAL IMPACT:

There is no fiscal impact from this presentation.

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

File No.: 18-0652

Agenda Date: 8/21/2018
Item No.: 2.1.

UNCLASSIFIED MANAGER:
Nina Hawk, 408-630-2736

Overview of the District's Water Infrastructure, Capital Improvement Program, Morgan Hill/South County Flood Protection Projects, and Current/Future Water Supply Planning

Special Meeting with City of Gilroy and City of Morgan Hill – August 21, 2018

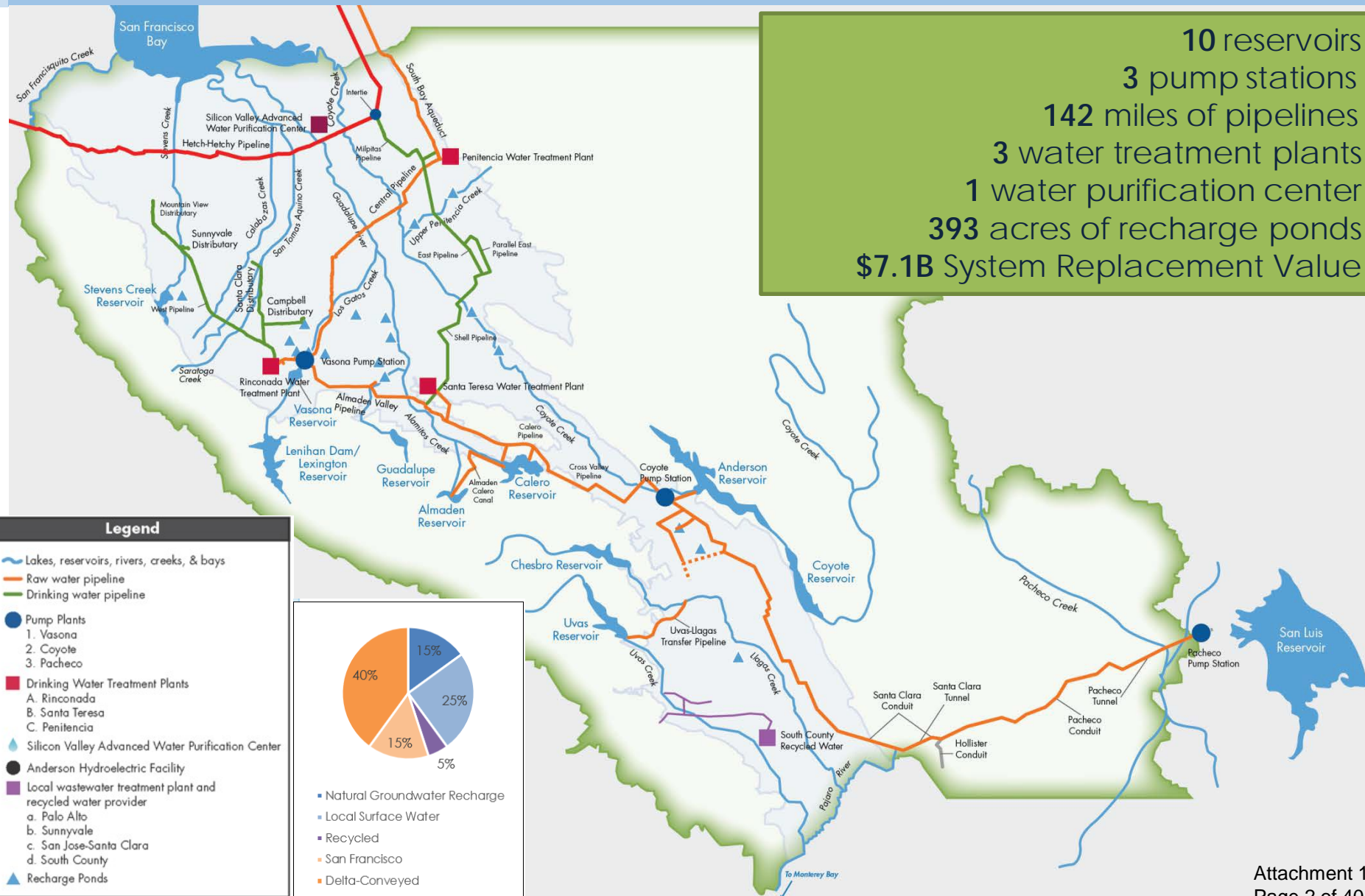
Santa Clara Valley
Water District



Attachment 1
Page 1 of 40

A comprehensive, flexible water system

10 reservoirs
3 pump stations
142 miles of pipelines
3 water treatment plants
1 water purification center
393 acres of recharge ponds
\$7.1B System Replacement Value

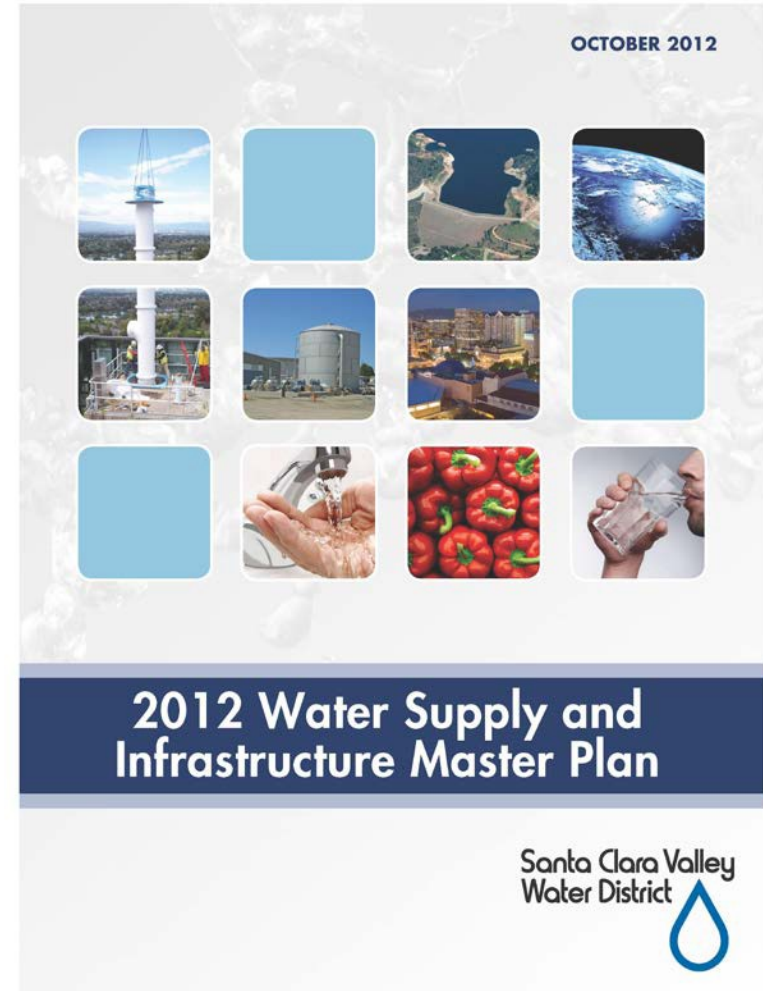


Water Supply Update

2012 Master Plan “Ensure Sustainability” Strategy

Level of service goal – Meet 90% of demands in droughts

- ▶ Secure existing system
 - ▶ Dam retrofits, asset management, pipeline repair, maintain imports
- ▶ Optimize existing system
 - ▶ New recharge, new pipelines
- ▶ Expand conservation and reuse
 - ▶ Graywater, potable reuse



Water Supply Master Plan Update

Analysis shows declining reliability

Average Water Supply Conditions

	2020	2040
Demands (AF)	360,000	402,000
Average Annual Supply (AF)	374,000	366,000
Shortfall (AF)	0	36,000

Drought Water Supply Conditions

	2020	2040
Demands (AF)	360,000	402,000
Minimum Drought Supply (AF)	255,000	250,000
Maximum Shortfall (AF)	105,000 (29%)	152,000 (38%)

Evaluated about 40 projects for filling gaps

- ▶ Conservation and demand management
- ▶ Stormwater capture and reuse
- ▶ Onsite reuse
- ▶ Potable reuse
- ▶ Recycled water
- ▶ Groundwater recharge ponds
- ▶ Raw water pipelines
- ▶ Ag land fallowing
- ▶ Storage, inside and outside county
- ▶ Desalination
- ▶ Dry year options/transfers
- ▶ Water contract purchase
- ▶ California WaterFix

“No Regrets” package is cost-effective and broadly supported

- ▶ Advanced Metering Infrastructure
- ▶ Gray Water Program Expansion
- ▶ Leak Repair Incentive
- ▶ New Development Model Ordinance
- ▶ Stormwater Capture and Reuse
 - ▶ Ag Land Recharge
 - ▶ Rain Barrel Rebate
 - ▶ Rain Garden Rebate
 - ▶ San Jose Recharge
 - ▶ Saratoga Recharge

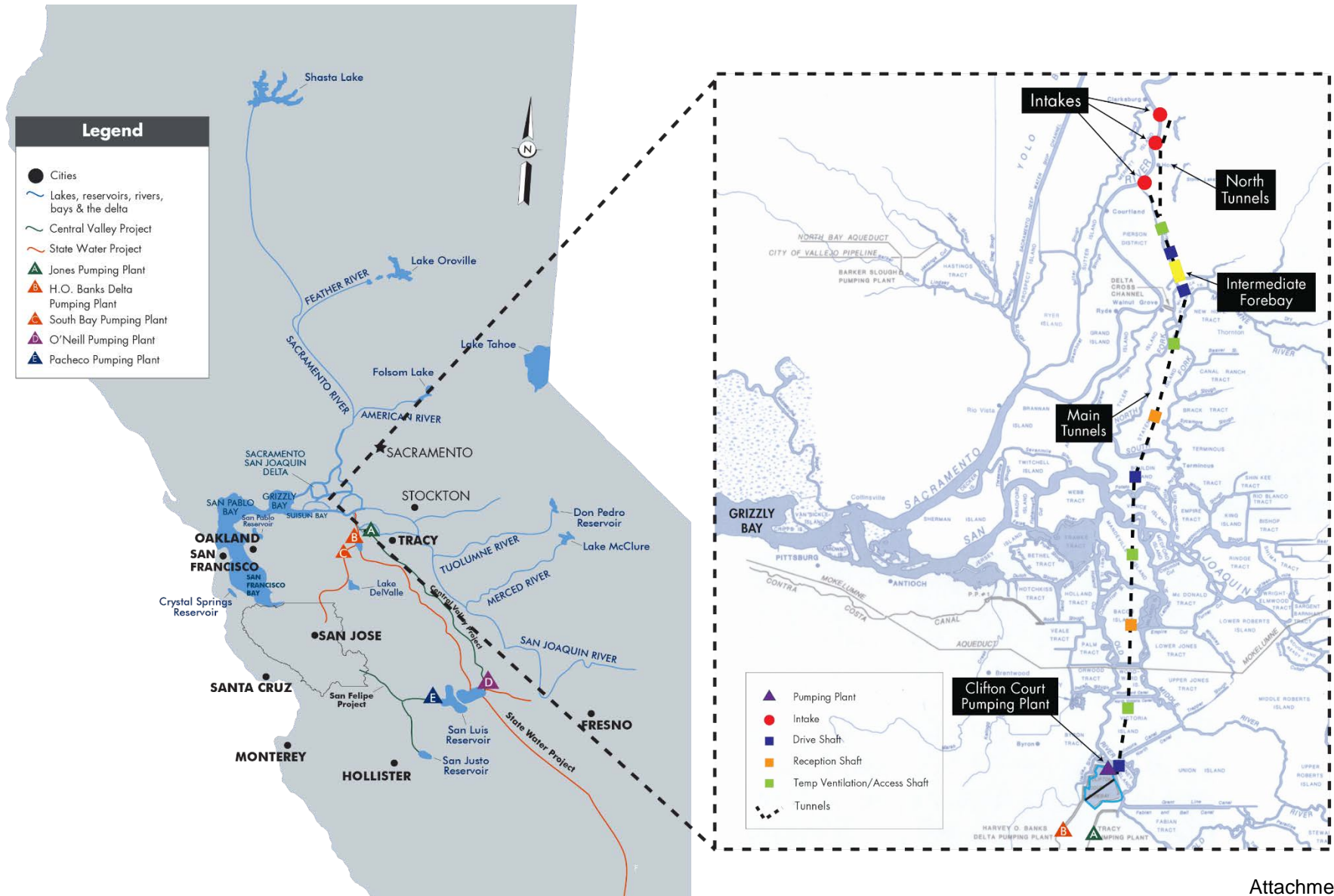
Total District Cost	\$100 million
Additional Water Conservation Savings	10,000 AF
Additional Water Supply Yield	1,000 AF
Unit Cost	\$400/AF

Multiple decision points, including

- Prop 1 storage funding – Summer 2018
- California WaterFix permits – Winter 2018
- Select P3 entity for potable reuse – 2019
- Annual supply & demand review – each Summer
- Annual CIP, budget, and water charge process begins – each Fall
- Finalize update to Water Supply Master Plan – late 2018

California WaterFix

Project Overview - California WaterFix



WaterFix – Benefits to Santa Clara County

Benefits to Santa Clara County



Produces the **most** water for lowest cost



Keeps our **water clean, safe, and reliable**



Provides **resiliency** for future conditions



Improves **environment** for fish

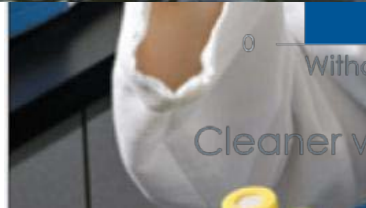


SCVWD has **prominent leadership role** in WaterFix governance to ensure benefits are achieved

Reliable Water



ces salt
by ~20%



WaterFix – Benefits to Santa Clara County

Benefits to Santa Clara County



Produces the **most water for lowest cost**



Keeps our water **clean, safe, and reliable**



Provides **resiliency for future** conditions



Improves **environment for fish**



SCVWD has **prominent leadership role** in WaterFix governance to ensure benefits are achieved

Resiliency to climate change



January 13, 2013



January 13, 2014

WaterFix – Benefits to Santa Clara County

Benefits to Santa Clara County



Produces the **most water for lowest cost**



Keeps our water **clean, safe, and reliable**



Provides **resiliency** for future conditions

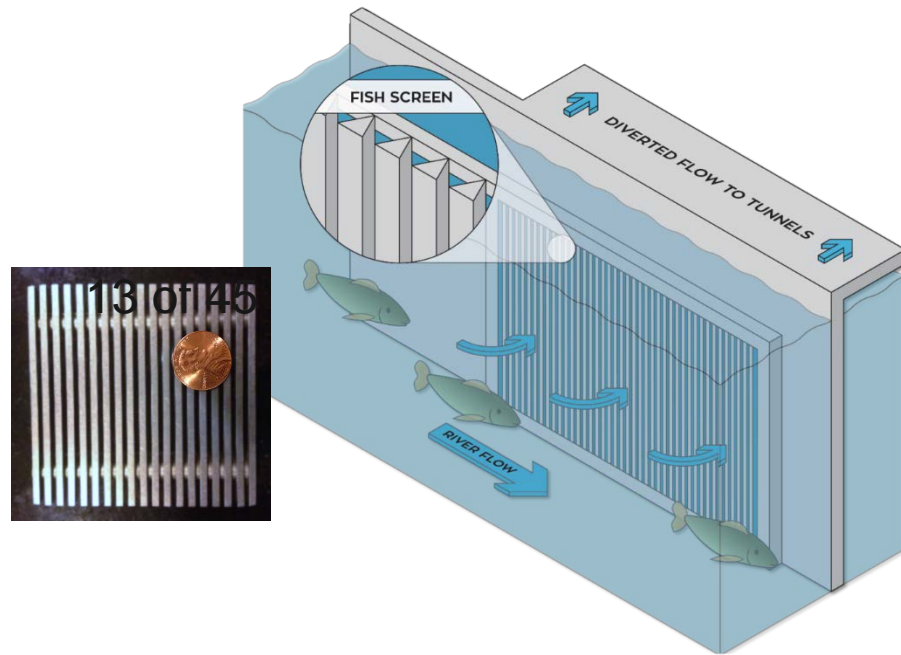


Improves environment for fish



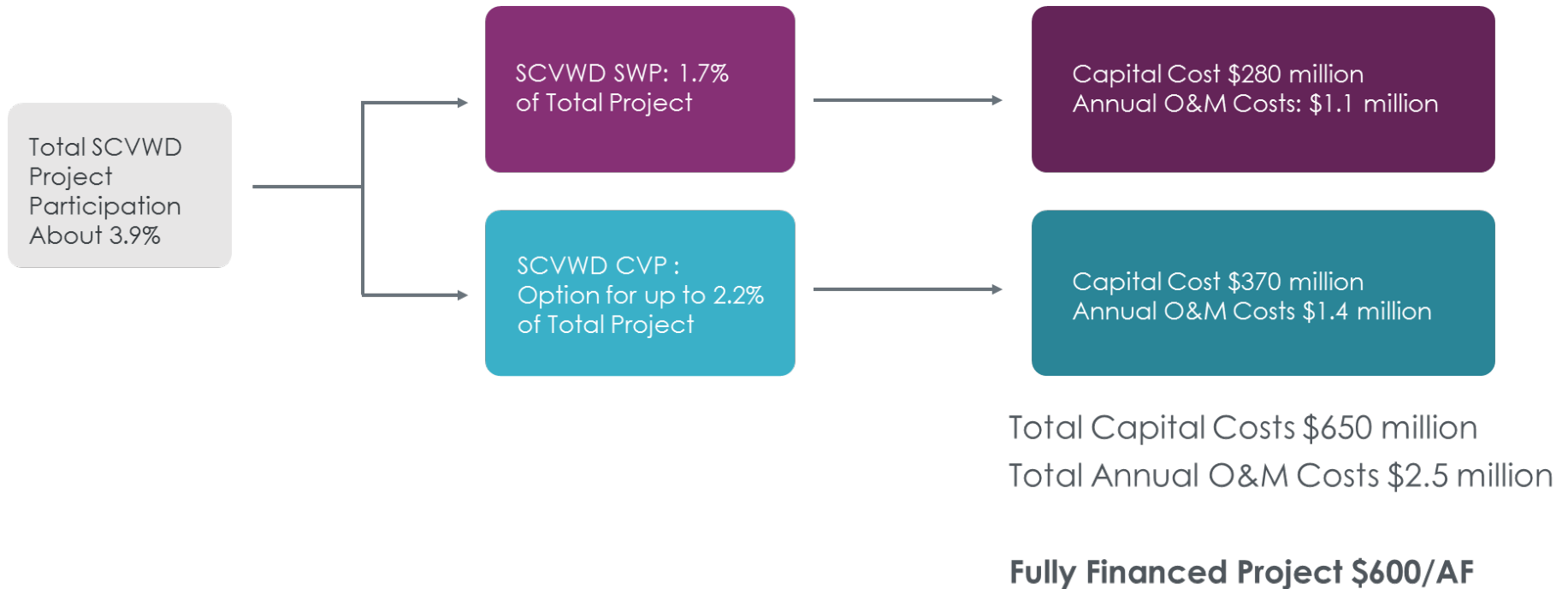
SCVWD has **prominent leadership role** in WaterFix governance to ensure benefits are achieved

Improved conditions for fish means fewer restrictions on Santa Clara County's water supply

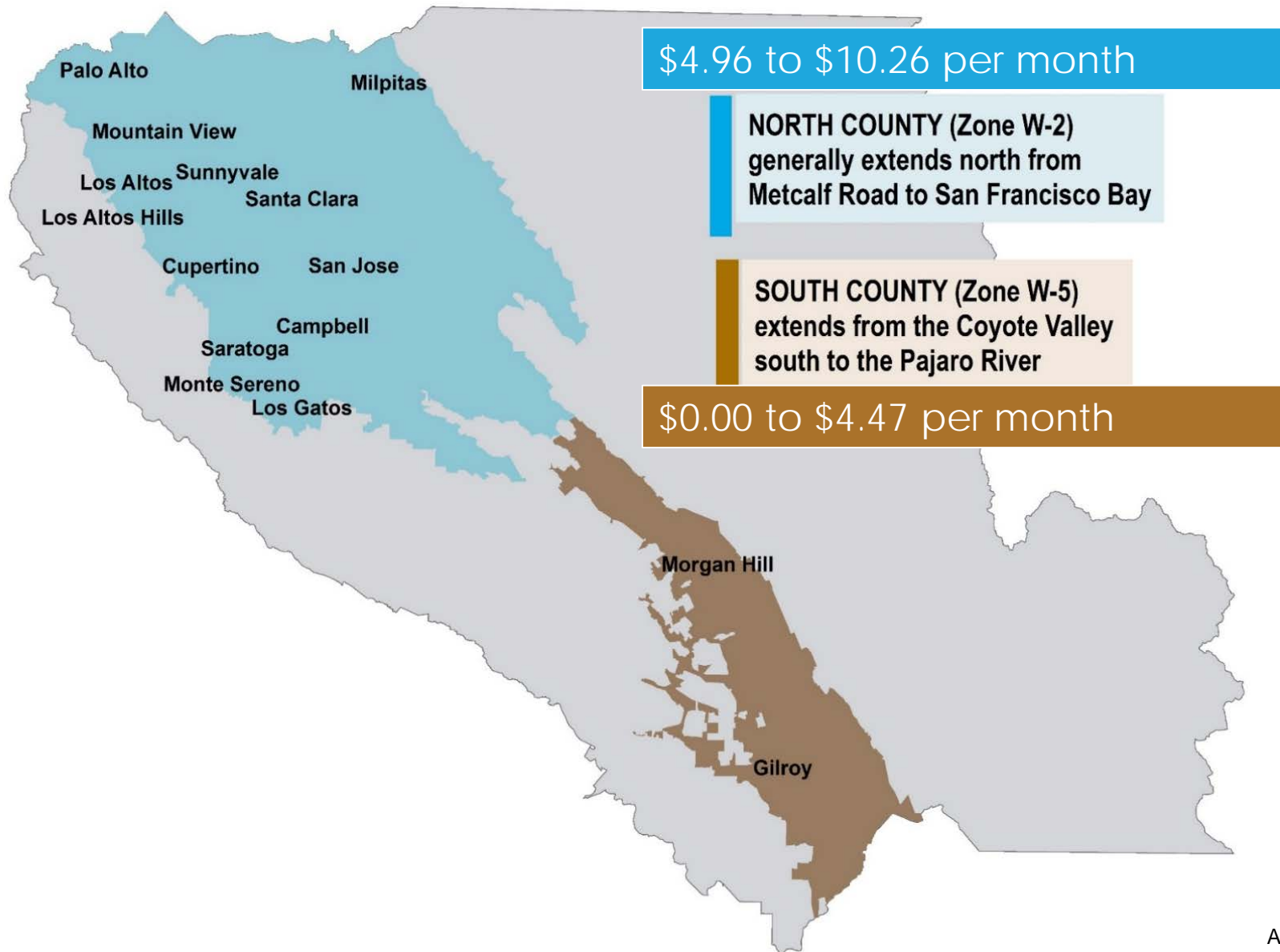


New state-of-the-art fish screens will lessen impacts on fish

WaterFix – Cost to Santa Clara County

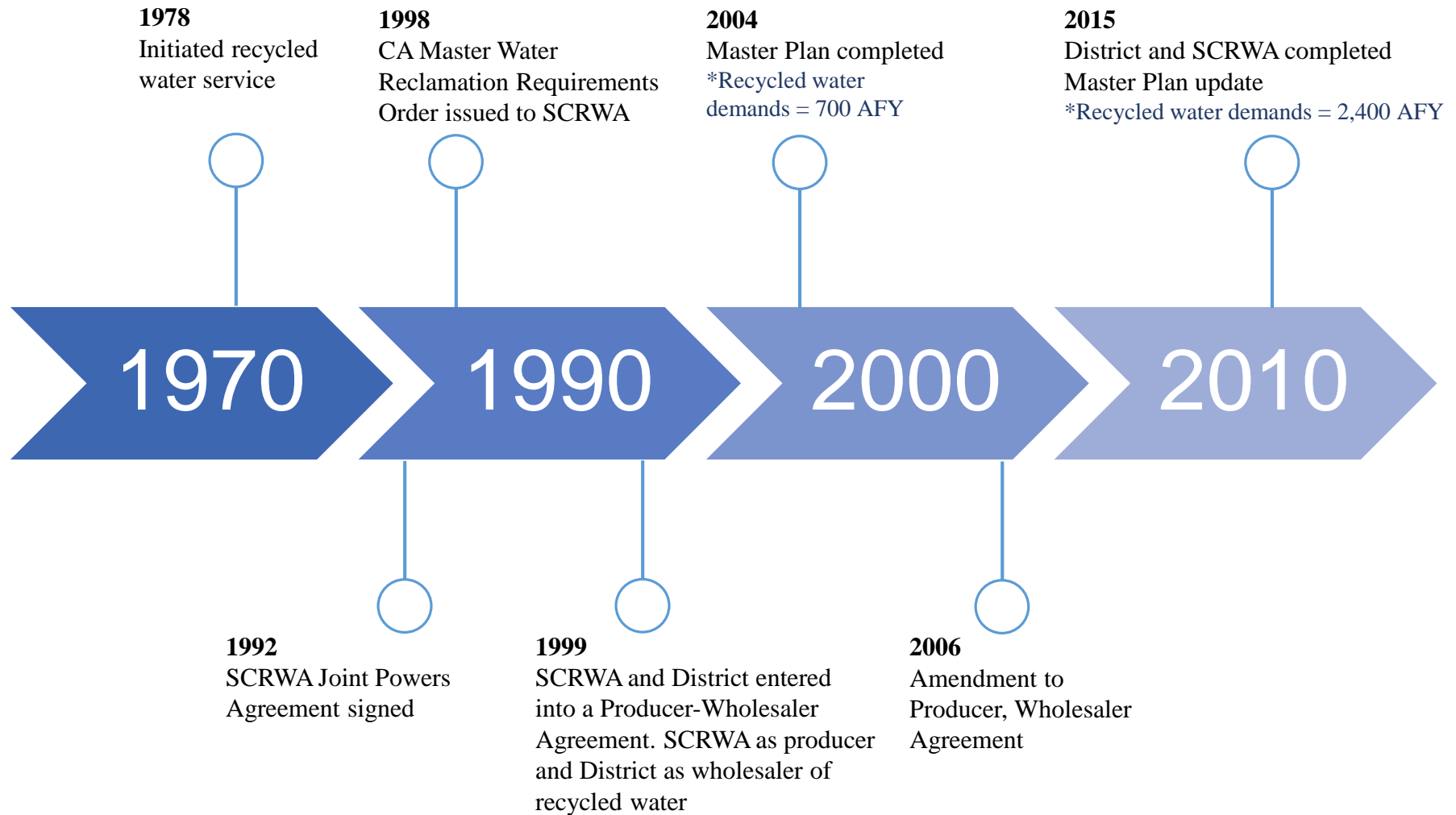


Average monthly household cost of WaterFix (FY33)



South County Recycled Water Master Plan and Future Water Partnerships

History



Accomplishments Since Partnership Agreements (1999)

Collaborative Planning

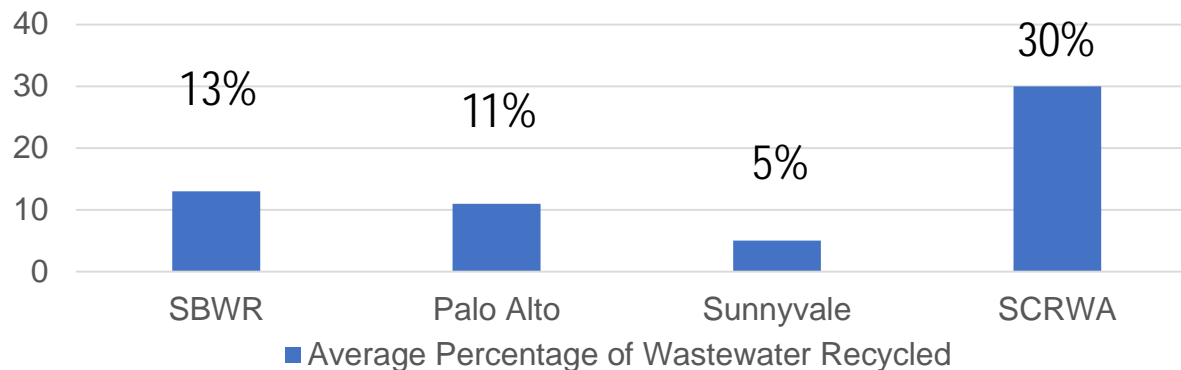
- ✓ Master Plan, adopted 2004, updated 2015
- ✓ Programmatic EIR Report, adopted 2011

Distribution System

- ✓ 3.2 mile recycled water pipeline extension
- ✓ Retrofit 1.4 miles of existing recycled water pipelines
- ✓ 1,700 acre-foot average increase in annual recycled water demands

Wastewater Treatment Plant

- ✓ 6 million gallon per day increase in tertiary treatment capacity
- ✓ 3 million gallon reservoir and booster station
- ✓ 3 million gallon per day pump station
- ✓ 2.3 mile emergency discharge/recycled water pipeline extension



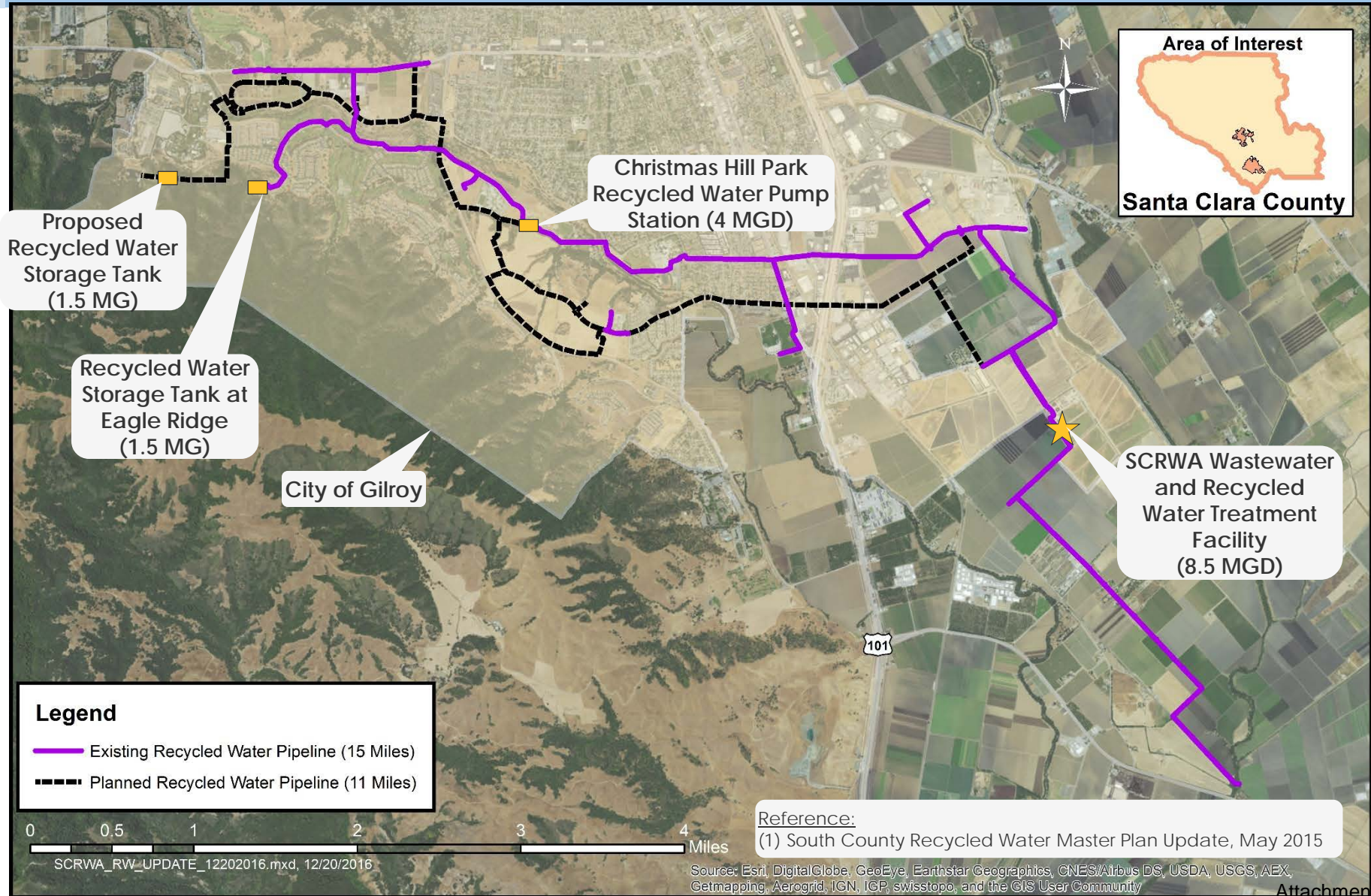
2015 Master Plan CIP Recommendation

Segments	Capital Improvement Projects (2015 Master Plan update)	Cost Estimate
Immediate -Term	• Distribution: 26,600 foot pipeline extension	\$ 14.3 Million
	• Wastewater Treatment Plant (WWTP): UV Treatment, pump station upgrade	<u>WWTP</u> \$ 4.5 Million
Short- Term	• Distribution: 21,860 foot pipeline extension	\$ 10.0 Million
	• WWTP: Chlorine contact basin upgrade, pump station upgrades, meter conversion (Gilroy/District), 6 mgd reservoir expansion (District)	<u>WWTP</u> \$ 8.4 Million
Long-Term	• Distribution: 7,010 foot pipeline extension, 1.5 mgd storage tank, and booster pump station	\$ 10.0 Million
	• WWTP: 2.5 mgd secondary treatment expansion (SCRWA) and recycled water fill station (commercial / residential) (City of Gilroy/District)	<u>WWTP</u> \$ 50.9 Million
	Total Cost Estimate	\$ 98.1 Million

mgd = million gallons per day

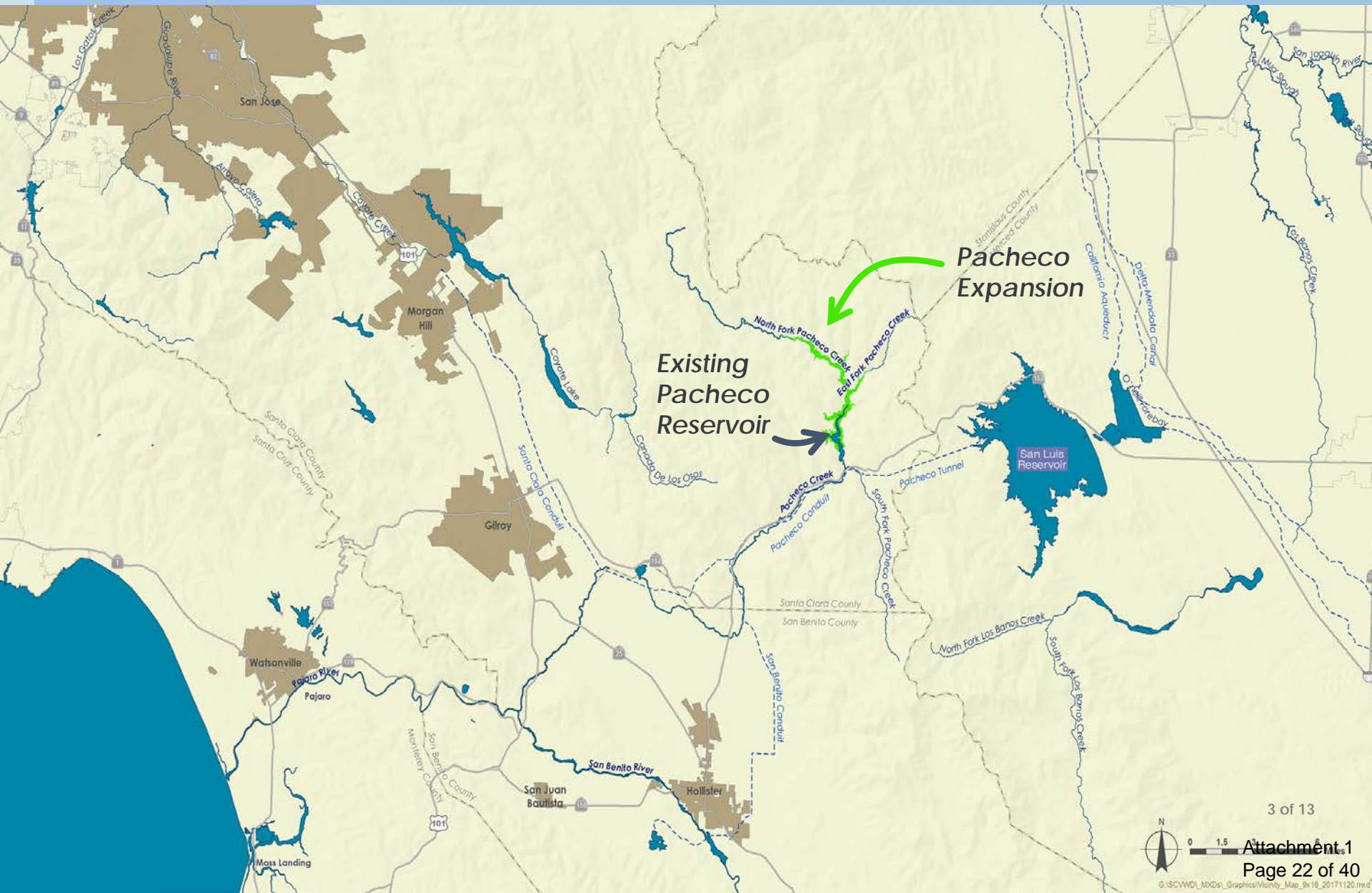
Cost per Additional Acre-foot = \$2,901

Map – South County Recycled Water System



Pacheco Reservoir Expansion Project

Pacheco Reservoir Expansion Project Location



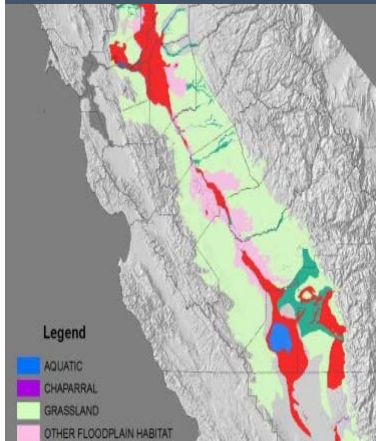
The Pacheco Reservoir Expansion Will Address Five Big Challenges

Restore Federally Threatened Fish



90% population decline in Pajaro watershed from 1960s to 1990s

Improve the Delta



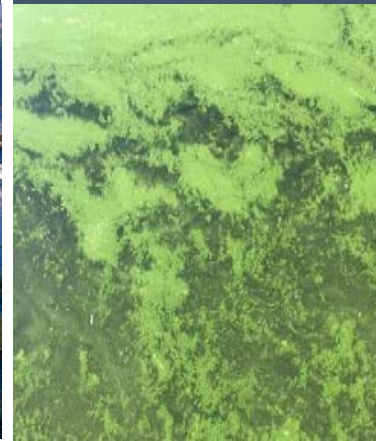
90% of Delta watershed wetlands have disappeared

Improve Resiliency and Emergency Water Supply



66% chance of Delta earthquake in next 50 years;
45% of water supply imported from Delta

Eliminate Water Quality Issues in San Luis Reservoir



Water quality issues during summer months in **57%** of years

Reduce Flooding to Disadvantaged Communities



Extensive flooding even for frequent/small events;
20-year flood in 2017 (pictured)

Anderson Dam Project Update

Key Water Supply Projects



**Dam Seismic Retrofits/Improvements
(\$780 Million)**



**RWTP Reliability Improvements
(\$290 Million)**



**Expedited Purified
Water Program
(\$1 Billion via P3
Delivery Method)**

Anderson Dam Project Update

Anderson Dam Existing Configuration

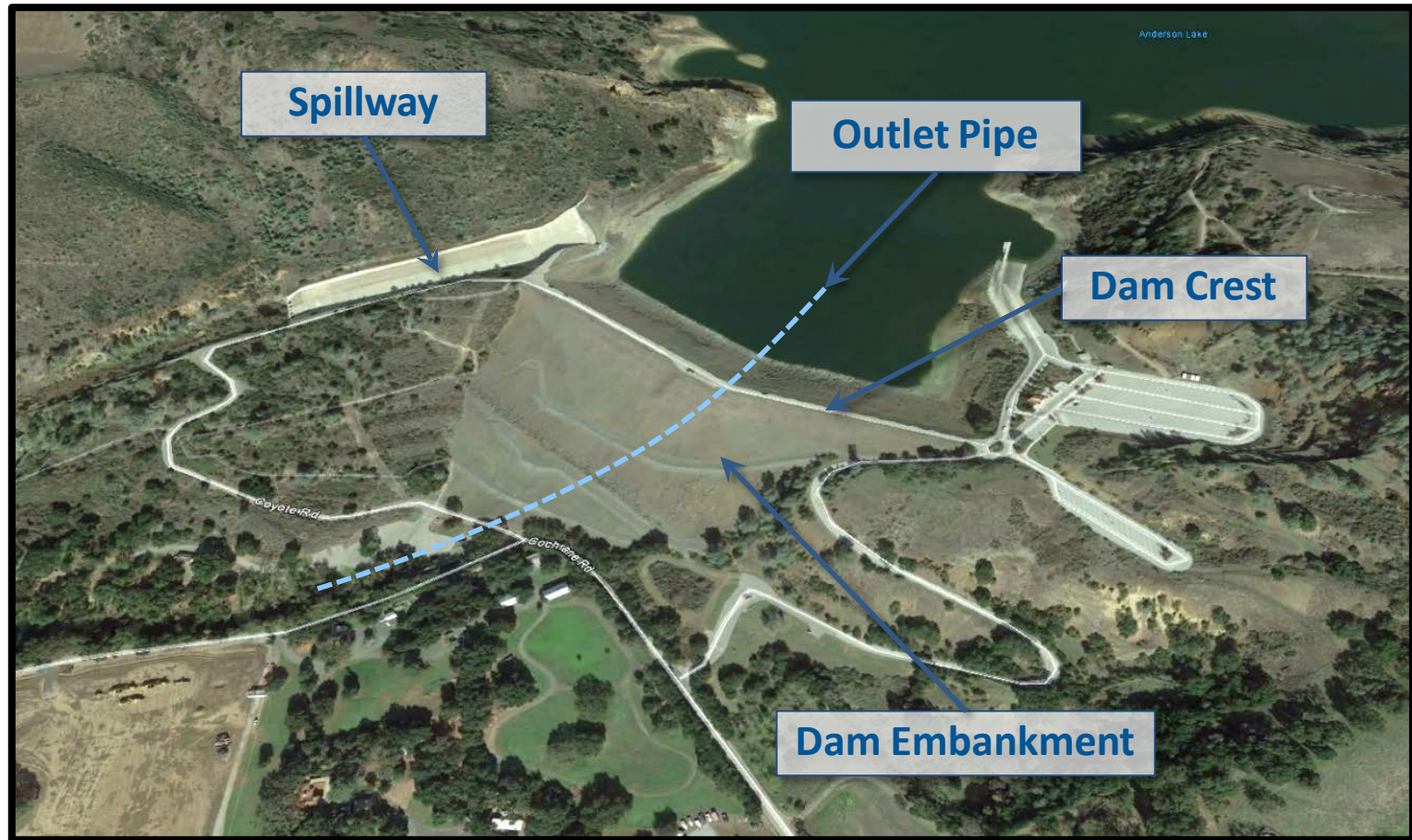


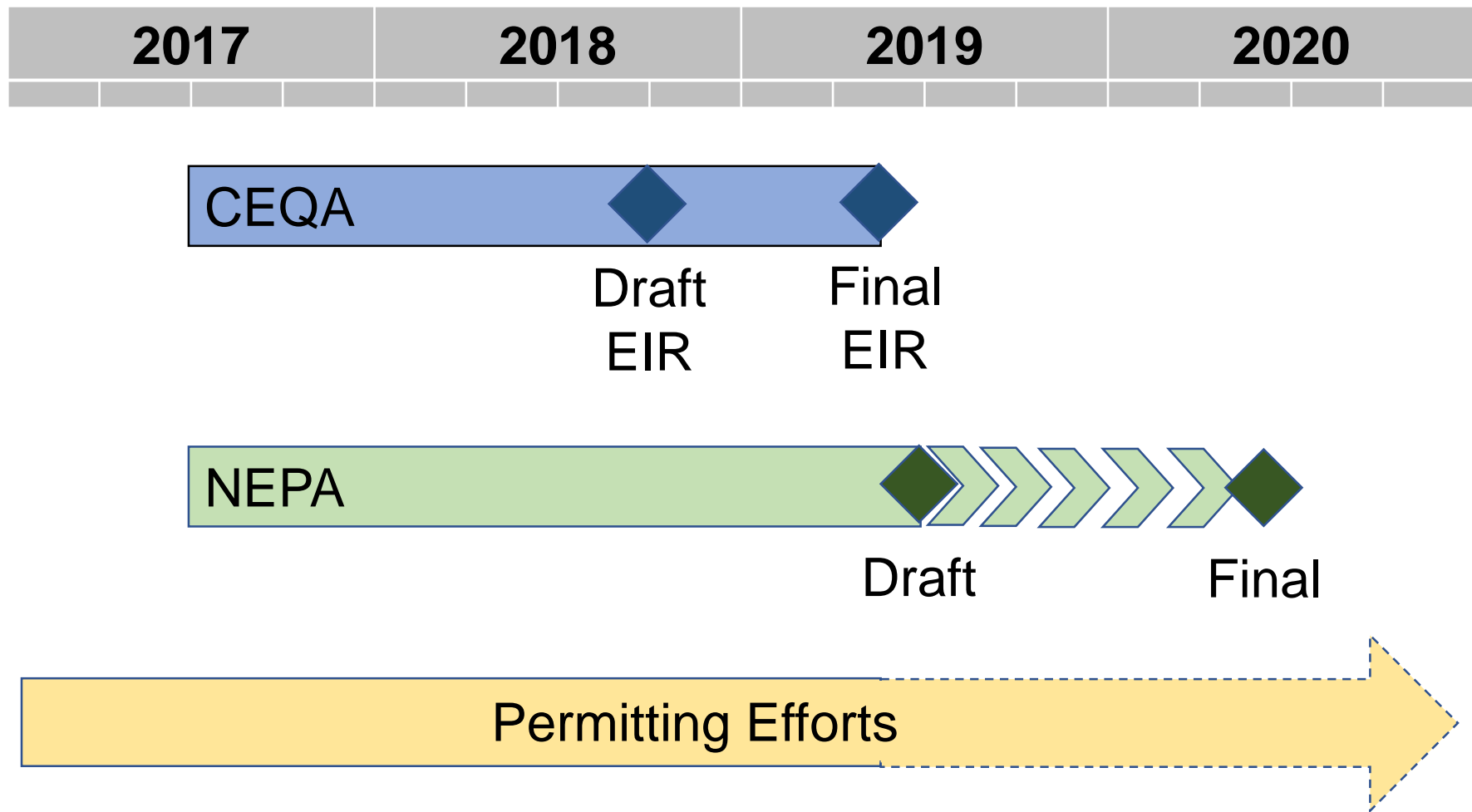
Image Source: Google Earth

Anderson Dam Project Update

Anderson Dam – Current Project Efforts

- 60% Design completed; under review
- Geotechnical investigations for spillway replacement
- Preparation of environmental and permit documents
- Full court press on permitting process.

CEQA/NEPA/Permitting Timeline Overview



Anderson Dam Project - Necessary Permits

- Federal

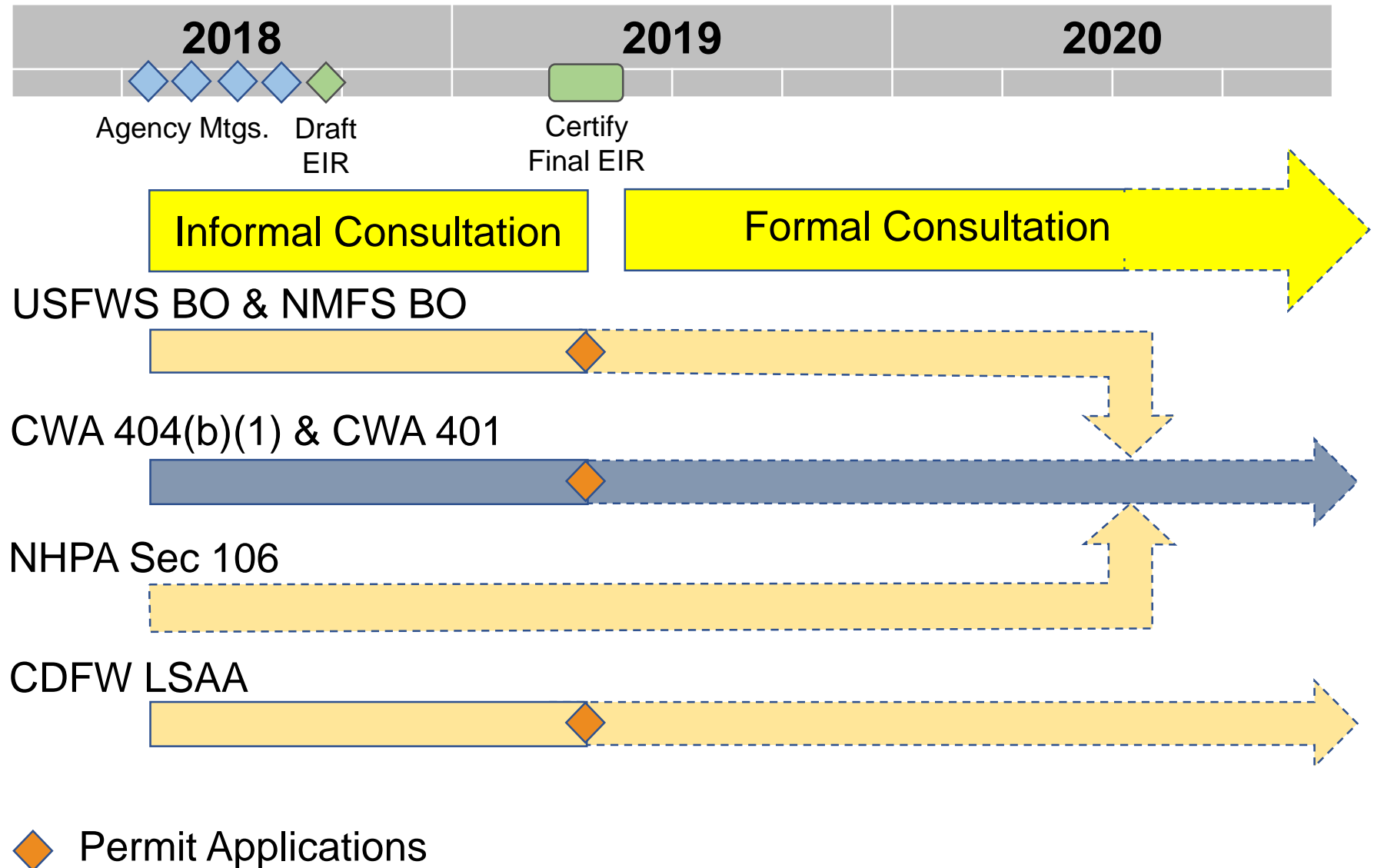
- FERC: Amendment to Exemption for Licensing
- USACE: CWA Section 404 Permit
- USFWS: Incidental take permit (VHP – see below)
- NMFS: Incidental take permit (steelhead trout)

- State

- DSOD: New dam application
- CDFW: LSAA
- VHP: Incidental take authorization (covered species for state and federal ESA)
- SWRCB: General Construction NPDES Stormwater Permit
- SWRCB/SFRWQCB: CWA Section 401 Water Quality Certification
- SHPO: Section 106 of the NHPA

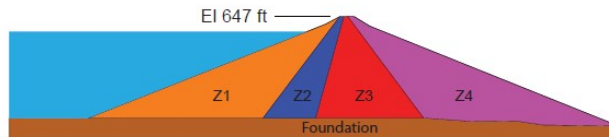
- Local: municipal approvals, encroachment permits, temporary rights of way

Anderson Dam – Anticipated Permitting Process

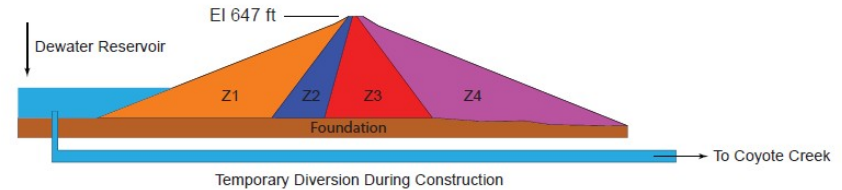


Anderson Dam Embankment Retrofit Sequence

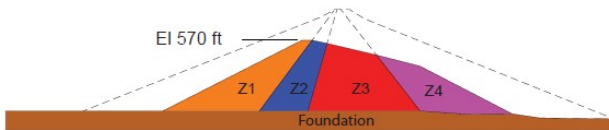
Existing Dam



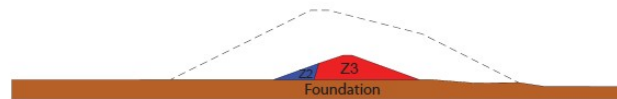
Existing Dam Dewatering



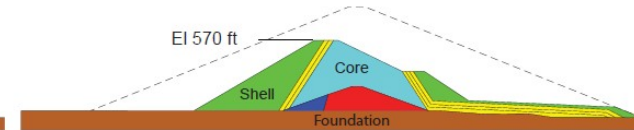
Stage 1 Excavation



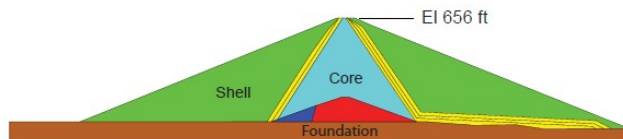
Stage 2 Excavation



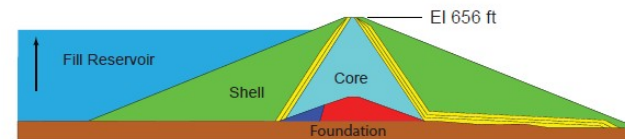
Stage 2 Fill



Stage 3 Fill



Final Configuration



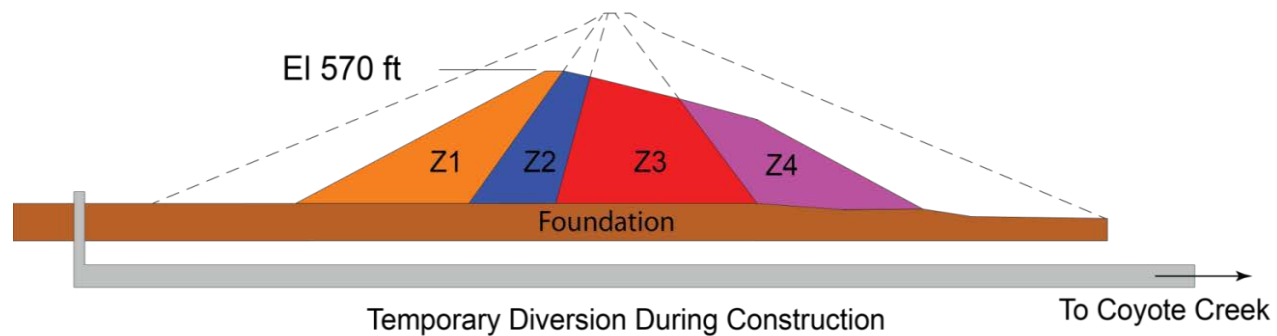
Downstream Releases during Anderson Construction

- Key Objectives:

- Operate flow diversion pipe to minimize risk to interim dam
Minimize downstream flood risk.

- Based on 100,000 simulations, annual risk of diversion releases greater than:

- ❖ 500 cfs = 30%
- ❖ 1,000 cfs = 2%
- ❖ 2,000 cfs = 0.4%
- ❖ 5,000 cfs = 0.03%

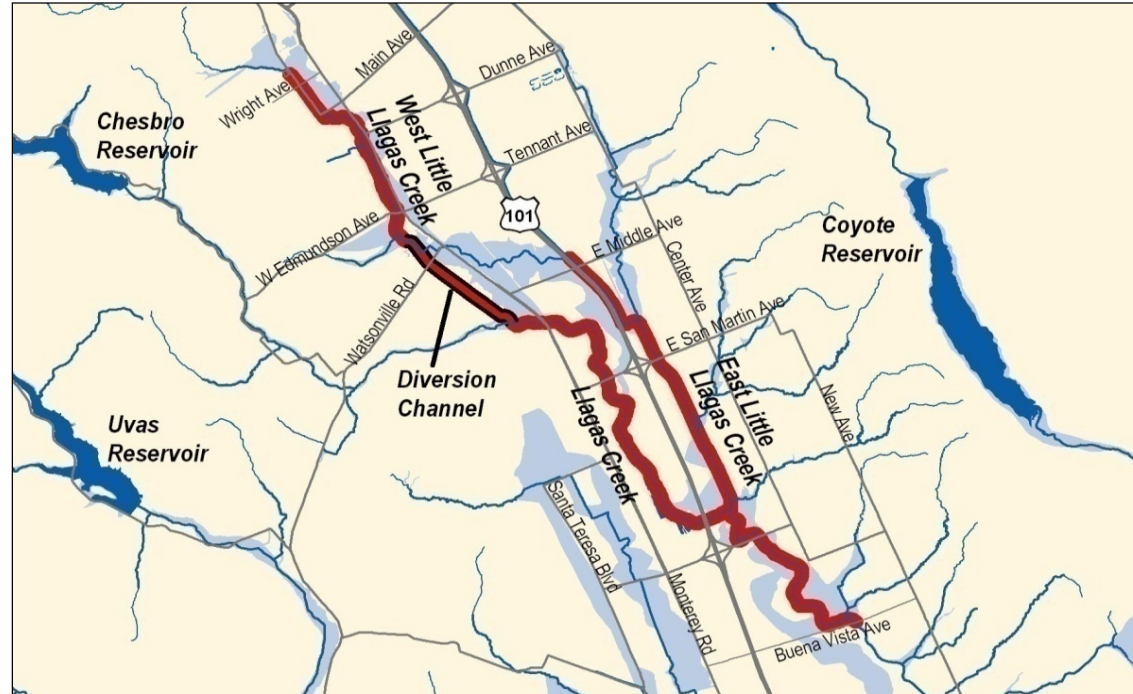


Update on Morgan Hill/South County Flood Protection Projects

Upper Llagas Creek Project Update

Phase 1- Reaches 4-5, 7a

- 2 remaining rights of way in escrow;
- Awaiting Final Biological Opinion from USFWS
 - Army Corps finalizes Env. Impact Study (EIS);
 - Posts EIS in Federal Register;
 - Files Record of Decision
 - Issues final permit
- Project can proceed to construction.



Phase 2 – Reaches 6, 7b, 8, 14

- 10 remaining rights of way to acquire;
- Start of construction will lag Phase 1 by one year.

How Water Supply Services Are Funded

Why do well owners pay SCVWD to pump water from the ground?

Construction at Anderson Reservoir, 1951



**\$550M Seismic Retrofit
under way at Anderson**

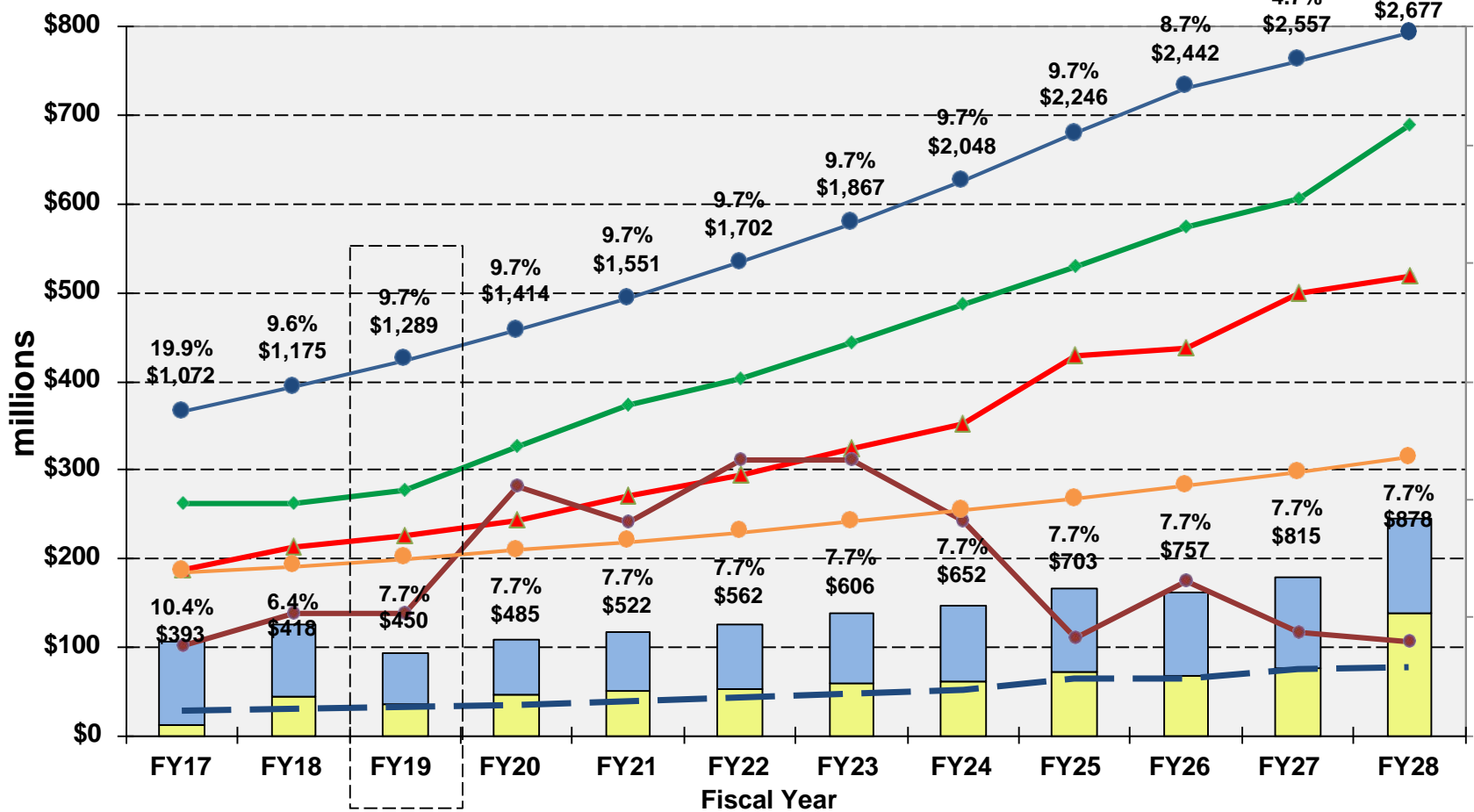
- ▶ Local rainfall cannot sustain Santa Clara County water needs
- ▶ Planning in early 1900's called for construction of reservoirs to capture rainwater to percolate into the ground
- ▶ Groundwater Production Charge is a reimbursement mechanism
 - ▶ pays for efforts to protect and augment water supply

Many activities ensure safe, reliable groundwater supplies

- Plan & construct improvements to infrastructure
- Purchase imported water
- Operate & maintain local reservoirs
- Operate & maintain raw & recycled water pipelines
- Monitor & protect groundwater from pollutants



Financial Analysis: Proposed Groundwater Production Charge Projection



Op & Cap Reserve
Total Revenue + Xfers In
Capital Projects
North County M&I Rate (\$/AF)

Restricted & Other Reserves excl. enc.
Operating Exp. + Xfers Out
Min Op & Cap Reserve
South County M&I Rate (\$/AF)

FY 2018-2019 Schedule

Jan 9	Board Meeting: Preliminary Groundwater Charge Analysis
Jan 17	Water Retailers Meeting: Preliminary Groundwater Charge Analysis
Jan 24	Water Commission Meeting: Prelim Groundwater Charge Analysis
Feb 13	Board Meeting: Review draft CIP & Budget development update
Feb 23	Mail notice of public hearing and file PAWS report
Mar 21	Water Retailers Meeting: FY 19 Groundwater Charge Recommendation
Apr 2	Ag Water Advisory Committee
Apr 3	Landscape Committee Meeting
Apr 10	Open Public Hearing
Apr 11	Water Commission Meeting
Apr 12	Continue Public Hearing in South County
Apr 24	Conclude Public Hearing
Apr 25-27	Board Meeting: Budget work study session
May 8	Adopt budget & groundwater production and other water charges

Summary

- **Groundwater Production Charge projection driven by infrastructure repair & replacement, and water supply reliability investments**
- **FY 19 Groundwater Production Charge increase equates to an increase of \$1.10 per month in South County to average household**

File No.: 18-0654

Agenda Date: 8/21/2018

Item No.: 2.2.

BOARD AGENDA MEMORANDUM

SUBJECT:

Discussion of Homelessness Issues.

RECOMMENDATION:

Receive information for discussion of homelessness issues

SUMMARY:

Santa Clara County currently has over 7,000 homeless individuals, with 74% unsheltered and many living in the riparian areas along urban creeks. In 2016/17, the District removed more than 907 tons of trash and debris from over 400 encampment sites. Beyond trash and debris, impacts of homelessness on the riparian environment include bank excavation, vegetation removal, erosion, fire, hazardous materials and bio-waste, and impacts to fish and wildlife through poaching and habitat destruction. This is a complex countywide problem requiring multi-faceted solutions. The District is committed to working collaboratively with other government agencies, including the Cities of Gilroy and Morgan Hill, and the community to reduce homeless encampments along local creeks.

In addition to other funding sources for creek protection, the 2012 voter-approved special parcel tax (Safe Clean Water and Natural Flood Protection Measure B) provided \$8 million in funding specifically for encampment cleanup with a performance indicator of 52 cleanups a year. Development of an agreement with the City of San Jose established a model for partnering with other cities to work jointly on encampment cleanup efforts. The District works closely with cities, mostly San Jose and Gilroy, on joint encampment cleanup events where the District provides crews, supplies, equipment and the regulatory permits required for the work. The cities provide the pre-encampment cleanup notification, site security, as well as the collection and storage of certain personal property. The cities also provide outreach and support services in advance and on the day of the cleanup. The demand continues to increase, from 131 cleanups in FY14 to over 400 in FY17, and has significantly impacted budgeted funding. The demand has exceeded the 15-year funding allocation for this priority under the Safe Clean Water Program.

In 2016, the Board of Directors (Board) formed a Homeless Encampment Ad Hoc Committee to address the overall issue of homelessness germane to the District's flood protection and stream stewardship mission. Work by the Committee includes analyzing surplus properties for possible use by others for housing, making District rental properties available to Santa Clara County's Office of Supportive Housing, and funding nonprofit groups for cleanups. The Committee will be considering

alternatives to address the shortfalls in funding identified above.

Additional District efforts aimed to reduce and clean up encampments include securing grants and funding for:

1. Security, police patrol services and California Department of Fish and Wildlife assistance;
2. City of San Jose Park Rangers to prevent re-encampment along creeks;
3. Downtown Streets Team, a nonprofit program that engages homeless volunteers, to pick up trash along the creeks while assisting with necessities: a stipend, vital health services and case management;
4. Other nonprofit organizations such as the Gilroy Compassion Center and South Bay Clean Creek Coalition focused on creek cleanups;
5. Adopt a Creek and Coastal Cleanup programs; and
6. Piloting of other tools including providing dumpsters near homeless encampments, clearing understory vegetation and installing alternative fencing or barriers.

The Board also participates in local, state and federal legislative policies that prevent and reduce homelessness. The Board supported Santa Clara County's \$950 million affordable housing bond - Measure A, which voters overwhelmingly approved in November 2016.

District staff participates in regional efforts, including monthly meetings with Santa Clara County cities and public agencies; and chairing both the Zero Litter Initiative and the Bay Area Storm Water Management Agencies Association (BASMAA) trash committee.

Agenda memos for the August 20, 2018 Homeless Encampment Ad Hoc Committee meeting are attached for additional information. Any recommendations from the Committee will be presented to the full Board at a future meeting.

Issues for further discussion may include additional joint efforts, funding sources, and legislative or enforcement opportunities.

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: Homeless Encampment Ad Hoc Committee Meeting Agenda - August 20, 2018

UNCLASSIFIED MANAGER:

Melanie Richardson, 408-630-2035

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COMMITTEE AGENDA MEMORANDUM

Homeless Encampment Ad Hoc Committee

SUBJECT:

Homeless Encampment Cleanup Partnerships.

RECOMMENDATION:

That the Ad Hoc Committee receive information and if required provide staff direction on the following:

1. District's Homeless Encampment Cleanup Partnerships
2. District Pilot Project to Provide Dumpsters Near Homeless Encampments
3. New Pollution Prevention Partnership Agreement with City of San José to Support Downtown Streets Team

SUMMARY:

As the agency responsible for managing an integrated water resources system in Santa Clara County, the District invests valuable public resources to address the impacts of homeless encampments along local waterways. Impacts on the waterways include:

- Increased trash and debris
- Degraded water quality
- Damage to creek banks and reduced flow conveyance
- Degradation of the health of watersheds

The Board's Homeless Encampment Ad Hoc Committee (Ad Hoc Committee) deliberates on homelessness and encampment issues and brings discussion and recommendations to the Board.

1. District's Homeless Encampment Cleanup Partnerships

Homelessness is on the rise, especially in California. The state experienced the largest increase in homeless population in the country between 2016 and 2017. Like many counties throughout the state, Santa Clara County is grappling with how to deal with these homeless encampments. A recent survey in Santa Clara County counted over 7,000 individuals as homeless in 2017, with 74% unsheltered. Many of the homeless in the county end up living in riparian areas along urban creeks and streams, thus contributing to water pollution and degradation of water quality. As a public agency providing water supply, flood protection and stream stewardship, the District is actively involved in reducing the number of homeless encampments in waterways and the pollution associated with them.

Encampment Cleanups

As defined in the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program), an encampment consists of one or more structures occupied by an individual or family that is located on District or other public property. An area where there are no structures, but where personal property is stored is also considered an encampment. A cleanup consists of the removal of trash and debris resulting from encampments by the District or by the District in coordination with other agencies.

The District conducts creekside homeless encampment cleanups in coordination with cities and other agencies to reduce the amount of trash and pollutants entering local waterways, where it can harm water quality and wildlife as well as increase flood risk.

- Encampment cleanups in Fiscal Year (FY) 2018: 571*
- District funds spent: \$1,435,298*
- Trash removed: 1,194 tons*
- Annual encampment cleanup target: 52
- Average number of cleanups annually during the last five years: 400*

Since the District has neither police powers nor the supportive housing and social services, it partners with local cities, agencies and nonprofits to cleanup encampments along creeks. Through this cooperative effort, local agencies provide police and security support, and social services, while nonprofits also help provide assistance.

For example, under this partnership model, the City of San José provides 72-hour notice to encampment residents by posting notices at encampments, security during cleanup, sorting, bagging and storage of personal belongings as required by the State for at least 90 days following the cleanup, outreach and support services, landfill disposal costs and disposal of any hazardous wastes. The City's Department of Housing arranges for social service providers to offer shelter beds and other services to individuals found occupying the encampments, in hopes that they can use these services to help them permanently vacate the encampments. The District provides the cleanup crews and any protective equipment, transportation of the trash to the landfill, any other equipment needed at the site, and permit coverage. The District follows the same model with all partner cities, but most of the encampment cleanups by the District are carried out in San José and Gilroy. The District has an existing Memorandum of Agreement with the City of San José for encampment cleanup, trash removal and prevention, and will be developing a similar one with the City of Gilroy.

Patrol and Enforcement

The District has agreements in place to fund patrol and enforcement services provided by the City of San José Park Rangers and California Department of Fish and Wildlife officers to prevent re-establishment of homeless encampments along the Coyote Creek and Guadalupe River. The effort has been funded at \$245,000 per year by the Impaired Water Bodies Improvement project under the Safe, Clean Water Program priority to Reduce Toxins, Hazards and Contaminants in Our Waterways. The partnership had been effective in the early years of FY 2014-2016, but since then, staff shortages at the

* Preliminary data.

California Department of Fish and Wildlife and the San José Park Rangers Program have resulted in reduced efforts.

Grants and Partnerships

The District currently has a partnership with the City of San José to support the San José Watershed Community Stewardship and Engagement Project. Funding for the project provides support for Downtown Streets Team (DST) to engage homeless individuals through outreach and education on the importance of clean waterways and participation in creek cleanups. The agreement was originally for \$196,250 and was later amended to add an additional \$350,000 to continue supporting DST's efforts. Funded by the Pollution Prevention Partnerships project of the Safe, Clean Water program, the one-time agreement ends in FY 2018. Under the Safe, Clean Water program, up to \$200,000 per year goes toward partnerships with municipalities for specific programs to reduce contaminants in surface or groundwater and reduce emerging contaminants.

The District recently awarded several Safe, Clean Water grants specifically related to engaging homeless individuals in cleanup and outreach efforts. Under the Support Volunteer Cleanup Efforts and Education (B7) program, the Water District awarded a \$15,000 grant to Gilroy Compassion Center to engage homeless individuals living along South County creeks to help keep the creeks free of toxic materials, garbage and other waste. Additionally, the District awarded two separate grants to Downtown Streets Team under the Pollution Prevention (B3) program to support their cleanup projects in San José (Penitencia Creeks Team) and Sunnyvale (El Camino Clean Up). Each grant award is for \$122,280. The District is currently working to execute the final agreements for each of the three grant-funded projects.

Additionally, the District is the co-chair of the Santa Clara Valley Zero Litter Initiative (ZLI), a consortium of public agencies and other stakeholders in Santa Clara County interested in eliminating litter and its impacts. ZLI is helping to coordinate a meeting in August 2018 for agencies that are addressing encampment cleanups in the county. The objective of the meeting is to provide a forum for discussing coordination among staff within these agencies and receive information on the activities conducted relating to homelessness and encampments. Planned presenters include the City of San José, County of Santa Clara, Valley Transportation Authority (VTA), Caltrans, Union Pacific Railroad and the District.

Challenges

Homelessness is a growing problem and cleanup efforts are continuous and must be repeated constantly. It is challenging to prevent new encampments or re-encampments when homelessness is on the rise.

Furthermore, there has been a decline in shared duties. For example, over the last six months, the City of San José has not been able to provide police security at the cleanup events. This is happening at a time when there has been growing safety concern for

field staff conducting encampment cleanups due to multiple incidents. As a result, the District has been funding police presence at cleanups.

Opportunities

Meanwhile, some new opportunities for partnerships and collaboration have also emerged following new initiatives by the District, Santa Clara County and the City of San José and these are:

- A. Stream Maintenance Program Mitigation:** As part of vigorous negotiations with regulators on the implementation of the Stream Maintenance Program 2 (SMP2), the District has proposed to the Regional Water Quality Control Board (RWQCB) that the District receive mitigation credit for carrying out homeless encampment cleanups along the local waterways.

To ensure flood protection projects continue to function as designed to protect homes and businesses along District streams, the District removes sediment, manages vegetation, clears trash and debris and stabilizes eroded stream banks. The District conducts these maintenance activities using best management practices to minimize undesired effects on the environment. The District is also required to mitigate or offset any potential environmental impacts by undertaking a variety of actions that include invasive plant management, riparian planting, installation of instream habitat features (such as Large Woody Debris), land acquisition and other measures.

In July, the District presented an initial proposal to the RWQCB that would allow the District to offset temporary impacts of stream maintenance on vegetation and wetlands by carrying out encampment cleanups.

The proposal provides the District another mitigation option that can be used to compensate for authorized impacts to aquatic resources. Under this proposal, the District would spend money doing encampment cleanups and providing resources, such as the ranger patrols, instead of doing more traditional mitigation such as revegetation or invasive plant management. The District currently spends about \$100,000-150,000 per acre each year on mitigation-related revegetation and the invasive plant management program, and this proposal is to allow the District to instead get credit for spending an equivalent amount of money on cleanups.

The RWQCB is supportive of the District doing the cleanups and has committed to working with District staff to refine the approach and assist the District in getting support from other regulatory agencies as the District moves through the SMP2 permit renewal process this fall. This approach would be most attractive to the state agencies and the EPA, while the US Army Corps of Engineers and other federal resource agencies would present a challenge.

RWQCB staff has offered some suggestions on how to modify the proposal and District staff will work on fleshing out the program in greater detail. The District plans

to present the revised proposal to the RWQCB September-October 2018, as part of the annual permit application.

B. DA Task Force and Park Ranger Task Force Updates: Recently, District staff began participating in two new efforts that have been initiated to address encampments. These are:

- The District Attorney's Office of Environmental Crimes Unit is coordinating meetings to begin discussion of the creation of a Watershed Protection Partnership. The Watershed Protection Partnership would address pollution and streambed alteration violations to local waterways, caused primarily by the existence of encampments.
- The City of San José has begun a Park Ranger Working Group to identify and develop recommendations for the Park Ranger Program, which includes the watershed team which was assigned to patrol creeks.

2. District Pilot Project to Provide Dumpsters Near Homeless Encampments

In late June 2018, the District began a pilot project to provide dumpsters near homeless encampments so that homeless campers can keep their sites clean. Under the pilot project, the District has placed dumpsters at three sites near areas of frequent encampments. Two of the sites are in San José, one each on Guadalupe River and Coyote Creek, and the third site is on Llagas Creek in Gilroy. The dumpsters are available 24 hours a day and these sites are monitored weekly, at a minimum. Staff will provide a more detailed report on the progress of the pilot project at the August 20, 2018, Ad Hoc Committee meeting.

3. New Pollution Prevention Partnership Agreement with the City of San José to Support Downtown Streets Team

The District is currently working with the City of San José's Housing Department to enter into a partnership to support their Encampment Abatement Program. The program provides resources to Downtown Streets Team to engage homeless individuals to assist with creek cleanups and conduct outreach in the creeks to inform them of the importance of keeping the creeks and other waterways clean. The District is contributing \$195,000 to the partnership. The total budget for the project is \$495,000. The partnership is for one year, beginning in FY 2019.

ATTACHMENTS:

None.

UNCLASSIFIED MANAGER:

Melanie Richardson, 408-630-2035

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File No.: 18-0655

Agenda Date: 8/21/2018

Item No.: 2.3.

BOARD AGENDA MEMORANDUM

SUBJECT:

Emergency Services Coordination.

RECOMMENDATION:

That the Santa Clara Valley Water District Board of Directors and the Gilroy and Morgan Hill City Councils consider directing their respective staff to commit to ongoing and strengthened coordination and partnership on emergency activities and service.

SUMMARY:

The six-person Emergency Services staff within the Emergency Services and Security Unit is responsible for the District's emergency operations. This includes leading the development of plans, conducting emergency management trainings and exercises, ensuring the availability of resources, and collaborating with other agencies.

The unit also has responsibility for the Emergency Operations Center (EOC). In addition to the EOC, the District also has two Department Operations Centers (DOCs) that are utilized to directly support field operations in Watershed and Water Utility.

The DOCs are managed within the Watershed and Water Utility Divisions of the District and are activated independently or in coordination with the EOC, depending upon the nature of the emergency. When a DOC is activated, staff in the DOC often interact and collaborate with employees from other entities such as District retailers or County agencies such as HazMat/Fire and the Cities of Morgan Hill and Gilroy.

Some emergencies that the District could respond to include floods, levee or facility issues, water contamination, water supply disruption, pipeline damage, underground storage subsidence, dam failure and earthquake.

One of the lessons of the 2017 floods was the importance of collaborating with other agencies. Over the past year, through collaboration, open communication, and development of close professional ties, the District and the City of San Jose have developed a robust Emergency Action Plan (EAP) to respond to future incidents.

EAPs are scenario-specific and are based on streams, dams and affected locations. The District has also embarked on a program to develop EAPs for sites that are prone to flooding in collaboration with relevant municipalities or other agencies. These EAPs clarify responsibilities of the District and the municipalities/agencies.

Another important initiative is the District's active monitoring of storms and the development of metrics to ascertain the likelihood of floods. These efforts are designed to provide the District with the ability to better prepare for and respond to rapidly changing situations.

To prepare for future incidents, Emergency Services has initiated an aggressive training program. With the intent of enhancing their knowledge, District staff assigned to the EOC have participated in a series of classes on the basic EOC roles. Staff have also attended trainings based upon function. For example, a course specific to Logistics was well-attended in February 2018. It allowed attendees to dive deeper into their roles and identify gaps in their documentation or ability to fulfill potential demands in the aftermath of a major event. Additional trainings and exercises are planned for the future, as is the District's participation in our stakeholder agencies' events.

Response Structure

The District utilizes the Incident Command System (ICS), Standardized Emergency Management System (SEMS), and National Incident Management Systems (NIMS) for consistency in terminology, communications, and overall structure. These are the systems used by municipalities, which are based on emergency response best practices.

Personnel Resources

Over 160 District personnel are assigned to the EOC. Included in the roster is a wide range of categorical technical specialists. Some examples include pipeline emergency, levees, water quality, meteorology/hydro, and dam safety.

The District's EOC Public Information Branch, which is managed by the Public Information Officer, has well-developed capabilities. The functions within this branch include Information Gathering and Dissemination, Government Relations, CEO/Board Support, Media Relations, and Call Center Operations.

The District has redundant communication capabilities to communicate with District staff: hardline phone, text messaging, pagers, hand-held radio, County radios (Control 10), amateur radio, satellite phone, and mass notification (Blackboard Connect).

Equipment Resources

The District's construction equipment is based on watershed and creek management activities. Some examples of available equipment include excavators, dump trucks, loaders, backhoes and cranes. These are some of the resources that could potentially be requested as mutual aid to support a response outside of the District.

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: PowerPoint

UNCLASSIFIED MANAGER:

Tina Yoke, 408-630-2385

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Emergency Services Coordination

August 21, 2018

Response Structure

Incident Command System (ICS)
Standardized Emergency Management System (SEMS)
National Incident Management System (NIMS)

Emergency Operations Center (EOC),
Department Operation Centers (DOCs)

Based on Watershed and Water Utility functions

Potential Emergencies (examples)

Watershed

- Flooding
- Levee or other facility issue

Water Utility

- Water contamination
- Water supply disruption
- Pipeline damage
- Underground storage subsidence

Water Utility and Watershed

- Dam failure
- Earthquake



Resources (personnel)

- 160+ assigned to EOC
- Technical Experts (Watershed and Utility)
- Public Information Branch

*Communication redundancy

Santa Clara Valley
Water District



Resources (equipment)

- Excavators
- Dump Trucks
- Loaders
- Backhoes
- Cranes
- More...



Resources Cont. (equipment)



Emergency Action Plans (EAPs)

Scenario Specific – streams, dams, locations

Inundation Maps and Downstream Contact Lists

Activation Levels, scenario data and monitoring

Lessons Learned from 2017 Flood

EAPs, Multi-Agency Coordination (MAC)

Coordination with Emergency Operations Plan (EOP)

Emergency Services

- Within Emergency Services and Security Unit – Manager and 5 Emergency Services Staff
- Emergency Planning, Training and Exercise
- EOC Readiness
- City and County Collaboration and Coordination



File No.: 18-0658

Agenda Date: 8/21/2018

Item No.: 2.4.

BOARD AGENDA MEMORANDUM

SUBJECT:

2018 Legislative Efforts and Recommended Position on State Legislation: Senate Bill 1301 (Beall) Expedited Permitting for Flood Protection and Dam Safety.

RECOMMENDATION:

- A. That the Santa Clara Valley Water District Board of Directors and Gilroy and Morgan Hill City Councils consider directing staff to work together on advocacy efforts on water supply, flood protection, and other issues of mutual interest, including letters of support on bills, rulemaking actions, and/or advocacy with federal and state elected officials and regulatory agency officials, and other actions; and
- B. That the Gilroy and Morgan Hill City Councils consider taking a position of support on Senate Bill 1301 (Beall) - Expedited Permitting for Flood Protection and Dam Safety, and direct city staff to follow up with advocacy efforts, as appropriate.

SUMMARY:

Securing adequate funding, authorization, and permits for flood protection and water supply projects is difficult and requires advocacy efforts at the federal and state levels to move projects forward to completion. The District pursues these advocacy efforts year-round by meeting with federal, state and regulatory officials to advocate for funding, authorization, and permits for these projects. The Cities of Gilroy and Morgan Hill have partnered in the past with the District to advocate for such projects by sending letters of support on grant applications, federal funding requests, and other advocacy efforts for these projects. Most recently, the cities partnered with the District by providing a letter of support for the District's Pacheco Reservoir Expansion Project's Proposition 1 grant application, which ultimately was awarded full grant funding from the California Water Commission.

Recognizing the importance of joint advocacy efforts in advancing critical water supply, flood protection, and environmental stewardship projects, staff recommends that the City Councils consider supporting a District-sponsored state legislative bill that benefits the south county region, outlined below.

Senate Bill 1301: Expedited Permitting for Flood Protection and Dam Safety

In recent years, there has been a growing threat to human lives and property as a result of floods,

mudslides, drought, and wildfires. Although current law allows state agencies to take quick action in emergency situations by exempting lifesaving projects from normal regulatory permitting, the exemption does not cover those projects that protect human life that do not rise to the level of an emergency. In addition, chronic understaffing at permitting agencies means that permitting projects that will help protect life and property are often delayed by months or even years. The delayed engagement by permitting agencies can result in costly project redesigns and funding shortfalls that add significant delays in bringing the enhanced benefits of the project to the public. Senate Bill (SB) 1301, titled Expedited Permitting for Flood Protection and Dam Safety and authored by State Senator Jim Beall, would address this issue for dams and flood safety projects through interagency collaboration funded by project applicants.

Under SB 1301, an applicant for a dam safety or flood risk reduction project could pay fees to cover the costs of supplemental consultation. The applicant fees would make additional staff resources available to chronically understaffed state permitting agencies and thus expedite the permitting process by allowing permitting agencies to participate earlier and throughout the environmental review and permitting processes. The supplemental consultations could cover:

- Environmental impacts and mitigation;
- Feedback on environmental documents; and
- Identifying any conflicts between the various conditions for permit approval.

SB 1301's supplemental consultation does not exempt dam safety and flood risk reduction projects from the California Environmental Quality Act (CEQA) or any other environmental compliance requirements, but instead would make those requirements more effective and the permitting process more efficient. Earlier and closer coordination among permitting agencies will expedite permitting and speed the implementation of enhanced safety benefits for the public.

This bill is important to the south county area because it will help accelerate critical dam safety projects (such as the Anderson Dam Seismic Retrofit Project) and flood risk reduction projects that will help improve flood protection for both residents and businesses while ensuring that the projects are in full compliance with CEQA.

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.

File No.: 18-0658

Agenda Date: 8/21/2018
Item No.: 2.4.

ATTACHMENTS:

Attachment 1: SB 1301 Fact Sheet

Attachment 2: SB 1301 Sample Support Letter

UNCLASSIFIED MANAGER:

Rachael Gibson, 408-630-2884

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SB 1301 (Beall)
Expedited Permitting for Flood Protection & Dam Safety
Fact Sheet
As Amended August 6, 2018

ISSUE

The threat to human lives from natural disaster has been painfully demonstrated by the recent drought, wildfires, mudslides, and floods. Flood control projects and dam safety enhancements can reduce the risks of natural disasters and save lives. Unfortunately, these projects are typically located in rivers, streams, and riparian zones and often face significant delays in the state regulatory process, even after California Environmental Quality Act (CEQA) review has been completed.

Current law permits authorities to take quick action in response to emergencies by exempting lifesaving projects from normal regulatory permitting. However, some high priority projects to protect human life and safety do not rise to the level of an emergency of clear and imminent danger. Furthermore, due to understaffing at state permitting agencies, deadlines for permitting are often missed, particularly for large projects that yield the most public safety benefit.

SB 1301 seeks to help expedite flood and dam safety projects through interagency collaboration funded by project applicants.

BACKGROUND

CEQA currently requires state agencies to provide advice and comment regarding environmental impacts during the environmental review and community engagement processes. However, under-resourced state agencies often fail to provide meaningful comment during the early stages of the CEQA process and only fully engage during the permit application review.

Late engagement by state agencies can result in costly project redesigns, last minute funding shortfalls, and significant delay in delivering the public safety benefits of flood risk reduction and dam safety projects.

The state's aging public infrastructure poses a growing threat that may only increase while agencies struggle to secure funding, conduct environmental review, and seek permitting approvals. Timely engagement by state

regulators during CEQA review and expeditious treatment of permit applications for high-priority projects will increase human life safety through flood risk reduction and dam safety enhancement.

THIS BILL

SB 1301 would provide a mechanism for supplemental consultation by state permitting agencies for flood risk reduction and dam safety projects. A project applicant would pay fees to cover the costs of supplemental consultation with relevant agencies that could occur both early in the project design phase and throughout the permitting process. The objectives of the consultations include identifying actions that could expedite the required permits, discussing environmental impacts and mitigation, providing feedback on environmental documents, and identifying any conflicts between the various conditions proposed for permit approval.

Supplemental consultation on vital flood and dam safety projects would help the CEQA process work better for community stakeholders and project applicants. Fees paid by large projects needing this type of additional consultation would increase the staffing resources available to state permitting programs. It also would help avoid permitting issues that lead to unanticipated costs such as late-phase project redesigns or significant mitigations for environmental impacts not contemplated in the CEQA process.

SB 1301's supplemental consultation would not exempt dam safety and flood risk reduction projects from CEQA or other environmental compliance, but would make those mechanisms work better when it matters most. With smarter governance tools provided by SB 1301, the state can facilitate the timely delivery of flood protection and dam safety projects that reduce the risk to human life and property while appropriately mitigating for environmental impacts.

STATUS/VOTES

Assembly Appropriations Committee – Suspense File.

SUPPORT

Santa Clara Valley Water District (Sponsor)
AFSCME Local 101
Alameda County Board of Supervisors
American Water Works Association (CA-NV Section)
Bay Area Council
California State Association of Electrical Workers
California State Pipe Trades Council
County of Santa Clara
Cupertino Chamber of Commerce
Gilroy Chamber of Commerce
Metropolitan Water District of Southern California
Midpeninsula Regional Open Space District
Milpitas Chamber of Commerce
Silicon Valley Leadership Group
Western States Council of Sheet Metal Workers

OPPOSITION

None

FOR MORE INFORMATION

Staff Contact: Estevan Ginsburg
estevan.ginsburg@sen.ca.gov or (916)651-4015

[Insert Date]

The Honorable Jim Beall
California State Senate
State Capitol, Room 2082
Sacramento, CA 95814

Subject: SB 1301 (Beall) Permitting for Flood Protection & Dam Safety - SUPPORT

Dear Senator Beall:

On behalf of [insert entity name], I would like to express our support for SB 1301, which will help expedite state permits for flood protection and dam safety projects that protect life safety.

State agency environmental permits serve to protect our environment from pollution and human impacts on species. We strongly support these goals, but also see that flood protection and dam safety projects can be delayed by excessively long periods of permit processing. Those delays can put disadvantaged communities located in flood prone areas in danger, possibly with disastrous results.

SB 1301 seeks to improve efficiency in permit processing for flood protection and dam safety projects, without compromising on environmental protection. In recent years, the number of projects seeking permits have increased while understaffing at state permitting agencies remains an issue. SB 1301 would provide a mechanism for supplemental consultation and interagency collaboration on permit processing for flood protection and dam safety projects.

Under the bill, a project applicant would have to option to request supplemental consultation and interagency collaboration. Fees paid by the applicant would cover state costs and would enable enhanced engagement with the project applicant early in the project design phase and throughout the permitting process. This supplemental consultation would identify actions that could expedite the required permits, discuss environmental impacts and mitigation, provide feedback on environmental documents, and to resolve any conflicts between the various conditions proposed for permit approval.

This collaborative approach to vital flood protection and dam safety projects would help the California Environmental Quality Act (CEQA) process work better for community stakeholders and project applicants. It also would help avoid permitting issues that lead to unanticipated costs such as late-phase project redesigns or significant mitigations for environmental impacts not contemplated in the CEQA process.

[Insert entity name] thanks you for authoring SB 1301 and urges your colleagues in the Legislature and Governor Brown to enact these important reforms to expedite flood protection and dam safety projects that protect life safety. If you or your staff have questions, please don't hesitate to contact me.

Sincerely,
[Insert name]
[Insert title]

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