



Santa Clara Valley Water District Board of Directors Meeting

Headquarters Building Boardroom
5700 Almaden Expressway
San Jose, CA 95118

CLOSED SESSION AND SPECIAL MEETING AGENDA

**Monday, April 6, 2020
11:00 AM**

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

DISTRICT BOARD OF DIRECTORS

Nai Hsueh, Chair, District 5
Tony Estremera, Vice Chair, District 6
John L. Varela, District 1
Barbara Keegan, District 2
Richard P. Santos, District 3
Linda J. LeZotte, District 4

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 Act.

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**Santa Clara Valley Water District
Board of Directors
CLOSED SESSION AND SPECIAL MEETING
AGENDA**

Monday, April 6, 2020

11:00 AM

Headquarters Building Boardroom

IMPORTANT NOTICES

This meeting is being held in accordance with the Brown Act as currently in effect under the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20 issued on March 17, 2020 that allows attendance by members of the Board of Directors, District staff, and the public to participate and conduct the meeting by teleconference, videoconference, or both.

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

1. CALL TO ORDER:

Join Zoom Meeting:
<https://valleywater.zoom.us/j/252593712>
Meeting ID: 252 593 712

Join by Phone:
1 (669) 900-9128, 252593712#

1.1. Roll Call.

2. TIME CERTAIN:

11:00 AM

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

[20-0377](#)

CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code Section 54957.6(a)

Agency Designated Representatives: Norma Camacho, Michael Baratz,
Tina Yoke, Anna Noriega

Employee Organizations: Employees Association, Engineers Society,
Professional Managers Association

12:00 PM

Rejoin Zoom Meeting:
<https://valleywater.zoom.us/j/596589581>
Meeting ID: 596 589 581

Rejoin by Phone:
1 (669) 900-9128, 596589581#

- 2.2. District Counsel Report.
- 2.3. Pledge of Allegiance/National Anthem.
- 2.4. 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.
- 2.5. Discussion on Alternatives to Consider for Purposes of the Fiscal Year (FY) 2020-21 Budget, Capital Improvement Program (CIP), and Water Charge Setting Processes in Response to the COVID-19 Pandemic. [20-0375](#)

Recommendation: Discuss alternatives for staff to consider in preparation for the Groundwater Production Charge and CIP public hearings scheduled for April 28, 2020, and the Budget Work Study Session scheduled for April 29, 2020, and provide direction to staff as necessary.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: Second Pass Budget Update Memo](#)
[Handout 2.5-A: S. Lee, IFPTE Local 21](#)

Est. Staff Time: 5 Minutes

- 2.6. Proposed Amendments to Consultant Agreements to Enable Valley Water's Compliance with February 20, 2020 Order of the Federal Energy Regulatory Commission on Anderson Dam Seismic Retrofit Project, Project No. 91864005; Authorize Chief Executive Officer to Negotiate and Execute Amendment No. 7 to Agreement A3676A Between Santa Clara Valley Water District and URS Corporation and Amendment No. 8 to Agreement A3555A Between Santa Clara Valley Water District and Black and Veatch Corporation up to an additional \$10M.

[20-0376](#)

- Recommendation:
- A. Discuss the need to amend consultant agreements with URS Corporation (for engineering design services) and Black and Veatch Corporation (for project management services) to enable Valley Water's compliance with the February 20, 2020 letter order of Federal Energy Regulatory Commission (FERC) concerning the Anderson Dam Seismic Retrofit Project (ADSRP); and
 - B. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 7 to Agreement A3676A with URS Corporation up to an additional \$8M and Amendment No. 8 to Agreement A3555A with Black and Veatch Corporation up to an additional \$2M.

Manager: Christopher Hakes, 408-630-3796

Est. Staff Time: 10 Minutes

3. ADJOURN:

- 3.1. Board Member Reports/Announcements.
- 3.2. Clerk Review and Clarification of Board Requests.
- 3.3. Adjourn to the 11:00 a.m. Special Closed Session Meeting on Tuesday, April 14, 2020, to be called to order in compliance with the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20.

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Santa Clara Valley Water District

File No.: 20-0377

Agenda Date: 4/6/2020
Item No.: 2.1.

NON-EXHIBIT/CLOSED SESSION ITEM

SUBJECT:

CLOSED SESSION

CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code Section 54957.6(a)

Agency Designated Representatives: Norma Camacho, Michael Baratz, Tina Yoke, Anna Noriega

Employee Organizations: Employees Association, Engineers Society, Professional Managers Association

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Santa Clara Valley Water District

File No.: 20-0375

Agenda Date: 4/6/2020
Item No.: 2.5.

BOARD AGENDA MEMORANDUM

SUBJECT:

Discussion on Alternatives to Consider for Purposes of the Fiscal Year (FY) 2020-21 Budget, Capital Improvement Program (CIP), and Water Charge Setting Processes in Response to the COVID-19 Pandemic.

RECOMMENDATION:

Discuss alternatives for staff to consider in preparation for the Groundwater Production Charge and CIP public hearings scheduled for April 28, 2020, and the Budget Work Study Session scheduled for April 29, 2020, and provide direction to staff as necessary.

SUMMARY:

The purpose of this agenda item is to facilitate a Board discussion on the FY 2020-21 budget, water charges and CIP in response to the COVID-19 pandemic. Staff is requesting that the Board provide ideas, analysis requests, and further guidance on these financial planning processes given the tremendous economic pressures unfolding due to the COVID-19 Pandemic. Staff's intent is to provide the requested analysis and corresponding alternative actions and plans at the public hearings on groundwater charges and the CIP scheduled for April 28, 2020, and the Budget Work Study session scheduled for April 29, 2020. The Second Pass Budget Development Update for FY 2020-21 (attached), provides pre-Pandemic budget information. This information may be helpful to the Board in its consideration of financial issues and alternatives for this discussion.

FINANCIAL IMPACT:

There is no financial impact associated with this item. However, the discussion had by the Board on this item may have a significant impact on the budget, water charges and CIP adopted by the Board for FY 2020-21.

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:

File No.: 20-0375

Agenda Date: 4/6/2020
Item No.: 2.5.

Attachment 1: Second Pass Budget Update Memo
Lee, IFPTE Local 21

Handout 2.5-A, S.

UNCLASSIFIED MANAGER:
Darin Taylor, 408-630-3068

MEMORANDUM

TO: Board of Directors

FROM: Darin Taylor

SUBJECT: FY2020-21 Second Pass Budget
Development Update

DATE: March 24, 2020

Dear Board Members:

The FY21 budget development schedule called for staff to provide a Second Pass budget development update to the Board at the March 24, 2020 Board meeting. Due to the cancellation of that Board meeting, I am submitting this memo for your information. The next scheduled Board discussion on the FY21 Budget is the Budget Work Study session scheduled for April 29, 2020. Please provide any comments you may have on the Second Pass directly to Michele King in writing and do not copy anyone else. Your written comments will become an attachment to the Budget Work Study session materials. To ensure compliance with the Brown Act, please do not discuss this memo or share your comments or questions with each other.

Note that the Second Pass Budget was prepared prior to the emergence of the COVID-19 pandemic.

Summary

The FY2020-21 (FY21) Second Pass Budget of \$652.1 million provides funding for reliable clean water, support services, debt service, water resource stewardship and a healthy and safe environment. The Board Work Plan serves as the guide for the preparation of this Second Pass budget, which includes the impact of 23 new positions proposed by the CEO to address various Board and workload priorities. A discussion of revenues, salaries and benefits, new proposed positions, operating and capital expenditures, debt service, and reserves follows.

Revenues

The FY21 Second Pass Budget includes projected revenues of \$545.1 million, which are generally aligned with Valley Water's long-range planning documents. These revenues are an increase of \$43.3 million from the \$501.8 million included in the FY20 Adopted budget. The increase is primarily derived from higher water charges revenue (\$13.8 million), 1% ad valorem property taxes (\$8.9 million), special parcel tax (\$1.6 million), capital reimbursements (\$17.8 million), as well as interest and other operating and non-operating revenues (\$17.8 million), offset by a decrease of Benefit Assessment revenues (-\$1.0 million). The specific categories of revenue include:

- Water Charges Revenue: Total water charges revenue of \$291.2 million, a \$13.8 million increase over FY20 assumes a district-managed water use projection of 230KAF or a reduction of 20.1

KAF vs. 1st Pass projection of 251.4KAF. Additionally, the M&I Ground Water Production Charge assumptions are:

1. 8.6% increase for North County (6.5% in 1st Pass)
 2. 5.2% for South County (4.7% in 1st Pass)
 - 2.9% decrease for Modified Zone W-5
 - 9.4% increase for New Zone W-7
 - 32.0% decrease for New Zone W-8
- Property Tax: 1% Ad-valorem Property Tax of \$110.9M, an \$8.9 million increase over FY20 due to new construction and increased assessed valuation based on the local real estate market
 - Special Parcel Tax: The Special Parcel Tax of \$47.1 million, a \$1.6 million increase over FY20 based on an annual 3.5% increase assumption
 - Benefit Assessments: Benefit Assessment revenue of \$12.4 million, a \$1.0 million decrease versus FY20 due to liquidation of the Benefit Assessment Reserve offsetting levy revenue collections
 - Capital Reimbursements: Capital reimbursements of \$50.4 million, an increase of \$17.8 million over FY20; capital reimbursements are from local, state and federal agencies for specified completed capital work:
 1. Watershed Fund: \$20.1 million
 2. Safe, Clean Water Fund: \$12.2 million
 3. Water Enterprise Fund: \$18.1 million
 - Interest Income and Other: Interest earnings and other of \$15.1 million, increase of \$2.2 million primarily due to updated cash balance and interest forecast estimates

Salaries and Benefits

The FY21 salaries and benefits budget is based on a total of 894 positions composed of 882 authorized positions, 8 limited term, and 4 management fellows. The total salaries budgeted for these positions are \$122.9 million, an increase of \$11.4 million from the FY20 adopted budget. The increase is primarily due to a 4% cost of living adjustment, step increases for eligible positions, 17 Board previously approved positions absorbed in the FY20 Budget, which impact the FY21 Budget, and 23 new positions requested in FY21. Total salaries for FY21 include \$123.8 million in regular salaries less \$5.0 million in salary savings, plus \$4.1 million in overtime and special pay.

Total benefits are budgeted at \$64.4 million, a \$5.9 million increase over the FY20 adopted budget, which includes a \$3.9 million increase in CalPERS contributions, a \$1.7 million increase in medical costs for active and retired employees, and \$0.3 million increase in payroll taxes and other benefits.

New Proposed Positions

The FY21 Second Pass Budget includes the impact of 23 new positions proposed by the CEO to address various Board and workload priorities, including five new positions to provide capital implementation plan support for capital projects. The 23 positions are as follows and would be recruited at the appropriate time to provide the organization with operating and capital project support:

- **Watersheds – 9 positions**

1. Assistant Biologist: Support WUE operations, maintenance activities, and ensure compliance with applicable permits and Mitigation Monitoring Plans
2. Environmental Services Manager: Lead new unit to meet extensive new capital project and water supply needs and oversee expansion of surface water quality programs
3. Senior Maintenance Worker: Address deferred O&M vegetation removal for mitigation site maintenance (Priority D1)
4. Maintenance Worker III: Address deferred O&M vegetation removal for mitigation site maintenance (Priority D1)
5. Maintenance Worker III: Support Safe Clean Water Capital Improvement Programs coming on board for Priority E1.3
6. Maintenance Worker I: Address deferred O&M vegetation removal for mitigation site maintenance (Priority D1)
7. Maintenance Worker I: Support Safe Clean Water Capital Improvement Programs coming on board for Priority E1.3
8. Hydrographer I: Support workload from previously installed, and future, stream and rainfall gauges for various projects and programs
9. Administrative Assistant: Provide full-time administrative support to the Water Utility and Watersheds Deputy overseeing the Capital Divisions

- **Water Utility – 10 Positions**

10. Senior Engineer: Provide project management for the Indirect Potable Water Reuse Projects

11. Staff Analyst: Provide support for the Indirect Potable Water Reuse Projects
12. Associate Engineer – Civil: Provide engineering support for Treatment Plant capital projects
13. Associate Engineer – Civil: Provide engineering support for Treatment Plant capital projects
14. Associate Engineer – Civil: Provide support for the Treatment Plant Implementation Projects; including preparing capital project delivery plans through programmatic EIR
15. Associate Engineer – Civil: Prepare pipelines maintenance program documentation and EIR; monitor AFO systems, RISK Model, Seismic, Penitencia WTP Geotechnic
16. Assistant Engineer – Civil I: Support Distribution Systems Implementation Projects; prepare capital project delivery plans through programmatic EIR
17. Assistant Engineer – Control II: Provide support for SCADA Implementation Projects; prepare capital project delivery plans through programmatic EIR
18. Assistant Water Resource Specialist II: Oversee Distribution Systems Implementation Projects; prepare capital project delivery plans through programmatic EIR
19. Senior Engineer: Provide project management for the Treatment Plant Implementation Projects; prepare capital project delivery plans through programmatic EIR

- **IT & Administrative Services – 4 Positions**

20. Staff Analyst: Administer notifications for EEO Orientation, SB 1343, AB-1825 and AB-1234 training, and provide administrative support for Ethics & EEO program
21. Human Resources Technician II: Support advertising/job posting, facilitate interview scheduling, and provide administrative support for all temporary staff and year-round interns
22. Management Analyst II: Support the Recruitment Program and proactively partner with the Hiring Managers to enhance the hiring process
23. Senior Information Systems Technician: Support a strong Cybersecurity program with dedicated staff to work on 17 important Cybersecurity projects

Operating and Capital Expenditures

The FY21 Second Pass Budget operating expenditures are \$381.7 million, an increase of \$35.0 million versus the FY20 budget. The increase is primarily attributed to:

General Fund and Internal Service Funds: increase of \$14.8 million primarily due to labor cost increases as discussed previously, and \$8.5 million increased services and supplies driven by election costs (including the special parcel tax extension effort), buildings and grounds needs, the signage program, additional security needs, increased software license costs, and increased external legal needs.

Water Utility Funds: increased \$16.1 million primarily due to labor cost increases as discussed previously and \$10.5 million increased services and supplies driven by Delta Conveyance gap funding (\$6.1 million) and a State Water Project imported water cost increase (\$4.6 million). Additionally, supplies and services costs were added into the Second Pass for: a Regional Operations Resiliency Study (\$500K) to work with retailers to plan for upcoming system outages (Anderson, Almaden Valley Pipeline, etc.); Water Quality Unit Consultants (\$250K) to address increasing regulatory requirements; and Cyanotoxins Monitoring Consultants (\$50K) to address increasing regulatory requirements in partnership with Santa Clara County Parks and Recreation Department.

Watershed & Stream Stewardship Fund: increased by \$3.9 million mainly due to labor cost increases.

The FY21 Second Pass Budget capital expenditures are \$302.6 million, an increase of \$98.1 million versus the FY20 budget. The Safe, Clean Water Fund expenditures of \$67.5 million increased \$33.5 million over FY20 due to an increase in the Llagas Creek-Upper Buena Vista Avenue to Llagas Road project (\$36.5 million). Furthermore, the Water Utility Enterprise Fund expenditures of \$191.6 million increased \$58.1 million over FY20 primarily due to the South County Pipeline Short Term 1B Project (\$9.3 million), Anderson Dam Seismic Retrofit Project (\$5.9 million), and Rinconada WTP Reliability projects (\$37.0 million).

Debt Service

Scheduled annual debt service for FY21 is approximately \$61.0 million including fees, a \$2.4 million increase versus FY 20 budget driven by a planned Water Utility debt issuance.

Reserve Balances

Total budgeted reserves for FY21 are estimated to be \$363.9 million, an increase of \$21.0 million compared to the FY20 budget. The increase is primarily due to:

- a) Safe, Clean Water Fund reserve of \$68.3 million, a decrease of \$47.8 due to higher capital expenditures;
- b) General Fund reserve of \$6.6 million, an increase of \$2.3 million due to higher projected FY20 operating and capital reserve balance
- c) Watershed & Stream Stewardship Fund reserve of \$11.9 million, an increase of \$29.7 million due to higher projected FY20 operating and capital reserve balance and increase in property tax revenue

- d) Water Utility Enterprise Fund reserve of \$159.8 million, an increase of \$37.0 million due to increase in debt financing (\$100M) offset by an increase in capital expenditures (\$58M)

Next Steps

The public hearings on the CIP, groundwater production charges and the groundwater benefit zones are scheduled to take place on April 28. The Budget Work Study Session is scheduled for April 29, in which staff will provide more detail, trend and deliverable information related to preparation of the proposed FY21 Budget. The budget process is scheduled to conclude with the Board's adoption of the budget at its regularly scheduled meeting on May 12, 2020.

Michele King

Subject: FW: SCVWD Board meeting

From: Kathy Tran <ktran@ifpte21.org>
Sent: Thursday, April 2, 2020 2:19 PM
To: Board of Directors <board@valleywater.org>
Cc: Stanley Young <syoung@ifpte21.org>
Subject: SCVWD Board meeting

Dear Valley Water Board of Trustees,

I'm writing on behalf of Stanley Young, representative at IFPTE Local 21, to pass along the following requests below to advocate for our members during this unprecedented pandemic. Thank you for your time and consideration. Stay safe and well.

Sincerely,

Kathy Tran
Admin/Communications/Political Specialist

From: Stanley Young <syoung@ifpte21.org>
Date: Thursday, April 2, 2020 at 11:25 AM
To: "Norma J. Camacho" <ncamacho@valleywater.org>, Rick Callender <rcallender@valleywater.org>, Melanie Richardson <mrichardson@valleywater.org>, Nina Hawk <NHawk@valleywater.org>, Tina Yoke <TYoke@valleywater.org>, Michael Baratz <mbaratz@valleywater.org>, Anna Noriega <ANoriega@valleywater.org>
Cc: Mike Duffy <mduffy@valleywater.org>, Marisela Garcia <MariselaGarcia@valleywater.org>, Samantha Greene <SGreene@valleywater.org>, Angelica Cruz <ACruz@valleywater.org>, Tin Lin <TLin@valleywater.org>, Vanessa De La Piedra <vdelapiedra@valleywater.org>, Ingrid Bella <ingridbella@valleywater.org>, Jessica Collins <JCollins@valleywater.org>, Derek Tanguay <DTanguay@valleywater.org>, Christina Pilson <cpilson@valleywater.org>, Brian Dane <brian.dane@ca.afscme57.org>
Subject: SCVWD Board meeting

Norma et al,

We understand that you are going to the Board to ask for guidance regarding the Covid-19 pandemic and how employees are compensated and receiving benefits. We hope the discussion goes well and has an emphasis on flattening the curve and doing all we can to keep employees safe.

Now that the shelter in place practices have been extended to May, we ask that you please advocate for the health of our members and extend the practices in place regarding paid admin leave and/or teleworking rights for our members. This is not a demand but rather a friendly ask to value the greatest asset to the Santa Clara Water District which is its employees/workforce

We have received this form our largest employer the city and county of San Francisco and our Union is advocating for our members and the public that they serve in every Bay Area community.

Thank you for working with all of the bargaining units to keep employees safe during this pandemic.

Kind Regards,

Sent from my iPhone so please forgive the typos

Stanley Young
Representative/Organizer
IFPTE Local 21, South Bay Office
[4 North Second St, #595](#)
[San Jose, CA 95113](#)
Phone [408.291.2200](#)
Fax [408.291.2203](#)
syoung@ifpte21.org
[Website-local21.org](#)



Santa Clara Valley Water District

File No.: 20-0376

Agenda Date: 4/6/2020

Item No.: 2.6.

BOARD AGENDA MEMORANDUM

SUBJECT:

Proposed Amendments to Consultant Agreements to Enable Valley Water's Compliance with February 20, 2020 Order of the Federal Energy Regulatory Commission on Anderson Dam Seismic Retrofit Project, Project No. 91864005; Authorize Chief Executive Officer to Negotiate and Execute Amendment No. 7 to Agreement A3676A Between Santa Clara Valley Water District and URS Corporation and Amendment No. 8 to Agreement A3555A Between Santa Clara Valley Water District and Black and Veatch Corporation up to an additional \$10M.

RECOMMENDATION:

- A. Discuss the need to amend consultant agreements with URS Corporation (for engineering design services) and Black and Veatch Corporation (for project management services) to enable Valley Water's compliance with the February 20, 2020 letter order of Federal Energy Regulatory Commission (FERC) concerning the Anderson Dam Seismic Retrofit Project (ADSRP); and
- B. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 7 to Agreement A3676A with URS Corporation up to an additional \$8M and Amendment No. 8 to Agreement A3555A with Black and Veatch Corporation up to an additional \$2M.

SUMMARY:

Background

ADSRP and FERC-Ordered Interim Risk Reduction Measures

The Anderson Dam Seismic Retrofit Project (ADSRP) will correct dam seismic deficiencies and otherwise meet all current Federal Energy Regulatory Commission (FERC) and California Department of Water Resources, Division of Safety of Dams (DSOD) dam safety design standards. The ADSRP will also address impacts of the operation of Anderson Reservoir on the beneficial uses of Coyote Creek, including restoration of fisheries, wildlife, water quality, and water supply. Throughout 2019 to early 2020, project staff and consultants had been progressing with preparation of 90% design plans and specifications and supporting environmental and permitting documents. Construction of the ADSRP was scheduled to start in the fall of 2022. On February 20, 2020, the Santa Clara Valley Water District (Valley Water) received a letter order from FERC to immediately

implement the following ADSRP-related interim risk reduction measures:

1. *Immediately Lowering the Operating Level of the Reservoir to Elevation 565 feet:*

Effective February 20, 2020, Valley Water has been directed to immediately lower the operating level of the reservoir to elevation 565 feet. This elevation must be maintained until October 1, 2020, at which point Valley Water must begin lowering the reservoir level further. Due to the winter operations rule curves previously adopted by Valley Water's Board of Directors to help prevent exceedance of the operating capacity restriction, Valley Water is already in compliance with this portion of the FERC directive.

2. *Draining the Reservoir to Elevation 488 Feet (Deadpool):*

Effective October 1, 2020, Valley Water has been directed to begin safely lowering the operating level of the reservoir to elevation 488 feet (deadpool). Valley Water must take the necessary steps to drain the reservoir in a safe manner, including mitigation of potential rim instability around the reservoir. In addition, Valley Water must develop a plan to maintain this elevation throughout the rainy season and into the foreseeable future.

3. *Expediting Design and Construction of the Low-Level Outlet Tunnel:*

Valley Water should expedite the design and construction of the low-level outlet tunnel as soon as possible. The directive ordered Valley Water to submit a plan to FERC by March 21, 2020, showing the proposed plan and schedule for preliminary and final design of this tunnel as well as its construction. The District has complied with this directive. Once constructed, the outlet tunnel will be utilized to help maintain the level of the reservoir below FERC and/or DSOD-mandated operating restrictions.

4. *Developing Measures Necessary to Safely Drain the Reservoir to Deadpool and Minimize Environmental Impacts:*

Valley Water must also work with FERC staff and federal, state and local resource agencies to minimize the environmental impacts of these directives, including rim instability risks and the anticipated environmental impacts of dewatering the reservoir and constructing the low level outlet tunnel.

To meet the FERC directive, the ADSRP team has had to bifurcate the Project to expedite the low-level outlet tunnel design from the overall ADSRP design. However, to keep the overall ADSRP on schedule, efforts on both the tunnel project and overall project are continuing in parallel. As such, both Valley Water's project management consultant and engineering design consultant have had to add additional staff resources and additional work tasks to support completion of the outlet tunnel design and development of mitigation measures for these regulatory mandates.

FINANCIAL IMPACT:

Staff estimates the total cost of amending these two consultant agreements will result in \$8,000,000 in additional design services by URS Corporation and \$2,000,000 of additional project management

services by Black and Veatch Corporation. A budget adjustment for this fiscal year is not necessary. A total of \$4,200,000 for these anticipated expenses was included as part of the Fiscal Year 2019-20 midyear budget adjustments approved by the Board on February 25, 2020. The remaining \$5,800,000 expenditure to fully fund these two amendments will be recommended by staff for inclusion in the Board-approved FY21 annual budget for the ADSRP Project Number 91864005.

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:

None.

UNCLASSIFIED MANAGER:

Christopher Hakes, 408-630-3796

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