



Santa Clara Valley Water District Board of Directors Meeting

Teleconference Zoom Meeting

***AMENDED/APPENDED**
AMENDED 4:00 PM CLOSED SESSION AND 6:00 PM
REGULAR MEETING
AGENDA

Tuesday, February 23, 2021
4:00 PM

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

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

DISTRICT BOARD OF DIRECTORS
Tony Estremera, Chair - District 6
Gary Kremen, Vice Chair - District 7
John Varela - District 1
Barbara Keegan - District 2
Richard P. Santos - District 3
Linda J. LeZotte - District 4
Nai Hsueh - District 5

During the COVID-19 restrictions, all public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body, will be available to the public through the legislative body agenda web page at the same time that the public records are distributed or made available to the legislative body, or through a link in the Zoom Chat Section during the respective meeting. Santa Clara Valley Water District will make reasonable efforts to accommodate persons with disabilities wishing to participate in the legislative body's meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 265-2600.

RICK L. CALLENDER, ESQ.
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

***AMENDED/APPEDED AGENDA**

***ITEMS AMENDED AND/OR APPEDED SINCE THE ORIGINAL PUBLICATION OF THIS AGENDA
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Tuesday, February 23, 2021

4:00 PM

Teleconference Zoom Meeting

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.

Members of the public wishing to address the Board during a video conferenced meeting on an item not listed on the agenda, or any item listed on the agenda, should use the "Raise Hand" or "Chat" tools located in Zoom meeting link listed on the agenda. Speakers will be acknowledged by the Board Chair in the order requests are received and granted speaking access to address the Board.

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.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Sections 54950 et. seq. and has not been prepared with a view to informing an investment decision in any of Valley Water's bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of Valley Water's bonds, notes or other obligations and investors and potential investors should rely only on information filed by the District on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures and Valley Water's Investor Relations website, maintained on the World Wide Web at <http://emmasrb.org> and <https://www.valleywater.org/how-we-operate/financebudget/investor-relations>, respectively.

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

Join Zoom Meeting:

<https://valleywater.zoom.us/j/95195591714>

Meeting ID: 951 9559 1714

Join by Phone:

1 (669) 900-9128, 95195591714#

1. CALL TO ORDER:

1.1. Roll Call.

2. TIME CERTAIN:

4:00 PM

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. ITEM REMOVED FROM AGENDA**

Closed Session - Threat to Public Services or Facilities
Pursuant to Government Code Section 54957(a)
Consultation with Alex Gordon, Assistant Officer

2.2. CLOSED SESSION [21-0202](#)
CONFERENCE WITH LEGAL COUNSEL
INITIATION OF LITIGATION
Government Code Section 54956.9(d)(4)
16 Potential Cases

2.3. CLOSED SESSION [21-0203](#)
CONFERENCE WITH LEGAL COUNSEL
ANTICIPATED LITIGATION - Significant Exposure to Litigation
Pursuant to Government Code Section 54956.9(d)(2)
(One Potential Case).

6:00 PM

Rejoin Zoom Meeting:

<https://valleywater.zoom.us/j/95195591714>

Meeting ID: 951 9559 1714

Join by Phone:

1 (669) 900-9128, 95195591714#

2.4. District Counsel Report on Closed Session.

2.5. Pledge of Allegiance/National Anthem.

2.6. Orders of the Day.

A. *Approximate Discussion Time (Board); and*

B. *Adjustments to the Order of Agenda Items.*

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

Notice to the public: Members of the public who wish to address the Board on any item not listed on the agenda should access the "Raise Hand" or "Chat" tools located in Zoom meeting link listed on the agenda. Speakers will be acknowledged by the Board Chair in order requests are received and granted speaking access to address the Board. 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.

2.8. Safe, Clean Water and Natural Flood Protection Program Independent Monitoring Committee's Seventh Annual Report for Fiscal Year 2019-2020.

[21-0141](#)

Recommendation:

- A. Receive the Safe, Clean Water and Natural Flood Protection Program Independent Monitoring Committee's Seventh Annual Report for Fiscal Year 2019-2020; and
- B. Provide direction to staff as appropriate.

Manager: Melanie Richardson, 408-630-2035

Attachments:

[Attachment 1: SCW IMC Letter to Board](#)

[Attachment 2: SCW IMC FY20 Annual Report](#)

[Attachment 3: SCW IMC Notes for Future Annual Reports](#)

Est. Staff Time: 10 Minutes

2.9. Approve Fiscal Year 2021 Grants for the Safe, Clean Water and Natural Flood Protection Program.

[21-0067](#)

- Recommendation:
- A. Review and discuss staff's recommendations for Fiscal Year 2021 Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) grant awards;
 - B. Authorize the Chief Executive Officer to approve and execute agreements for Priority B7: Support Volunteer Cleanup Efforts and Education grants for four (4) projects in a total amount not-to-exceed \$188,558;
 - C. Authorize the Chief Executive Officer to approve and execute agreements for Priority D3: Access to Trails and Open Space grants for one (1) project in a total amount not-to-exceed \$25,530;
 - D. Authorize the Chief Executive Officer to approve and execute amendments to the recommended grant agreements, extending their terms up to twenty-four (24) additional months and with no revisions to their not-to-exceed grant amounts; and
 - E. Receive information about the Pilot Priority A2: Water Conservation Mini-Grant Program.

Manager: Marta Lugo, 408-630-2237

Attachments: [Attachment 1: Evaluation Criteria](#)
[Attachment 2: Scoring Matrix](#)

Est. Staff Time: 5 Minutes

3. CONSENT CALENDAR: (3.1 - 3.6) (Est. Time: 5 Minutes)

Notice to the public: There is no separate discussion of individual consent calendar items. Recommended actions are voted on in one motion. If an item is approved on the consent vote, the specific action recommended by staff is adopted. Items listed in this section of the agenda are considered to be routine by the Board, or delegated to the Board Appointed Officers (BAOs) yet required by law or contract to be Board approved (EL-7.10). Any item may be removed for separate consideration at the request of a Board member. Whenever a resolution is on the consent calendar, a roll call vote will be taken on the entire calendar. Members of the public wishing to address the Board on any consent items should submit a request to speak to the Clerk of the Board.

- 3.1. Resolution to Establish Independent Monitoring Committee for the Renewed Safe, Clean Water and Natural Flood Protection Program. [21-0112](#)

Recommendation: Adopt a Resolution PROVIDING FOR A SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION PROGRAM INDEPENDENT MONITORING COMMITTEE OF THE SANTA CLARA VALLEY WATER DISTRICT.

Manager: Melanie Richardson, 408-630-2035

Attachments: [Attachment 1: Resolution](#)
[Attachment 2: IMC Overlap Timeline](#)

- 3.2. Sponsorship of the 2021 Bay Area Council's California Resilience Challenge. [21-0060](#)

Recommendation: A. Receive information on the Bay Area Council's California Resilience Challenge; and
B. Approve the request for sponsorship in the amount of \$200,000.

Manager: Don Rocha, 408-355-4196

Attachments: [Attachment 1: Sponsorship Packet](#)

- 3.3. Adopt Recommended Positions on Federal Legislation: S. 91 (Sinema) / H.R. 535 (Garamendi) Special Districts Provide Essential Services Act of 2021; H.R. 610 (Speier) San Francisco Bay Restoration Act; and Other Legislation That May Require Urgent Consideration for a Position by the Board. [20-0733](#)

Recommendation: A. Adopt a position of "Support and Amend" on S. 91 (Sinema) / H.R. 535 (Garamendi) - Special Districts Provide Essential Services Act of 2021; and
B. Adopt a position of "Support" on H.R. 610 (Speier) - San Francisco Bay Restoration Act.

Manager: Don Rocha, 408-630-2338

- 3.4. Adopt Resolution Expressing Appreciation to Kevin Murray, for 20 Years of Service to the San Francisco Creek Joint Powers Authority. [21-0177](#)

Recommendation: Adopt the Resolution EXPRESSING APPRECIATION TO KEVIN MURRAY.

Manager: Rechelle Blank, 408-630-2615

Attachments: [Attachment 1: Resolution](#)

- *3.5. Accept the CEO Bulletin for the Weeks of February 5-18, 2021. [21-0199](#)

Recommendation: Accept the CEO Bulletin.

Manager: Rick Callender, 408-630-2017

Attachments: [Attachment 1: 021821 CEO Bulletin](#)

- *3.6. Approval of Minutes. [21-0159](#)

Recommendation: Approve the minutes.

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: 012621 Regular Meeting Minutes](#)
[Attachment 2: 012721 Special Meeting Minutes](#)

REGULAR AGENDA:

4. BOARD OF DIRECTORS:

- 4.1. Consider the January 7, 2021 Board Policy and Planning Committee Recommendations Regarding Modifications to Valley Water Environmental Justice Board Governance Ends Policies. [21-0080](#)

Recommendation: A. Consider the January 7, 2021 Board Policy and Planning Committee recommendations to adopt the proposed modifications to Board Governance Ends Policy General Principles E-1 and Glossary to add Environmental Justice Policy Language; and
B. Adopt the proposed modifications to Board Governance Ends Policy General Principles E-1 and Glossary to add Environmental Justice Policy Language.

Manager: Marta Lugo, 408-630-2237

Attachments: [Attachment 1: Amendment to General Principles and Glossary](#)

Est. Staff Time: 5 Minutes

- 4.2. Approve Revised Clarifying Language to the Board Audit Committee Audit Charter. [21-0122](#)

Recommendation: Approve Revised Clarifying Language to the Board Audit Committee Audit Charter.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1 121620 BAC Charter Revisions \(Clean Version\)](#)
[Attachment 2: 121620 BAC Charter Revisions \(Redlined Version\)](#)

Est. Staff Time: 5 Minutes

- 4.3. Review Fiscal Year 2021 Board Policy Planning Calendar. [21-0123](#)

Recommendation: Review, discuss and revise the Fiscal Year 2021 Board Policy Planning Calendar.

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: FY21 Board Calendar](#)

Est. Staff Time: 5 Minutes

4.4. Board Committee Reports.

[21-0197](#)

Attachments: [*Handout 4.4-A: 011521 RWC Summary & 022421 RWC Agenda](#)
[*Handout 4.4-B: 020821 CIP Summary](#)
[*Handout 4.4-C: 022221 JRWAC w/PA/MV Agenda](#)
[*Handout 4.4-D: 022421 Youth Commission Agenda](#)

4.5. Proposed Future Board Member Agenda Items.

5. WATER UTILITY ENTERPRISE:

6. WATERSHEDS:

7. ASSISTANT CHIEF EXECUTIVE OFFICER:

- *7.1. Review and Authorize Distribution of Santa Clara Valley Water District's
Draft Fiscal Years 2022-26 Capital Improvement Program.

[21-0111](#)

Recommendation: Review the Draft Fiscal Years 2022-26 Capital Improvement Program and authorize release of the document to all cities in Santa Clara County and the County of Santa Clara for review as to its consistency with their General Plans.

Manager: Heath McMahon, 408-630-3126

Attachments: [Attachment 1: Draft FY 2022-2026 CIP](#)
[*Handout 7.1-A: PowerPoint](#)

Est. Staff Time: 10 Minutes

8. EXTERNAL AFFAIRS:

9. CHIEF EXECUTIVE OFFICER:

- 9.1. Fiscal Year 2020-21 Midyear Financial Status Update and Fiscal Year 2020-21 Midyear Central Budget Adjustments. [21-0140](#)

Recommendation: A. Receive the Fiscal Year 2020-21 midyear financial status update as of December 31, 2020; and
 B. Approve the Fiscal Year 2020-21 midyear central operating and capital budget adjustments as per Attachments 2 and 3.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: PowerPoint](#)
 [Attachment 2: FY20-21 Midyear Central Budget Adj. Summary](#)
 [Attachment 3: FY20-21 Midyear Central Budget Adj. Details](#)

Est. Staff Time: 10 Minutes

- *9.2. CEO and Chiefs' Report. [21-0219](#)

Attachments: [*Handout 9.2-A: Office of Government Relations Update](#)

10. ADMINISTRATION:

11. DISTRICT COUNSEL:

12. ADJOURN:

12.1. Board Member Reports/Announcements.

12.2. Clerk Review and Clarification of Board Requests.

12.3. Adjourn to 10:00 a.m. Closed Session and 1:00 p.m. Regular Meeting, on March 9, 2021, 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.: 21-0202

Agenda Date: 2/23/2021
Item No.: 2.2.

NON-EXHIBIT/CLOSED SESSION ITEM

SUBJECT:
CLOSED SESSION
CONFERENCE WITH LEGAL COUNSEL
INITIATION OF LITIGATION
Government Code Section 54956.9(d)(4)
16 Potential Cases



Santa Clara Valley Water District

File No.: 21-0203

Agenda Date: 2/23/2021
Item No.: 2.3.

NON-EXHIBIT/CLOSED SESSION ITEM

SUBJECT:

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL

ANTICIPATED LITIGATION - Significant Exposure to Litigation

Pursuant to Government Code Section 54956.9(d)(2)

(One Potential Case).



Santa Clara Valley Water District

File No.: 21-0067

Agenda Date: 2/23/2021
Item No.: 2.9.

BOARD AGENDA MEMORANDUM

SUBJECT:

Approve Fiscal Year 2021 Grants for the Safe, Clean Water and Natural Flood Protection Program.

RECOMMENDATION:

- A. Review and discuss staff's recommendations for Fiscal Year 2021 Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) grant awards;
- B. Authorize the Chief Executive Officer to approve and execute agreements for Priority B7: Support Volunteer Cleanup Efforts and Education grants for four (4) projects in a total amount not-to-exceed \$188,558;
- C. Authorize the Chief Executive Officer to approve and execute agreements for Priority D3: Access to Trails and Open Space grants for one (1) project in a total amount not-to-exceed \$25,530;
- D. Authorize the Chief Executive Officer to approve and execute amendments to the recommended grant agreements, extending their terms up to twenty-four (24) additional months and with no revisions to their not-to-exceed grant amounts; and
- E. Receive information about the Pilot Priority A2: Water Conservation Mini-Grant Program.

SUMMARY:

The existing Safe, Clean Water Program provides seven grant cycles for each program priority. FY21 is a grant cycle year for Priority B7: Support Volunteer Cleanup Efforts and Education (B7 Cleanups and Education), and Priority D3: Access to Trails and Open Space (D3 Trails and Open Space).

On September 28, 2020, Valley Water released information to the public regarding the availability of grant funding via the public website and new online grants management system, Fluxx, and requested proposals to fund projects for B7 Cleanups and Education, and D3 Trails and Open Space. Grant applications were accepted through December 1, 2020.

Outreach efforts for all grant programs included the following:

- Virtual event promotions via email and presentation slides to Valley Water sponsorship organizations on September 25, 2020
- Nextdoor posts to all Board Districts in the county on September 28, 2020
- Request for Proposals announcement to existing key stakeholders in Santa Clara County and the grant program distribution list of more than 135 recipients on September 29, 2020

- Youth Commission email announcement on September 29, 2020
- Press release on October 5, 2020
- CEO Bulletin during the week of October 10, 2020
- Pre-proposal workshops conducted on October 14 and 22, 2020
- Valley Water blog post on October 19, 2020
- Water Commission announcement at the meeting on October 28, 2020
- Almaden Times media coverage on the week of October 30 to November 12, 2020
- Four (4) social media posts and boosted posts throughout the solicitation period, including a promotional video and grant project highlight stories
- Mercury News media coverage on November 8 and 23, 2020
- Notifications sent to local elected officials, city managers, and executive leaders in the County
- Notifications sent to countywide neighborhood associations, community leaders, civic organizations, environmental groups, and local non-profits
- Other direct outreach through various programs, including Creek Stewardship, Recycled and Purified Water, the Office of Government Relations, and Education Outreach

Proposal Review Process and Evaluation Criteria

A total of six (6) applications were received for the FY21 grant opportunities:

- Five (5) applications for B7 Cleanups and Education grants
- One (1) application for D3 Trails and Open Space grants

Staff formed an evaluation panel for each of the grant priorities to evaluate the applications. The evaluation panels consisted of internal subject matter experts on volunteer creek cleanups, trails, open space, environmental stewardship and education, and permits and regulations. The evaluators scored the proposals based on the evaluation criteria identified in the proposal guidelines that were approved by the Board on February 26, 2019 (see Attachment 1).

Funding Recommendations

Staff determined the recommended funding amounts based on the grant allocation process that was approved by the Board on February 26, 2019 (see Attachment 1). According to the approved allocation process, the recommended funding amount for each application is based on the average scores from the evaluation panelists.

Scores, FY21 funding recommendations, and calculated funding allocations for each of the grant priorities are presented in Attachment 2.

B7 Support Volunteer Cleanup Efforts and Education

The review panel recommended approving four of the five B7 Cleanups and Education grant applications for grant awards based on their clear objectives and anticipated outcomes in cleaning up creeks and waterways, addressing environmental stewardship, supporting volunteers, and educating the community.

The B7 Cleanups and Education Grant Allocation Matrix determined funding recommendations as follows:

- **Tier 1:** Proposals with an average score between 85-100 points will receive between 70-100%

of the requested funding.

- **Tier 2:** Proposals with an average score between 70-84 points will receive between 30-69% of the requested funding.

Recommended B7 Cleanups and Education Projects:

1. Bay Area Older Adults for Watershed Waste Reduction Program for a total amount not-to-exceed \$40,985.
2. Grassroots Ecology for Coyote/Stevens Creek Watershed Community Engagement Project for a total amount not-to-exceed \$49,980.
3. IISME, dba Ignited for Santa Clara Water Weeks for a total amount not-to-exceed \$47,593.
4. Silicon Valley Bicycle Coalition for Wheels and Waterways for a total amount not-to-exceed \$50,000.

One application was not eligible because the applicant organization did not meet the minimum eligibility requirements as described in the standard grant guidelines.

Ineligible B7 Cleanups and Education Project:

- Gilroy After Hours Rotary Club for Gilroy Waterways Clean Up

Staff reached out to the ineligible applicant to discuss the eligibility criteria and other available grant funding opportunities. The applicant has since applied for a mini-grant and their mini-grant application is being reviewed.

D3 Access to Trails and Open Space

The review panel recommended approving the one D3 Trails and Open Space grant application for grant award based on its creative, community-based approach to enhancing open space and access to trails in an urban environment and plan to increase awareness about the creeks, waterways, and environment.

The D3 Trails and Open Space Grant Allocation Matrix determined funding recommendations as follows:

- **Tier 1:** Proposals with an average score between 85-100 points will receive between 70-100% of the requested funding.
- **Tier 2:** Proposals with an average score between 70-84 points will receive between 30-69% of the requested funding.

Recommended D3 Trails and Open Space Project:

1. Community Express for La Sendera Community Art Trail for a total amount not-to-exceed \$25,530.

Staff attribute the low number of applications submitted this cycle in part due to feedback received that the impacts of COVID-19 on grantees' and applicants' financial and staffing resources created uncertainties for long-term project planning and inability to confidently commit to project performance and project schedules this year.

If the Board approves staff's grant funding recommendations, the CEO will execute grant agreements for the awarded projects, after they comply with CEQA requirements.

Grant Agreement Provisions

To allow for flexibility for grantee organizations to complete their projects in accordance with the evolving COVID-19 guidance and directives, staff will add an additional year to both agreement terms for a total of four (4) years for B7 Cleanups and Education projects and six (6) years for D3 Trails and Open Space projects. In previous years, B7 Cleanups and Education projects have had three (3) year agreement terms and D3 Trails and Open Space projects have had five (5) year agreement terms.

Grant agreements will include provisions to allow for no-cost term extensions, if necessary and appropriate, to achieve project outcomes. In previous years, the Board has delegated authority to the CEO to execute no-cost time extension amendments for up to twelve (12) additional months and with no revisions to their not-to-exceed grant amounts. Staff recommends that the Board delegate authority to the CEO to extend grant agreement terms for up to twenty-four (24) additional months due to the uncertainties of the evolving COVID-19 guidance and directives. This would help provide flexibility as well as expediency in facilitating a relatively shorter amendment process for agreements that do not require revisions to the not-to-exceed grant agreements. However, any amendments resulting in changes in scope of work or not-to exceed funding would continue to require Board approval.

The grant agreements will contain the standard provisions related to communications including:

- inclusion of Safe, Clean Water Program logo on all project materials presented to the public;
- all materials that include Safe, Clean Water Program logo are subject to review and approval by Valley Water;
- mention of "Safe, Clean Water and Natural Flood Protection Program" as appropriate when funding sources for the project are printed or presented;
- early notification to and invitations provided to Valley Water for any project related events; and
- invitation with speaking roles for members of the Board of Directors at project groundbreaking and opening ceremonies.

The grant agreements will also contain standard provisions requiring grantees provide a web posting of their final report, prepare a project fact sheet, and make a presentation to the Board or at an event hosted by Valley Water when the project is completed and upon request.

Additionally, grantees will be required to report project data, such as demographics of participants and measurable outcomes of all activities that involve community engagement, education, or outreach for staff to assess impacts of the grant funding.

Other provisions may include clear success measures, adherence to the project schedule, and guidelines regarding when contract revisions are necessary for changes in the project scope, schedule, and budget.

Pilot A2 Water Conservation Mini-Grant Program

On February 11, 2020, the Board approved the development of a Pilot Water Conservation (Priority A2) Mini-Grant Program. The pilot mini-grant program designated a total amount not-to-exceed \$100,000 for projects that meet A2 criteria to allow grantees to kick-start projects and gain data to support an application for future funding opportunities. Mini-grant applications were accepted on a rolling basis through December 31, 2020. Twelve (12) applications for a total funding request of \$57,885 were submitted and are currently being reviewed in accordance with the existing D3 Mini-Grant Program award process approved by the Board on March 14, 2017. Once a mini-grant application is approved for funding, an agreement will be executed by the parties.

If all of the A2 mini-grant applications are approved for funding, the total grant amount awarded under Priority A2 will reach the maximum set by the Key Performance Indicator #1: Award up to \$1 million to test new conservation activities. This project status update will be reported to the Safe, Clean Water Program Independent Monitoring Committee as part of their FY21 annual report review process.

FINANCIAL IMPACT:

Financial impact associated with this item is limited to the proposals approved for funding per Board action.

The A2 Water Conservation pilot mini-grant program in the total amount of up to \$100,000 is funded in the FY21 budget under project 26061008.

The four eligible B7 Cleanups and Education grants in the total amount of \$188,558 is funded in the FY21 budget under project 00061019.

The one D3 Access to Trails and Open Space grant in the total amount of \$25,530 is funded in the FY21 budget under project 26061007.

CEQA:

The recommended action does not constitute a project under CEQA (per CEQA Guidelines Section 15378(a)) because it does not commit the Valley Water to a definite course of action, and therefore has no potential to result in a direct or reasonably foreseeable indirect environmental impact. Specifically, it is a government fiscal activity which is not a project because it does not involve commitment to any specific project that may result in a potentially significant environmental impact, per CEQA Guidelines Section 15378(b)(4).

The Board action is approval of staff recommendations to fund projects following project-specific CEQA compliance, if required, and is not a commitment to fund those projects. It does not foreclose Valley Water's exercise of discretion with respect to a project, including but not limited to considering other feasible alternatives or mitigation measures to avoid or minimize a project's impacts, requiring a grantee to make such modifications deemed necessary to reduce a project's impacts, or determining not to proceed with one or more components of a project.

ATTACHMENTS:

Attachment 1: Evaluation Criteria

Attachment 2: Scoring Matrix

UNCLASSIFIED MANAGER:

Marta Lugo, 408-630-2237

B7 SUPPORT VOLUNTEER CLEANUP EFFORTS & EDUCATION EVALUATION CRITERIA

| Criteria # | Criteria Name | Low (0-3) | High (8-10) | Weight | Max Score |
|------------|--|--|--|--------|-----------|
| 1 | <u>PROJECT BENEFITS</u> Proposed project provides one or more of the following benefits: <ul style="list-style-type: none"> • Reduce contaminants entering our waterways and groundwater • Engage community and supports watershed stewardship • Leverages volunteer community resources for efficient use of funds to support watershed cleanup and education efforts | Project meets one benefit | Project meets all three benefits | 1.0 | 10 |
| 2 | <u>PROJECT GOALS</u> Proposed project clearly identifies at least one of three themes listed below and includes measurable outcomes: <ul style="list-style-type: none"> • Education and outreach on increasing permeability in urban areas • Education and outreach on increasing trash free locations in riparian areas • Education and outreach for reducing waste and other pollutants in in our waterways (showing benefits through awareness and engagement) | Identified theme, but measurable outcome has little correlation to the theme | Identified theme clear and specific with measurable outcome(s) including outcomes which demonstrate the inclusion of diverse communities | 1.0 | 10 |
| 3 | <u>PROJECT SCOPE</u> Proposed project includes a well-defined scope (see Appendix A) with clearly identifies the following: <ul style="list-style-type: none"> • Project description • Tasks • Deliverables • Success measures Outreach/presentation to District Board of Directors | Scope does not relate to schedule and budget | Well defined scope including items clearly listed and explained, and, clear coordination with schedule and budget | 1.5 | 15 |
| 4 | <u>PROJECT SCHEDULE</u> Proposed project includes a well-defined schedule (see Appendix B), including: <ul style="list-style-type: none"> • Tasks • Milestones | Schedule does not relate to scope and budget | Well defined schedule, including items clearly listed and explained with performance measures, and | 1.5 | 15 |

| | | | | | |
|---|---|--|---|-----|----|
| | <ul style="list-style-type: none"> • Deliverables • Performance measures • Project related events • Outreach/presentation to District Board of Directors • Close-out | | coordination with scope and budget, and involvement of District Board of Directors. | | |
| 5 | <u>PROJECT BUDGET</u> Proposed project includes a well-defined budget that clearly identifies the following <ul style="list-style-type: none"> • Tasks • Resources • Matching funds | 25 to 34% matching funds | 50% or greater matching funds | 0.6 | 6 |
| | | Budget does not relate scope and schedule | Well defined budget including items listed here and coordination with scope and schedule | 1.0 | 10 |
| 6 | <u>COLLABORATIVE EFFORT</u> Proposed project demonstrates: <ul style="list-style-type: none"> • Encourages collaborative efforts through partnerships • Outreach to the community • Consistent with land use planning | 1 other collaborating partner on this project | 3 or more partners, including partners from diverse communities | 0.5 | 5 |
| | | No description of outreach | Demonstrated robust and diverse outreach. | 0.5 | 5 |
| | | No Coordination with land use agencies | Receipt or acknowledgement of support from land use agencies where appropriate | 0.5 | 5 |
| 7 | <u>PROJECT READINESS</u> <ul style="list-style-type: none"> • Readiness of CEQA documents (Categorical Exemption required where a Negative Declaration or EIR is not required) • Readiness of Permit documents (if permits are not required) • Planned date of completion | Notation of CEQA in project application with no clear date of expected completion | Completed CEQA | 0.3 | 3 |
| | | Notation of permits in the project application with no clear date of expected completion | Completed Permits | 0.3 | 3 |
| | | Project completion by June 2021 | Project completion by June 2019 | 0.3 | 3 |
| 8 | <u>LIKELIHOOD OF PROJECT SUCCESS</u> <ul style="list-style-type: none"> • Applicant's experience in applying and receiving grants | Applicant has no previous experience in applying for grants, (District or otherwise) | Experience includes having applied, received, carried out a grant-funded project successfully | 0.5 | 5 |

| | | | | | |
|-------------------------------------|--|---|---|-----|------------|
| | <ul style="list-style-type: none"> Proposal includes performance measures and measurable milestones for determining success of project | No mention of performance measures and/or measurable milestone | Project includes performance measures AND measurable milestones | 0.5 | 5 |
| PROPOSED ADDITIONAL CRITERIA | | | | | |
| 9 | <u>Financial Stability</u> More than half of the applicant's required matching funds come from a monetary source (not in-kind). Applicant shows strong financial stability to carry-out the project. | 0-49% of matching funds are from a monetary source | 50-100% of monetary funds are from a monetary source | 0.5 | 5 |
| 10 | <u>Diverse Applicant Pool</u> The applicant has never received a prior district standard grant (excluding the mini-grant). | Applicant has received at least one standard district grant in the past | Applicant has never received a standard district grant in the past | 0.5 | 5 |
| 11 | <u>Environmental Justice</u> Proposed project's scope of work includes servicing/impacting a Disadvantaged Community (as defined by California's Environmental Protection Agency). | Scope of work does not indicate working in a Disadvantaged Community | Scope of work clearly defines how a Disadvantaged community will benefit from the project | 0.5 | 5 |
| TOTAL POINTS | | | | | 115 |

| D3 ACCESS TO TRAILS AND OPEN SPACE EVALUATION CRITERIA | | | | | |
|--|---|--|--|--------|-----------|
| Criteria # | Criteria | Low (0-3) | High (8-10) | Weight | Max Score |
| 1 | Applicant's readiness to begin the project. | Project plan ready for implementation within 5 years. | Project plan currently ready for implementation. | 0.8 | 8 |
| 2 | Status of CEQA process and obtaining of necessary permits. | Project timeline indicates CEQA process and/or other permitting has yet to be initiated | Project timeline indicates CEQA and other necessary permits have been obtained and project completion expected within the next 2 years | 0.4 | 4 |
| 3 | Project minimizes impacts to the environment. | Project does not include measures to avoid and/or minimize negative impacts to the environment. | Project specifically designed with measures to <u>avoid</u> negative impacts to the environment, or has no negative impacts. | 0.4 | 4 |
| 4 | Applicant has a plan to maintain the project. | Maintenance plan for project not complete. | Maintenance plan for project is complete, long-term and specific. | 0.4 | 4 |
| 5 | Project supports additional benefits consistent with District's mission. | Project supports recreation only. | Project supports 2 or more objectives consistent with District mission other than recreation or the preservation of open space. | 0.4 | 4 |
| 6 | Project incorporates environmental restoration/ enhancement activities and/or protects open space adjacent to trail. | Project does not incorporate restoration/ enhancement activities or protect open space in the project description. | Project incorporates significant restoration/ enhancement activities or protects open space in the project description. | 0.8 | 8 |
| 7 | Cost to the District as a percentage of the total estimated project cost. | Project provides at least 25% matching fund (i.e., more District funding required). | Project provides >50% matching fund (i.e., less District funding required). | 0.8 | 8 |
| 8 | Miles of new trail/open space to be created for the amount of funding requested. | Project includes public access to <1 mile of new trail. | Project includes public access to >2 miles of new trail. | 0.8 | 8 |
| 9 | Project demonstrates its contribution to underserved communities, including the deficiency of similar recreational opportunities in the project area. | Project does not demonstrate benefit to an underserved area and/or fulfill a deficiency in recreational opportunities in its vicinity. | Project demonstrates benefits to an underserved area and/or fulfills a deficiency in similar recreational opportunities in its vicinity. | 0.8 | 8 |

| | | | | | |
|-------------------------------------|--|---|---|-----|---|
| 10 | Distribution of trail grant funds per entity and geographic area. | Project received prior trail grant funds from District. | Entity (and geographic area) has not received prior trail grant funding from District. | 0.8 | 8 |
| 11 | Demonstrates available access (public transportation, persons with disabilities, bicycle lanes, staging areas, access to public restrooms and public parking, etc.) and improves access to public areas. | Project does not demonstrate access to the project site and/or does not improve access to public areas | Project demonstrates access to the project site and offers public access where it is otherwise poor and limited. | 0.8 | 8 |
| 12 | Demonstrate connectivity to the project site by connections between existing trails, parks and open space or by being a part of a trail network. | Project is a standalone trail with no connections to existing trails, parks or open space. | Project includes a connection between existing trails, parks, and/or open space; and is part of a trail network. | 0.8 | 8 |
| 13 | Project demonstrates safe passage for public access to trails and open space, including street and bridge crossings. | Project does not demonstrate how public safety is taken into consideration. | Project demonstrates safe public access by recognizing and mitigating high traffic areas, tight corridors, publicly less visible areas, and areas of disrepair. | 0.4 | 4 |
| 14 | Project receives community support and demonstrates an understanding of the community served. | Project shows no support by the community (i.e. local officials, environmental groups, community groups). | Project enjoys community support from local officials and a broad range of community interests. | 0.8 | 8 |
| 15 | Project includes educational opportunities/ outreach (i.e. planting seedlings, adopt-a-trail, educational plaques, cleanup, partnerships with schools and educational programs). | Project does not include an element of educational opportunity/ outreach. | Project includes a partnership with a school or the incorporation of an adopt-a-trail or other educational program. | 0.4 | 4 |
| 16 | Project offers multiple points of interest (historic, cultural, geographic, educational, or scenic) to the public. | Project acts singly as a means of recreation or transportation. | Project acts as a means of recreation AND transportation and incorporates at least one additional point of public interest. | 0.4 | 4 |
| PROPOSED ADDITIONAL CRITERIA | | | | | |
| 17 | <u>Financial Stability</u> More than half of the applicants' required matching funds come from a monetary source (not in-kind). Applicant shows strong financial stability to carry-out the project. | 0-49% of matching funds are from a monetary source | 50-100% of monetary funds are from a monetary source | 0.5 | 5 |

| | | | | | |
|---------------------|--|---|---|-----|------------|
| 18 | <u>Diverse Applicant Pool</u> The applicant has never received a prior district standard grant (excluding the mini-grant). | Applicant has received at least one standard district grant in the past | Applicant has never received a standard district grant in the past | 0.5 | 5 |
| 19 | <u>Environmental Justice</u> Proposed project's scope of work includes servicing/impacting a Disadvantaged Community (as defined by California's Environmental Protection Agency). | Scope of work does not indicate working in a Disadvantaged Community | Scope of work clearly defines how a Disadvantaged community will benefit from the project | 0.5 | 5 |
| TOTAL POINTS | | | | | 115 |

FY21 Grant Funding Recommendations Scoring Matrix

| B7: Volunteer Cleanups and Education Grants | | | | | |
|---|---|---------------|-------------------|----------------------------|---------------------------|
| Entity Name | Project Name | Average Score | Requested Funding | Funding % of Total Request | Recommended Funding Award |
| Bay Area Older Adults | Watershed Waste Reduction Program | 91.96 | \$40,985 | 100% | \$40,985 |
| Grassroots Ecology | Coyote/Stevens Creek Watershed Community Engagement Project | 85.38 | \$49,980 | 100% | \$49,980 |
| IISME, dba Ignited | Santa Clara Water Weeks | 93.26 | \$47,593 | 100% | \$47,593 |
| Silicon Valley Bicycle Coalition | Wheels and Waterways | 89.62 | \$50,000 | 100% | \$50,000 |
| Total Funding Request | | | \$188,558 | | |
| Total Funding Recommendations | | | | | \$188,558 |
| Total Funding Available | | | | | \$200,000 |

| Grant Allocation Matrix | | |
|-------------------------|------------------------|---------------|
| Tier 1: | 70-100% Funding | 85-100 points |
| Tier 2: | 30-69% Funding | 70-84 points |

FY21 Grant Funding Recommendations Scoring Matrix

| D3: Access to Trails and Open Space | | | | | |
|--------------------------------------|--------------------------------|---------------|------------------------------|----------------------------|---------------------------|
| Entity Name | Project Name | Average Score | Requested Funding | Funding % of Total Request | Recommended Funding Award |
| Community Express | La Sendera Community Art Trail | 71.4 | \$37,000 | 69% | \$25,530 |
| | | | Total Funding Request | \$37,000 | |
| Total Funding Recommendations | | | | | \$25,530 |
| Total Funding Available | | | | | \$571,000 |

| Grant Allocation Matrix | | |
|-------------------------|-----------------|---------------|
| Tier 1 | 70-100% Funding | 85-100 points |
| Tier 2 | 30-69% Funding | 70-84 points |



Santa Clara Valley Water District

File No.: 21-0112

Agenda Date: 2/23/2021

Item No.: 3.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Resolution to Establish Independent Monitoring Committee for the Renewed Safe, Clean Water and Natural Flood Protection Program.

RECOMMENDATION:

Adopt a Resolution PROVIDING FOR A SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION PROGRAM INDEPENDENT MONITORING COMMITTEE OF THE SANTA CLARA VALLEY WATER DISTRICT.

SUMMARY:

On November 3, 2020, voters overwhelmingly approved the renewed Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program). The renewed Safe, Clean Water Program will begin in FY 2021-22, and will replace in entirety the Safe, Clean Water Program that voters had approved in November 2012 (2012 Safe, Clean Water Program). Unlike the 2012 Safe, Clean Water Program, which was a 15-year program, the renewed Safe, Clean Water Program will continue until repealed by voters, or until the Santa Clara Valley Water District (Valley Water) Board of Directors (Board) determines there is no longer a need for the funding.

The Valley Water Board shall adopt a resolution to establish a new Independent Monitoring Committee (IMC) for the renewed Safe, Clean Water Program (Attachment 1). Of note, there are two key differences between the IMC for the 2012 Safe, Clean Water Program and the renewed Safe, Clean Water Program:

1. The renewed Safe, Clean Water Program IMC will have the opportunity to look ahead once every five-years through its review of each Five-Year Implementation Plan and make recommendations to the Board regarding reasonably necessary measures to meet the priorities of the Program; and
2. Every 15 years, starting in 2035, the IMC shall review and recommend to the Board and public whether the special tax should be reduced or repealed, or is needed to build additional projects to achieve related programmatic benefits in accordance with the priorities of the renewed Safe, Clean Water Program.

After the Board adopts the resolution establishing the IMC for the renewed Safe, Clean Water Program, it will appoint the new IMC members. Once the new IMC members are appointed, their first task will be to review the first Five-Year Implementation Plan for Fiscal Years (FY) 2022-26. The

review will take place between March-April of 2021, after which the IMC's recommendations and the staff response, and the Draft FY 2022-26 Five-Year Implementation Plan will be presented to the Board in June 2021 for review and approval.

The 2012 Safe, Clean Water Program IMC will continue with its roles and responsibilities, as set forth in Resolution 13-61, through its review of the FY 2020-21 annual report, which will take place between December 2021 through February 2022, at which time the 2012 Safe, Clean Water Program's IMC's roles and responsibilities will conclude. As the new IMC for the renewed Safe, Clean Water Program begins its duties in March-April of 2021 (FY 2020-21) with the review of the Five-Year Implementation Plan for FY 2022-26, there will be some overlap between the 2012 Safe, Clean Water IMC and the renewed IMC, as outlined in Attachment 2.

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: Resolution

Attachment 2: IMC Overlap Timeline

UNCLASSIFIED MANAGER:

Melanie Richardson, 408-630-2035

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

RESOLUTION NO. 21-

**PROVIDING FOR A SAFE, CLEAN WATER AND NATURAL FLOOD
PROTECTION PROGRAM INDEPENDENT MONITORING COMMITTEE
OF THE SANTA CLARA VALLEY WATER DISTRICT**

RESOLVED by the Board of Directors of the Santa Clara Valley Water District as follows:

I. GENERAL

- A. Resolution 20-64, approved by the voters of Santa Clara County by the passage of the November 3, 2020, Safe, Clean Water and Natural Flood Protection Program (Program) (ballot Measure S), requires that the Santa Clara Valley Water District (Valley Water) Board of Directors (Board) appoint an external Independent Monitoring Committee (Committee) to: (1) conduct an annual review of Valley Water's fiscal year report on the Program; (2) provide an annual report from the Committee to the Board regarding implementation of the intended results of the Program; (3) review each five-year implementation plan for the Program prior to its submittal to the Board for approval; and (4) review and recommend to the Board and Public every fifteen years whether the special tax should be reduced or repealed, or is needed to build additional projects to achieve related programmatic benefits in accordance with the priorities of the Program. The Committee also may, through its review of the annual reports and five-year implementation plans, make recommendations to the Board regarding reasonably necessary measures to meet the priorities of the Program.
- B. The Committee shall be comprised of 14 members who reside within Santa Clara County: two members to be nominated by each member of the Board. In nominating Committee members, Board members shall strive to ensure fair treatment and meaningful involvement of all peoples regardless of race, color, gender identity, disability status, national origin, tribe, culture, income, immigration status, English language proficiency, or religion.
- C. In order to provide continuity, each Board member shall nominate one Committee member to serve a three-year term, and one Committee member to serve a two-year term. The terms of office of Committee members shall begin on July 1 of a given year and are subject to reappointment by the full Board.
- D. Committee members shall be subject to Valley Water's Conflict of Interest Code (Code), including its filing requirements for statements of economic interest, if the Code is subsequently amended to specifically include them.
- E. Independent of Valley Water's Conflict of Interest Code, Committee members shall have an obligation to promptly disclose to Valley Water and the Committee Chair any existing membership, employment, management, or governance relationship with any entity actively seeking or receiving monetary grants from the Program.

- F. Meetings of the Committee shall be governed by the Ralph M. Brown Act, Government Code Sections 54950-54961.

II. PURPOSE

- A. The Committee will provide for a regular meeting to be held not less than once per year.
- B. Between December and February every year beginning in December 2022, the Committee shall conduct an annual review of the Program's prior fiscal year annual report and prepare and submit a summary of its findings to the Board, which shall be made available to Santa Clara County residents, regarding the Committee's review of the implementation of the intended results of the Program.
- C. The Committee shall review each five-year implementation plan for the Program prior to its submittal to the Board for approval. In this review, the Committee will reasonably inform itself to the extent necessary to determine the degree to which Valley Water's five-year implementation plans for the Program are being accomplished.
- D. Through its review of the annual reports and five-year implementation plans, the Committee may make recommendations to the Board regarding reasonably necessary measures to meet the priorities of the Program.
- E. Every fifteen years, starting in 2035, the Committee shall review and recommend to the Board and Public whether the special tax should be reduced or repealed, or is needed to build additional projects to achieve related programmatic benefits in accordance with the priorities of the Program.
- F. Valley Water shall fund clerical support.

III. CONDUCT OF MEETINGS

- A. A majority of the Committee will be determined based upon the simple majority of the number of Committee members holding office.
- B. The Chairperson or a majority of the Committee membership may call for a special meeting of the Committee from time to time in accordance with Section 54956 of the Government Code. Such meetings shall be held at the Valley Water Headquarters or such other place and time as the Chairperson may designate. Valley Water may request the Chairperson or Committee to convene a special meeting.
- C. Notices of each Committee meeting, together with an agenda thereof and the draft minutes of the preceding meeting, shall be electronically mailed or sent by first class mail, postage prepaid, to each Committee member, and made available to the public in accordance with the Ralph M. Brown Act.
- D. The Committee may adjourn any regular, adjourned regular, special, or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time.

- E. The powers of the Committee shall be vested in the members thereof in office from time to time. A majority of the full membership of the Committee shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes, but a smaller number may adjourn from time to time until a quorum is obtained. With the exception above specified, actions of the Committee may be taken upon the affirmative vote of not less than a majority of a quorum present and voting.
- F. The voting on all matters shall be by voice vote unless a roll call vote is called for by any member of the Committee.
- G. Discussion on any particular matter by either Committee members or by any member of the general public may be limited, in the discretion of the Chairperson, to such length of time as the Chairperson may deem reasonable under the circumstances.
- H. Whenever the Committee authorizes and instructs the Chairperson to appoint a subcommittee of the Committee or a committee composed of persons who are not members of the Committee, the members of such subcommittee or committee shall serve at the pleasure of the Chairperson. The Chairperson of such subcommittees and committees shall be appointed by the Chairperson of the Committee. All subcommittee meetings shall be conducted in accordance with the Ralph M. Brown Act.
- I. All meetings of the Committee shall be open and public.
- J. The Committee may be adjourned sine die by the Chairperson at the close of consideration of the business before it and may thereafter be returned to a course of regular meetings upon the call of the Chairperson or of a majority of the Committee membership in the manner prescribed for a call a special meeting.

IV. OFFICERS

- A. The officers of the Committee shall be a Chairperson and Vice Chairperson, both of whom shall be members of the Committee. The Committee shall elect its officers at the first meeting of the Committee's annual review cycle. The Chairperson and Vice Chairperson shall serve a term of one year. All officers shall hold over in their respective offices after their term of office has expired until their successors have been elected and have assumed office.
- B. The Chairperson shall preside at all meetings of the Committee. The Chairperson shall sign all resolutions and all other instruments made or promulgated by the Committee and he or she shall perform such other duties as the Committee may prescribe consistent with the purpose of the Committee.
- C. The Vice Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson; and in case of the resignation of or death of the Chairperson, the Vice Chairperson shall perform such duties as are imposed upon the Chairperson until such time as a new Chairperson is elected by the Committee.

- D. Should the office of Chairperson or Vice Chairperson become vacant during the term of such office, the Committee shall elect a successor from its membership at the earliest meeting at which such election would be practicable, and such election shall be for the unexpired term of such office.
- E. In the event the Chairperson and Vice Chairperson are both absent from a meeting, the Committee may elect a Chairperson Pro-tempore to preside over the meeting during the absence of the Chairperson and Vice Chairperson.
- F. Additional bylaws may be adopted for the purpose of conducting the business of the Committee.

V. AMENDMENT

- A. Amendment of this resolution consistent with or necessary to carry out or support the purpose of the Committee may be proposed by vote of the Committee or by Valley Water's Board of Directors. The Board will consider and act upon the proposed amendment without delay but following not less than three calendar days (72 hours) written notice to each Committee member of the time and place when and where the proposed amendment is to be acted upon.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on February 23, 2021:

AYES: Directors

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

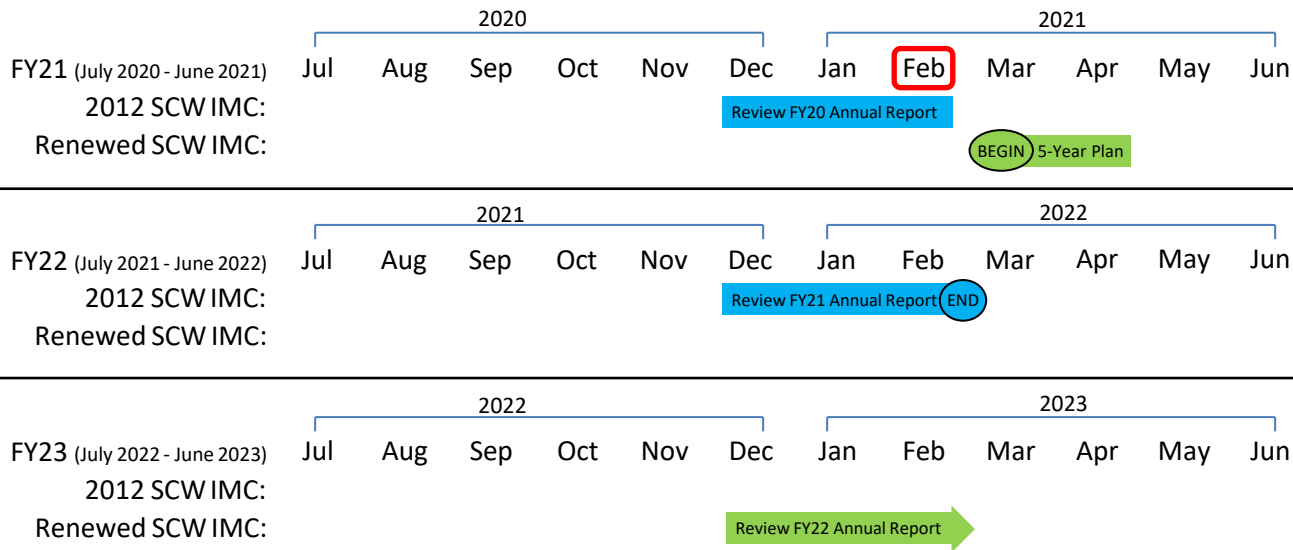
SANTA CLARA VALLEY WATER DISTRICT

TONY ESTREMER
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk, Board of Directors

Safe, Clean Water Program IMCs Overlap Timeline



Legend

- 2012 Safe, Clean Water Program IMC
- Renewed Safe, Clean Water Program IMC

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Santa Clara Valley Water District

File No.: 21-0060

Agenda Date: 2/23/2021

Item No.: 3.2.

BOARD AGENDA MEMORANDUM

SUBJECT:

Sponsorship of the 2021 Bay Area Council's California Resilience Challenge.

RECOMMENDATION:

- A. Receive information on the Bay Area Council's California Resilience Challenge; and
- B. Approve the request for sponsorship in the amount of \$200,000.

SUMMARY:

The Bay Area Council (BAC) is requesting sponsorship of the California Resilience Challenge (Challenge), which BAC is leading with a variety of business partners. The Challenge was formed out of a desire to fund comprehensive, statewide climate adaptation planning that reflects the diversity of California communities.

The California Resilience Challenge is an initiative of the Bay Area Council Foundation's effort to build local climate resilience and support a shared vision for a resilient California in the face of increasing climate threats. The Challenge is seeking contributions from the private sector, philanthropies, and utilities to raise funds to support diverse and replicable resilience projects. Qualifying projects will reflect California's diverse geography and provide examples to countries around the world. The BAC's initial effort in 2018, with the support of Santa Clara Valley Water District (Valley Water), raised \$2.4 million and because of the success of the previous effort, the BAC is once again leading the California Resilience Challenge in a statewide effort, led by businesses and a diverse range of partners, to build local climate resilience and support a shared vision for a resilient California in the face of increasing climate threats to replicate and enhance the previous effort.

The Challenge will be awarding grants to local California entities for the development of diverse and replicable climate change resilience projects across California. The projects will reflect California's diverse geography and showcase leadership in climate change adaptation.

The Challenge offers five tiers of sponsorship, from \$100,000 to \$1 million. Funds raised by the Challenge will be distributed in two types of grants: Project Sponsor Grants and At-Large Grants.

Those who have given \$500,000 or more will be able to directly award up to half of their contribution to a qualifying project of their choice (Project Sponsor Grant), and all other funds will be awarded by the full Steering Committee (At-Large Grants).

The Challenge has a direct nexus to Valley Water's mission to provide Silicon Valley safe, clean water for a healthy life, environment, and economy. Additionally, the Challenge also aligns with Valley Water's policies for a reliable, clean water supply for current and future generations and a healthy and safe environment for residents, businesses, and visitors. Climate change is already threatening - and will continue to threaten - the sustainability of our water supply, the health of our watersheds, and the safety of our communities. The Challenge will continue to provide Valley Water with the opportunity to support climate adaptation projects that protect and enhance our natural resources while also providing critical flood risk mitigation.

Given the direct nexus this organization and event have with Valley Water's mission and Governance Policies, it is recommended that Valley Water participate at the amount of \$200,000 (Resilience Leader level), which is the same amount of sponsorship that Valley Water provided during the last Challenge in 2018. With this level of contribution, Valley Water would receive:

- Challenge Board Membership: Valley Water would become a voting member of the Challenge's decision-making body and build relationships with other innovative private sector leaders. The Challenge Board will decide which RFP respondents qualify for all Challenge grants, and the projects and award amounts for At Large Grants.
- Recognition for Projects Supported by At Large Grants: Brand prominence in Challenge materials and media outreach related to projects awarded At Large Grants by the Challenge Board.
- Brand Visibility: Valley Water logo on all Challenge-related digital and printed materials.

FINANCIAL IMPACT:

Staff recommends a \$200,000 sponsorship. Staff has identified offsetting FY 21 budget savings, driven by recently estimated Board election costs that are lower than budgeted. Upon approval of this item, the Clerk of the Board authorize a Budget Adjustment that would transfer \$200,000 from Project 60301001 Clerk of the Board Services to Project 60231005 Local Government Relations.

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: Sponsorship Packet

File No.: 21-0060

Agenda Date: 2/23/2021
Item No.: 3.2.

UNCLASSIFIED MANAGER:
Don Rocha, 408-355-4196

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2021 GRANT CHALLENGE

Disadvantaged communities throughout California are grappling with how to improve local resilience to climate-related natural disasters, including drought, extreme heat, contaminated drinking water, flooding, and wildfire. However, California lacks dedicated funding for comprehensive, statewide climate adaptation planning.

SOLUTION

The California Resilience Challenge is a statewide effort, led by businesses and a diverse range of partners, to build local climate resilience and support a shared vision for a resilient California in the face of increasing climate threats. The Challenge is awarding grants to local California public entities and non-profit organizations for the development of diverse and replicable climate change resilience plans across California. The projects will reflect California's diverse geography and showcase leadership in climate change adaptation.

WHAT'S NEXT

The Resilience Challenge seeks to release an RFP for its 2021 grant in June 2021 and announce grant winners in the Fall of 2021.

>> To learn more, please contact Anna Sciaruto at:
asciaruto@bayareacouncil.org

DROUGHT

State officials estimate the Sierra Snowpack, source for over 1/3 of California's freshwater, will shrink up to 65 percent by 2100.

FIRE

Up to 40% of California's landmass now has an elevated or extreme level of fire danger.

FLOOD

Sea levels are projected to rise between 7-23 inches by 2050.

EXTREME HEAT

2017 was the third hottest year on record and saw the hottest summer in state history, threatening vulnerable populations.

DRINKING WATER

Over one million Californians lack access to safe and clean drinking water.

ABOUT

The California Resilience Challenge is an initiative of the Bay Area Council Foundation, a 501(c)3 organization. The Challenge's 2020 grant program awarded over \$2 million to 12 communities across California to develop innovative and replicable climate change adaptation plans. To learn more about the winners of the 2020 Challenge, please visit ResilientCal.org/winners



CALIFORNIA
RESILIENCE
CHALLENGE

CHALLENGE TIMELINE

| | |
|-----------------|---|
| 08/01/20 | Begin Fundraising |
| 01/01/21 | Build Advisory Committee |
| 03/31/21 | End Fundraising |
| 05/15/21 | Finalize RFP |
| 06/01/21 | Release RFP in coordination with state/private partners |
| 07/15/21 | Close RFP window |
| 07/16/21 | Begin proposal review |
| 08/16/21 | Advisory Cmte presents recommendations to Steering Cmte |
| 09/16/21 | Steering Committee finalizes final grants |
| Fall/Winter 201 | Winning RFPs announced at public event |



INTRODUCTION

Climate Change is pushing California's already volatile climate to greater extremes—with increasingly severe droughts, floods, heat waves, and wildfires. In response, communities across California are thinking about how they can become more resilient to climate change. While California has become a global leader in climate change mitigation, California lacks dedicated funding for comprehensive, statewide climate adaptation (resilience) planning. California businesses, joined by a diverse array of partners, can help lead the way.

“Climate change is an existential threat. Every nation, region and community has interest and agency in rising to the challenge.”

— Governor Gavin Newsom

The California Resilience Challenge is a statewide effort to build local climate resilience and support a shared vision for a resilient California in the face of increasing climate threats. The Challenge is seeking contributions from the private sector, philanthropies, and utilities to raise funds to support diverse and replicable resilience projects. Qualifying projects will reflect California's diverse geography, and provide examples to countries around the world.



CHALLENGE GRANTS

Contributions to the California Resilience Challenge will be awarded to public entities across California to support community-backed climate change adaptation projects. All qualifying projects will adhere to criteria determined by the Challenge's Steering Committee. The total amount raised through the Challenge, and final details on the Challenge's scope will be released with a Request for Proposals (RFP) in Fall 2019.

Two Types of Grants

Funds raised by the Challenge will be distributed in two types of grants: Project Sponsor Grants, and At Large Grants. Top contributors to the Challenge will be able to directly award up to half the value of their total gift (minus administration) to a qualifying project(s) of their choice (Project Sponsor Grants). All other funds will be awarded by the entire Steering Committee to qualifying projects across California (At Large Grants).



CALIFORNIA
RESILIENCE
CHALLENGE

SPONSORSHIP BENEFITS: RESILIENCE VISIONARY - \$1 MILLION

The California Resilience Challenge is seeking financial partners to commit to a financial contribution by January 31, 2021. Sponsors at all levels will receive recognition for supporting innovative climate resilience projects across California, and gain front-row access to the best and brightest thinking in climate change adaptation across California.

- **Board of Directors Membership**
Become a voting member of the Challenge's decision making body, and build relationships with other innovative private sector leaders. The Board will decide which RFP respondents qualify for all Challenge grants, and the projects and award amounts for At Large Grants.
- **Become a Project Sponsor**
Directly award half the value of your contribution (minus administration), to qualifying project(s) of your choice, and elevate the visibility of your gift through the collective communications clout of Board members and the Bay Area Council. Project Sponsors will be specially recognized in all Challenge print and digital communications relating to the project.
- **Recognition for Projects Supported by At Large Grants**
Brand prominence in Challenge materials and media outreach related to projects awarded At Large Grants by the Board.
- **Meetings with top state officials on climate resilience policy**
Challenge staff will work with Visionary Sponsors to organize meetings with top state officials and experts involved in climate resilience.
- **Executive Inclusion in short documentary video memorializing the Challenge (subject to Steering Committee approval)**
- **Brand Prominence in all Challenge-related digital and printed materials**



CALIFORNIA
RESILIENCE
CHALLENGE

SPONSORSHIP BENEFITS: RESILIENCE CATALYST - \$750k

The California Resilience Challenge is seeking financial partners to commit to a financial contribution by January 31, 2021. Sponsors at all levels will receive recognition for supporting innovative climate resilience projects across California, and gain front-row access to the best and brightest thinking in climate change adaptation across California.

- **Board of Directors Membership**
Become a voting member of the Challenge's decision making body, and build relationships with other innovative private sector leaders. The Board will decide which RFP respondents qualify for all Challenge grants, and the projects and award amounts for At Large Grants.
- **Become a Project Sponsor**
Directly award half the value of your contribution (minus administration), to qualifying project(s) of your choice, and elevate the visibility of your gift through the collective communications clout of Board members and the Bay Area Council. Project Sponsors will be specially recognized in all Challenge print and digital communications relating to the project.
- **Recognition for Projects Supported by At Large Grants**
Brand prominence in Challenge materials and media outreach related to projects awarded At Large Grants by the Board.
- **Meetings with top state officials on climate resilience policy**
Challenge staff will work with Visionary Sponsors to organize meetings with top state officials and experts involved in climate resilience.
- **Commensurate brand prominence in all Challenge-related digital and printed materials**



SPONSORSHIP BENEFITS: RESILIENCE CHAMPION - \$500k

The California Resilience Challenge is seeking financial partners to commit to a financial contribution by January 31, 2021. Sponsors at all levels will receive recognition for supporting innovative climate resilience projects across California, and gain front-row access to the best and brightest thinking in climate change adaptation across California.

- **Board of Directors Membership**
Become a voting member of the Challenge's decision making body, and build relationships with other innovative private sector leaders. The Board will decide which RFP respondents qualify for all Challenge grants, and the projects and award amounts for At Large Grants.
- **Become a Project Sponsor**
Directly award half the value of your contribution (minus administration), to qualifying project(s) of your choice, and elevate the visibility of your gift through the collective communications clout of Board members and the Bay Area Council. Project Sponsors will be specially recognized in all Challenge print and digital communications relating to the project.
- **Recognition for Projects Supported by At Large Grants**
Brand prominence in Challenge materials and media outreach related to projects awarded At Large Grants by the Board.
- **Commensurate brand visibility in all Challenge-related digital and printed materials**



CALIFORNIA
RESILIENCE
CHALLENGE

SPONSORSHIP BENEFITS: RESILIENCE LEADER - \$200k

The California Resilience Challenge is seeking financial partners to commit to a financial contribution by January 31, 2021. Sponsors at all levels will receive recognition for supporting innovative climate resilience projects across California, and gain front-row access to the best and brightest thinking in climate change adaptation across California.

- **Board of Directors Membership**
Become a voting member of the Challenge's decision making body, and build relationships with other innovative private sector leaders. The Board will decide which RFP respondents qualify for all Challenge grants, and the projects and award amounts for At Large Grants.
- **Recognition for Projects Supported by At Large Grants**
Brand prominence in Challenge materials and media outreach related to projects awarded At Large Grants by the Board.
- **Commensurate brand visibility in all Challenge-related digital and printed materials**



CALIFORNIA
RESILIENCE
CHALLENGE

SPONSORSHIP BENEFITS: RESILIENCE SUPPORTER < \$200k

The California Resilience Challenge is seeking financial partners to commit to a financial contribution by January 31, 2021. Sponsors at all levels will receive recognition for supporting innovative climate resilience projects across California, and gain front-row access to the best and brightest thinking in climate change adaptation across California.

- **Recognition for Projects Supported by At Large Grants**
Commensurate brand visibility in Challenge materials and media outreach related to projects awarded At Large Grants by the Steering Committee.
- **Commensurate brand visibility in all Challenge-related digital and printed materials**

For more information, please contact:
Adrian Covert, Vice President, Public Policy, Bay Area Council
acovert@bayareacouncil.org | 415.946.8746

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Santa Clara Valley Water District

File No.: 20-0733

Agenda Date: 2/23/2021

Item No.: 3.3.

BOARD AGENDA MEMORANDUM

SUBJECT:

Adopt Recommended Positions on Federal Legislation: S. 91 (Sinema) / H.R. 535 (Garamendi) Special Districts Provide Essential Services Act of 2021; H.R. 610 (Speier) San Francisco Bay Restoration Act; and Other Legislation That May Require Urgent Consideration for a Position by the Board.

RECOMMENDATION:

- A. Adopt a position of "Support and Amend" on S. 91 (Sinema) / H.R. 535 (Garamendi) - Special Districts Provide Essential Services Act of 2021; and
- B. Adopt a position of "Support" on H.R. 610 (Speier) - San Francisco Bay Restoration Act.

SUMMARY:

A. S. 91 (Sinema) / H.R. 535 (Garamendi) - Special Districts Provide Essential Services Act of 2021

Recommendation: Support and Amend

Priority Recommendation: 2

This bill would make special districts eligible for future federal assistance that Congress provides in response to the COVID-19 pandemic. Currently, special districts are ineligible for receiving assistance from the Coronavirus Relief Fund that was established under the Coronavirus Aid, Relief, and Economic Security (CARES) Act in 2020. This bill would make special districts eligible for any federal coronavirus funding in excess of what is provided to states, counties, and local governments.

Status:

S. 91 was introduced in the Senate on January 28, 2021, and was referred to the Committee on Finance. Senator Dianne Feinstein is an original cosponsor. H.R. 535 was introduced in the House on January 28, 2021, and was referred to the Committee on Oversight and Reform, in addition to the Committee on Financial Services. Representatives Anna Eshoo (CA-18) and Jimmy Panetta (CA-20) are original cosponsors.

Importance to Valley Water:

This bill would make special districts, such as Valley Water, eligible for any future federal assistance related to COVID-19. During the pandemic, Valley Water has had to make tough financial decisions, including delaying non-essential but nonetheless important projects and programs to future years. Financial assistance through this bill for special districts such as Valley Water would help bring much-

needed economic stimulus to our region.

The Board adopted a position of “Support” on an identical version of this bill in July 2020.

Proposed Amendment:

In order to better serve Valley Water’s interests, Valley Water proposes the following amendment:

1. Ensure that expenses eligible for reimbursement under the Coronavirus Relief Fund include offset payments made to special district employees to support telework and mental health support.

Pros:

- The bill would provide a source of new funding that could help Valley Water mitigate COVID-related financial impacts and bring additional economic assistance to our region.
- Special districts provide essential services to their communities and are important economic drivers. As such, they should be eligible for the same funding that states, tribes, and local governments can access. This bill would provide that access.

Cons:

- None identified at this time.

B. H.R. 610 (Speier) - San Francisco Bay Restoration Act**Recommendation: Support****Priority Recommendation: 2**

This bill would amend the Clean Water Act to authorize a new San Francisco Bay grant program to fund Bay restoration and habitat improvement projects. Eligible grantees would include projects that advance specific restoration goals for San Francisco Bay, including water quality improvement; wetland, riverine, and estuary restoration and protection; nearshore and endangered species recovery; and adaptation to climate change. The bill would also create a new San Francisco Bay Program Office to be located within the Environmental Protection Agency’s (EPA) Region 9 headquarters to oversee the grant program and ensure that the funds are being spent to advance those specific restoration goals. The bill authorizes \$50 million for each of fiscal years (FYs) 2022-2026 to carry out this program.

Congress has authorized program offices and funding within EPA for other large estuaries like the Chesapeake Bay and the Great Lakes, allowing those regions to receive significant appropriations for restoration and climate adaptation over the years. Since 2008, thanks largely to the efforts of Senator Dianne Feinstein, the EPA has received an annual appropriation of roughly \$5 million in grant funding for San Francisco Bay restoration projects. This is well below what other estuaries receive annually, however, and is well below what the Bay needs to restore the ecosystem and adequately adapt to climate change.

This bill would create a new San Francisco Bay Program under EPA and authorize annual appropriations for restoration grants that are much larger than have ever been appropriated. This

would help ensure that the program receives the funding it needs on an annual basis to protect and restore San Francisco Bay, thereby improving habitat for fish and wildlife, improving water quality, and safeguarding shoreline communities from flooding and sea level rise.

The Board took a position of “Support” on this bill in previous years.

Status:

The bill was introduced in the House on January 28, 2021, and was referred to the Committee on Transportation and Infrastructure and the Committee on the Budget. Cosponsors of the bill include Representatives Khanna (D-CA-17), Eshoo (D-CA-18), and Lofgren (D-CA-19).

Importance to the District:

This bill would create a new San Francisco Bay grant program to fund Bay restoration and habitat improvement projects, such as the South San Francisco Bay Shoreline Project (Shoreline Project).

Pros:

- The bill could fund portions of the Shoreline Project, which, as a multi-benefit project, would be eligible for these funds.
- The bill would create a new funding source for climate adaptation projects around the Bay, including but not limited to the Shoreline Project, that would help protect at-risk communities in low-lying shoreline areas. This aligns with Valley Water’s commitment to protecting Santa Clara County residents from the dangers of sea level rise and climate change.
- The bill would create a new San Francisco Bay Program Office within EPA’s Region 9 headquarters in San Francisco to ensure that the grant funds are used to implement specific restoration, habitat improvement, and climate adaptation goals.
- Creating a new program office would put San Francisco Bay on par with other federally-authorized EPA estuary programs, making it easier for Congress to appropriate funds to the region in the future.

Cons:

- None identified at this time.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

None.

File No.: 20-0733

Agenda Date: 2/23/2021
Item No.: 3.3.

UNCLASSIFIED MANAGER:
Don Rocha, 408-630-2338



Santa Clara Valley Water District

File No.: 21-0177

Agenda Date: 2/23/2021
Item No.: 3.4.

BOARD AGENDA MEMORANDUM

SUBJECT:

Adopt Resolution Expressing Appreciation to Kevin Murray, for 20 Years of Service to the San Francisquito Creek Joint Powers Authority.

RECOMMENDATION:

Adopt the Resolution EXPRESSING APPRECIATION TO KEVIN MURRAY.

SUMMARY:

The Resolution provides the Board an opportunity to express its appreciation to Mr. Kevin Murray, for his 20 years of service to the San Francisquito Creek Joint Powers Authority.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Resolution

UNCLASSIFIED MANAGER:

Rechelle Blank, 408-630-2615

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RESOLUTION NO. 21-
EXPRESSING APPRECIATION
TO

KEVIN MURRAY

WHEREAS, Kevin Murray has dedicated twenty years of distinguished service to the communities of the San Francisquito Creek Joint Powers Authority (SFCJPA); and

WHEREAS, over the twenty years Kevin Murray has cultivated strong working relationships with and earned the deep respect of community members, project partners, and regulatory agency staff while enabling flood risk mitigation and ecosystem protection; and

WHEREAS, Kevin Murray's dedication and hard work has made possible the completion of the San Francisquito Creek Project from Highway 101 to San Francisco Bay, designed to protect from a 100-year flood event a large portion of East Palo Alto and Palo Alto from stream flooding through his expertise, dedication, persistence, and knowledge; and

WHEREAS, Kevin Murray has succeeded in creating environmentally practicable solutions while ensuring projects are able to provide flood protection for residents along San Francisquito Creek; and

WHEREAS, Kevin Murray has enabled the success of collaborative project work by always being well-informed, well-prepared, and widely knowledgeable; and

WHEREAS, Kevin Murray's in-depth project knowledge and understanding of the San Francisquito Creek watershed have made creek and shoreline tours for community members and project partners illuminating and enjoyable; and

WHEREAS, Kevin Murray is good humored even in stressful conditions, and has been universally acclaimed to be a pleasure to work with; and

WHEREAS, the Santa Clara Valley Water District wish Kevin Murray continued success in his role at the SFCJPA, we hereby present this acknowledgement honoring the significant contributions Kevin Murray has made to protecting the communities of East Palo Alto, Palo Alto, and Menlo Park and to protecting the natural resources of the San Francisquito Creek and Bay shoreline.



NOW THEREFORE BE IT RESOLVED that the Board of Directors of the Santa Clara Valley Water District does hereby formally express to Kevin Murray, its appreciation of his service as Senior Project Manager of the SFCJPA.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District on February 23, 2021.

SANTA CLARA VALLEY WATER DISTRICT

TONY ESTREMER
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk, Board of Directors





Santa Clara Valley Water District

File No.: 21-0199

Agenda Date: 2/23/2021
Item No.: *3.5.

BOARD AGENDA MEMORANDUM

SUBJECT:

Accept the CEO Bulletin for the Weeks of February 5-18, 2021.

RECOMMENDATION:

Accept the CEO Bulletin.

SUMMARY:

The CEO Bulletin is a weekly communication for the CEO, to the Board of Directors, assuring compliance with Executive Limitations Policy EL-7: The BAOs inform and support the Board in its work. Further, a BAO shall: inform the Board of relevant trends, anticipated adverse media coverage, or material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established; and report in a timely manner an actual or anticipated noncompliance with any policy of the Board.

CEO Bulletins are produced and distributed to the Board weekly as informational items, and then placed on the bimonthly, regular Board meeting agendas to allow opportunity for Board discussion on any of the matters contained therein.

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: 021821 CEO Bulletin

UNCLASSIFIED MANAGER:

Rick Callender, 408-630-2017

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CEO BULLETIN



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

Weeks of February 5 – February 18, 2021

Board Executive Limitation Policy EL-7:

The Board Appointed Officers shall inform and support the Board in its work. Further, a BAO shall 1) inform the Board of relevant trends, anticipated adverse media coverage, or material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established and 2) report in a timely manner an actual or anticipated noncompliance with any policy of the Board.

| Item | IN THIS ISSUE |
|----------|--|
| <u>1</u> | Countywide Water Reuse Master Plan – Stakeholder Participation |
| <u>2</u> | Protecting Valley Water Employees from Hearing Loss |
| <u>3</u> | Safe, Clean Water Mini-Grant Closeout: Stanford Conservation Program's Native Hedgerow Planting Project |
| <u>4</u> | Safe, Clean Water Grant Closeout: City of San Jose's Pollution Prevention and Creeks Cleanup Project |
| <u>5</u> | Valley Water Information Technology Division Releases Microsoft Planner and Asana |
| <u>6</u> | Water Management Agreements Executed in January 2021 |
| <u>7</u> | <u>LeZotte</u> Director LeZotte requested that, staff provide a five-year report on who received sponsorship money and how much money was paid for each sponsorship. R-21-0001 |

1. Countywide Water Reuse Master Plan – Stakeholder Participation

On January 19, 2021, Valley Water virtually hosted the eighth meeting of the Project Partners Group (PPG) for the Countywide Water Reuse Master Plan (CoRe Plan) with representatives from our PPG members, Valley Water, and other interested stakeholders. The PPG includes:

- Cities of Palo Alto and Mountain View (PA/MV Recycled Water System);
- Cities of San José and Santa Clara (South Bay Water Recycling);
- Cities of Gilroy and Morgan Hill (South County Recycled Water System); and
- City of Sunnyvale (Sunnyvale Recycled Water System).

Technical staff support was provided by Brown and Caldwell, Valley Water's engineering services consultant for the CoRe Plan project. The meeting was well attended by over 30 participants, representing broad participation by Project Partners.

Highlights of the meeting included:

- Review of PPG comments and recommendations on the Draft Final CoRe Plan, including discussion of key updates and modifications to the Final CoRe Plan;
- Review and discussion of flexible implementation strategies for a 10 million gallons per day indirect potable reuse project to the Los Gatos Recharge System via a Public-Private Partnership (P3) procurement;
- Review and discussion of next steps to finalize the CoRe Plan; presentation of findings and recommendations to the Board and Public; and implementation opportunities and collaboration; and
- Completion of the PPG participatory process, celebration of agency participation, and expression of appreciation for contributions to the master planning process.

PPG representatives commended Valley Water for a successful stakeholder effort to develop a comprehensive feasibility assessment of potable reuse opportunities that promotes expanded water recycling efforts countywide over the next 25 years. PPG members also expressed their optimism with the refinement of total project cost estimates and future water rates to implement potable reuse expansion.

For further information, please contact Kirsten Struve at (408) 630-3138.

2. Protecting Valley Water Employees from Hearing Loss

On February 1st, 3rd and 4th, 2021, Valley Water held on-site audiograms (hearing exams) for field operations staff identified as working in areas where equipment is used that meets or exceeds regulatory threshold noise levels. The exams were administered by Health Metrics, Incorporated. Due to the current COVID-19 pandemic, safety protocol precautions were integrated into the event.

Valley Water field operations staff need hearing protection during work activities such as vegetation removal that requires the use of chainsaws, pole saws, mowers, weed eaters, and wood chippers. Other work activities include certain work at construction or maintenance sites where heavy equipment, large pumps, circular saws, and jack hammers are utilized.

Audiograms are scheduled annually and are a critical component of Valley Water's Hearing Conservation Program. Per applicable Cal/OSHA regulations, employers are required to have a Hearing Conservation Program when employees are exposed to noise levels of 85 dBA (A-weighted decibels, are an expression of the relative loudness of sounds in air as perceived by the human ear over an 8-hour workday), or higher. The audiogram results provide verification that current safety practices and personal protective equipment being used are adequate in protecting staff from suffering hearing loss when performing the identified work activities. Annual audiograms are designed for early detection of hearing loss in staff. If degradation in hearing is discovered, staff are required to undergo a process of being fitted (or re-fitted) with hearing protectors and re-trained on the proper use of hearing protection devices, and when the hearing protection devices are required to be used.

In addition to providing audiograms, Valley Water periodically assesses noise levels at worksites using sound level meters and noise dosimeters. These instruments help identify any areas, or activities, with high noise levels and aid in the decision-making process for providing the appropriate type of engineering controls and hearing protection.

For further information, please contact Tina Yoke at (408) 630-2385.

3. Safe, Clean Water Mini-Grant Closeout: Stanford Conservation Program's Native Hedgerow Planting Project

In Fiscal Year 2018, Valley Water awarded Stanford Conservation Program a \$5,000 Safe, Clean Water Program D3 Mini-Grant for their Native Hedgerow Planting Project (Project). Stanford Conservation Program completed the Project in May 2020 and submitted their final invoice and closeout materials in September 2020.

The Project used hedgerows to help restore the Deer Creek Conservation Easement, a riparian ecosystem south of the Deer Creek and Matadero Creek confluence in the city of Palo Alto, that has been degraded due to heavy agricultural use. Hedgerows are comprised entirely of native shrub species and can provide nectar sources to pollinators, habitat for native birds and other species, control erosion, as well as shade out non-native weeds. Hedgerows have historically been used to delineate property boundaries in agricultural settings and can be used as an alternative to fencing to signal land use boundaries.

Magic, an ecological educational foundation, with support and direction from the Stanford Conservation Program, worked with community volunteers to plant and maintain 382 native shrubs in a hedgerow. Volunteer work days involved watering and weeding shrubs as well as removing protective Tubex, tree shelters that protect and enhance the growth of young plants.

The Deer Creek Conservation Easement is part of the Matadero Creek watershed and supports hundreds of native species and plants, including the federally and state threatened California red-legged frog. Volunteer work days were focused on environmental education, teaching community members about the flora and fauna of the region, and how planting a hedgerow of native plants will help to restore riparian ecosystems.

Key Outcomes:

- Over 450 volunteers participated in planting and maintaining the native hedgerows.
- Approximately 382 native shrubs in a hedgerow were established and nurtured.

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

4. Safe, Clean Water Grant Closeout: City of San Jose's Pollution Prevention and Creeks Cleanup Project

In Fiscal Year 2018, Valley Water awarded the City of San Jose (City) a \$195,000 Safe, Clean Water Program B3 Grant for their Pollution Prevention and Creeks Cleanup Project (Project). The City completed the Project in June 2020. The Project required an amendment to pay the last remaining invoice in November 2020.

The Project engaged the homeless community to assist with creek cleanups as part of the City's Encampment Abatement Program (EAP). The City subcontracted with Downtown Streets Team (DST) to carry out the objectives, tasks, and deliverables of the Project. DST serves homeless persons and persons at risk of homelessness with case management, employment development services, and housing placement assistance to increase their self-sufficiency.

Participants supported this Project by serving in work crews providing debris removal and trash/illegal dumping collection. The removal of such debris and outreach on trash removal helps improve water quality in creeks and increase flood protection.

Key Outcomes:

- Posted 12 social media posts about Project activities.
- Presented to four community organizations.
- Educated 425 members of the public about pollution prevention.
- Attended eight community events with approximately 770 attendees.
- Collected 13,868 yards of trash throughout Coyote, Guadalupe, and Los Gatos creeks.

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

5. Valley Water Information Technology Division Releases Microsoft Planner and Asana

Valley Water's Information Technology Division is pleased to announce the release of two new tools that can help with managing tasks and perform light project management.

Microsoft Planner is available through Valley Water's Office 365 subscription and enables users and teams to create plans, assemble and assign tasks, share files, communicate and collaborate with other users, and receive progress updates. This tool is geared toward basic task management for one person to use.

Asana is a web and mobile application designed for light project management and small teams. It helps groups organize, track, and manage their work. This tool offers more robust features including gantt chart views, dependencies, and reporting.

These two new tools can help individuals and teams stay organized, prioritize work, and provide greater collaboration across business units and the organization.

For further information, please contact Mike Cook at (805) 674-1884.

6. Water Management Agreements Executed in January 2021

Pursuant to EL-5.1.6 and EL-5.3.3, Valley Water's Chief Executive Officer is required to inform the Board on a timely basis when imported water management agreements are executed. The imported water management agreements executed in January 2021 related to the Central Valley Project (CVP) are listed below:

- January 26, 2021 - Yuba Temporary Warren Act Contract (#A4420W) between the Bureau of Reclamation and Valley Water: Provides for the storage and conveyance of non-CVP water from the Yuba County Water Agency to Valley Water through CVP facilities.
- January 26, 2021 - Yuba Power Letter of Agreement (#A4421W) between the Bureau of Reclamation and Valley Water: Provides a billing mechanism for Valley Water to reimburse Reclamation for energy costs incurred in the conveyance of non-CVP water from the Yuba County Water Agency to Valley Water through CVP facilities.

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

7. **LeZotte**

Director LeZotte requested that, staff provide a five-year report on who received sponsorship money and how much money was paid for each sponsorship.

R-21-0001

A listing of all Valley Water sponsorships over the last five years, in fulfillment of BMR- R-21-0001, is included in the Valley Water Board's February 19, 2021, Non-Agenda package.

For further information, please contact Don Rocha at (408) 630-2338.

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Santa Clara Valley Water District

File No.: 21-0159

Agenda Date: 2/23/2021

Item No.: *3.6.

BOARD AGENDA MEMORANDUM

SUBJECT:

Approval of Minutes.

RECOMMENDATION:

Approve the minutes.

SUMMARY:

In accordance with the Ralph M. Brown Act, a summary of Board discussions, and details of all actions taken by the Board, during all open and public Board of Directors meetings, is transcribed and submitted to the Board for review and approval.

Upon Board approval, minutes transcripts are finalized and entered into the District's historical records archives and serve as historical records of the Board's meetings.

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: 012621 Regular Meeting Minutes

Attachment 2: 012721 Special Meeting Minutes

UNCLASSIFIED MANAGER:

Michele King, 408-630-2711

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BOARD OF DIRECTORS MEETING

MINUTES

REGULAR MEETING
TUESDAY, JANUARY 26, 2021
6:00 PM

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER:

A Regular Meeting of the Santa Clara Valley Water District (Valley Water) Board of Directors, held by Zoom Teleconference, was called to order in the Valley Water Headquarters Building Boardroom at 5700 Almaden Expressway, San Jose, California, at 6:00 p.m.

1.1. Roll Call.

Board members in attendance were Tony Estremera, Nai Hsueh, and Richard Santos. Board members participating by teleconference were Barbara Keegan, Gary Kremen, Linda J. LeZotte, and John L. Varela, constituting a quorum of the Board.

Staff in attendance was M. King, Clerk, Board of Directors. Staff participating by teleconference were R. Callender, Chief Executive Officer, L. Orta, Acting District Counsel, A. Baker, R. Blank, B. Broome, M. Cook, A. Fulcher, R. Gibson, A. Gschwind, C. Hakes, B. Hopper, H. McMahon, M. Richardson, D. Rocha, D. Taylor, S. Tippetts, G. Williams, B. Yerrapotu, and T. Yoke.

1.2. Pledge of Allegiance/National Anthem.

Director Estremera led all present in reciting the Pledge of Allegiance.

1.3. Orders of the Day.

Chairperson Estremera confirmed that Item 4.1 would be continued to a future meeting.

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

Chairperson Estremera declared time open for public comment on any item not on the agenda. There was no one present who wished to speak.

2. TIME CERTAIN:

6:00 PM

2.1. Santa Clara Valley Water District Government Relations Program Update and Legislative Outlook.

- Recommendation:
- A. Receive information on the 2020 Santa Clara Valley Water District (Valley Water) government relations advocacy and stakeholder engagement program;
 - B. Receive update from federal and state consultants on 2020 accomplishments and 2021 legislative outlook; and
 - C. Provide input on current and future challenges, goals, and accomplishments since the last presentation to the Board of Directors.

Mr. Donald Rocha, Acting Deputy Administrative Officer, reviewed the information on this item, per the attached Board Agenda Memorandum, and per the information contained in Handout 2.1-A.

The Board noted the information, without formal action.

Chairperson Estremera moved the agenda to Item 5.1.

5. WATER UTILITY ENTERPRISE:

5.1. Consider Decommissioning of the Anderson Hydroelectric Facility.

- Recommendation:
- A. Receive the cost-benefit analysis for the Anderson Hydroelectric Facility (Facility);
 - B. Concur with staff's determination, based on results from the cost-benefit analysis, that it would be justified for Valley Water to pursue the surrender and decommissioning of the Facility; and
 - C. Direct staff to take the necessary steps to seek approval from the Federal Energy Regulatory Commission (FERC) to surrender and decommission the Facility, including, but not limited to:
 - i. Evaluate the surrender of the license exemption and decommissioning of the Facility in the Anderson Dam Seismic Retrofit Project (ADSRP) Environmental Impact Report (EIR); and
 - ii. Coordinate with FERC and other regulatory agencies to submit all applications and obtain any necessary approvals to implement

decommissioning of the Facility as part of the ADSRP.

Mr. Gregory Williams, Interim Deputy Operating Officer, and Mr. Bassam Kassab, Water Supply Operations Manager, reviewed the information on this item, per the attached Board Agenda Memorandum.

Mr. Anthony Fulcher, Senior Assistant District Counsel, confirmed that a decision on whether or not to decommission the hydroelectric facility was necessary to proceed with the Anderson Dam Seismic Retrofit Project Environmental Report; and Mr. Christopher Hakes, Deputy Operating Officer, confirmed a 2025 to 2030 timeline for decommissioning of the hydroelectric facility to be complete.

| | |
|------------------|---|
| Move to Approve: | Richard P. Santos |
| Second: | Nai Hsueh |
| Yeas: | Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard P. Santos, John L. Varela, Tony Estremera |
| Nays: | None |
| Abstains: | None |
| Recuses: | None |
| Absent: | None |
| Summary: | 7 Yeas; 0 Nays; 0 Abstains; 0 Absent. |

Chairperson Estremera returned the agenda to Item 3.1, and the Board considered Consent Calendar Items 3.1 through 3.5 under one motion.

3. CONSENT CALENDAR:

- 3.1. Adopt Resolution Setting Time and Date of Public Hearing on the Engineer's Report and CEQA Exemption Determination for the Pacheco Pumping Plant Electrical Current Limiting Fuse & Hydraulic Valve Operation System Upgrades, Small Capital Improvements, San Felipe Reach 1, Project No. 91214010, (Merced County, District 1).

| | |
|-----------------|---|
| Recommendation: | Adopt the Resolution SETTING TIME AND DATE OF PUBLIC HEARING ON THE ENGINEER'S REPORT AND CEQA EXEMPTION DETERMINATION FOR THE PACHECO PUMPING PLANT ELECTRICAL CURRENT LIMITING FUSE & HYDRAULIC VALVE OPERATIONS SYSTEM UPGRADES, to occur on February 09, 2021, at 1:00 PM by teleconference Zoom meeting. |
|-----------------|---|

- 3.2. Adopt Plans and Specifications and Authorize Advertisement for Bids for the Lower Calera Creek Flood Protection Project, Project No. 40174005, Contract No. C0666 (Milpitas) (District 3).

Recommendation: A. Adopt Plans and Specifications and Authorize Advertisement for Bids for the Lower Calera Creek Flood Protection Project, per the Notice to Bidders; and
 B. Authorize the Designated Engineer to issue addenda, as necessary, during the bidding process.

- 3.3. Adopt Plans and Specifications and Authorize Advertisement for Bids for the Anderson Dam Tunnel Project, Project No. 91864005, Contract No. C0663 (Morgan Hill) (District 1).

Recommendation: A. Adopt the plans and specifications and authorize advertisement for bids for the construction of the Anderson Dam Tunnel Project (Project), per the Notice to Bidders, exclusively to the list of Valley Water pre-qualified bidders; and
 B. Authorize the Designated Engineer to issue addenda, as necessary, during bidding.

- 3.4. Approval of Minutes.

Recommendation: Approve the minutes.

- 3.5. Accept the CEO Bulletin for the Weeks of January 8-21, 2021.

Recommendation: Accept the CEO Bulletin.

Motion: Approve Consent Calendar Items 3.1 through 3.5, under one motion as follows: adopt Resolution No. 21-07, SETTING TIME AND DATE OF PUBLIC HEARING ON THE ENGINEER'S REPORT AND CEQA EXEMPTION DETERMINATION FOR THE PACHECO PUMPING PLANT ELECTRICAL CURRENT LIMITING FUSE AND HYDRAULIC VALVE OPERATIONS SYSTEM UPGRADES, by roll call vote, as contained in Item 3.1; adopt plans and specifications and authorize advertisements for bids for the Lower Calera Creek Flood Protection Project, as contained in Item 3.2; adopt the plans and specifications and authorize advertisement for bids for the construction of the Anderson Dam Tunnel Project, per the Notice to Bidders, exclusively to the list of Valley Water pre-qualified bidders, as contained in Item 3.3; approve the minutes, as contained in Item 3.4; and Accept the CEO Bulletin, as contained in Item 3.5.

Move to Approve: Richard P. Santos
 Second: Nai Hsueh
 Yeas: Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard P. Santos, John L. Varela, Tony Estremera
 Nays: None
 Abstains: None
 Recuses: None
 Absent: None
 Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

REGULAR AGENDA:

4. BOARD OF DIRECTORS:

- 4.1. Report of Former Board of Directors Chairperson Nai Hsueh, Upon Review of Investigation of May 27, 2020 Complaint Filed by Rev. Jethroe Moore, Against Directors Keegan and LeZotte.

Recommendation: Review and Consider Findings in the Executive Summary of the investigative report.

The Board continued the item to a future meeting.

- 4.2. Approval of Redistricting Advisory Committee Nominations, Guidelines and Procedures, and First Meeting Agenda.

Recommendation: A. Approve the nominations for appointment to the Santa Clara Valley Water District 2021 Redistricting Advisory Committee;
 B. Review and approve the recommended guidelines, direction and procedures for the Redistricting Advisory Committee, Water staff, and Board of Directors; and
 C. Review and approve the agenda for the Redistricting Advisory Committee's first meeting, on March 17, 2021.

Mr. Rocha reviewed the information on this item, per the attached Board Agenda Memorandum, and per the information contained in Handout 4.2-A.

Move to Approve: Linda J. LeZotte
 Second: John L. Varela
 Yeas: Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard P. Santos, John L. Varela, Tony Estremera
 Nays: None
 Abstains: None
 Recuses: None
 Absent: None
 Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

- 4.3. Consider the December 16, 2020 Board Audit Committee Recommendation to Receive and Discuss the Final Audit Report and Management Response for the District Counsel Audit, Conducted by TAP International, Inc.

Recommendation: Consider the December 16, 2020, Board Audit Committee recommendation to receive and discuss the Final Audit Report and Management Response for the District Counsel Audit, conducted by TAP International, Inc.

Ms. Denise Callahan, TAP International, Inc., reviewed the information on this item, per the attached Board Agenda Memorandum.

Move to Accept: Nai Hsueh
Second: Gary Kremen
Yeas: Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard P. Santos, John L. Varela, Tony Estremera
Nays: None
Abstains: None
Recuses: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

- 4.4. Consider the January 13, 2021 Board Audit Committee Recommendation to Add Evaluation of the Risk Management Function's Organizational Alignment to the Planned Risk Management Audit, at an Estimated Cost Range of \$101,600 to \$199,750.

Recommendation: Approve the January 13, 2021 Board Audit Committee Recommendation to Add Evaluation of the Risk Management Function's Organizational Alignment to the Planned Risk Management Audit, at an Estimated Cost Range of \$101,600 to \$199,750.

Mr. Darin Taylor, Chief Financial Officer, reviewed the information on this item, per the attached Board Agenda Memorandum.

Motion: Direct the Board Audit Committee to adhere to its current Work Plan with no Board requested changes; and refer to the Chief Executive Officer and incoming District Counsel to evaluate the need for a Risk Management Function Audit.

Move to Approve: Nai Hsueh
 Second: Linda J. LeZotte
 Yeas: Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard P. Santos, John L. Varela, Tony Estremera
 Nays: None
 Abstains: None
 Recuses: None
 Absent: None
 Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

- 4.5. Consider the December 16, 2020, Board Audit Committee Recommendations to have TAP International, Inc. Conduct the Next Tri-annual Risk Assessment that is due by October 2021, prior to the Expiration on June 30, 2021 of the Board Independent Auditing Services Agreement with TAP International, Inc.; and to Direct Staff to Initiate a Procurement Process to Enter into a New Board Independent Auditing Services Agreement that would be Effective on July 1, 2021.

Recommendation: A. Consider the December 16, 2020, Board Audit Committee recommendation to have TAP International, Inc. conduct the next tri-annual Risk Assessment that is due by October 2021 prior to the expiration on June 30, 2021 of the Board Independent Auditing Services Agreement with TAP International, Inc.;

B. Consider the December 16, 2020, Board Audit Committee recommendation to direct staff to initiate a procurement process to enter into a new Board Independent Auditing Services Agreement that would be effective on July 1, 2021; and

C. Provide final direction, as needed, based upon the Board Audit Committee recommendations.

Director Keegan reviewed the information on this item, per the attached Board Agenda Memorandum.

Move to Approve: Nai Hsueh
 Second: Linda J. LeZotte
 Yeas: Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard P. Santos, John L. Varela, Tony Estremera
 Nays: None
 Abstains: None
 Recuses: None
 Absent: None
 Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

4.6. Board Committee Reports.

Standing Reports (Summary or Verbal Report):

1. Delta Conveyance Design and Construction Authority (DCA) Update
2. Delta Conveyance Finance Authority (Finance Authority) Update

Board Committees (Summary or Meeting Agenda):

3. Board Audit Committee (BAC)
4. Board Policy and Planning Committee (BPPC)
5. Capital Improvement Program (CIP) Committee
6. Diversity and Inclusion (D&I) Ad Hoc Committee
7. Stream Planning and Operations Committee (SPOC)
8. Homeless Encampment Ad Hoc Committee (HEAHC)
9. Recycled Water Committee (RWC)
10. Water Conservation and Demand Management (WCDM) Committee
11. Water Storage Exploratory Committee (WSEC)

Board Advisory Committees (Summary or Meeting Agenda):

12. Agricultural Water Advisory Committee (AWAC)
13. Environmental and Water Resources Committee (EWRC)
14. Santa Clara Valley Water Commission (Water Commission)
15. Youth Commission

Board Joint Committees (Summary or Meeting Agenda):

16. Joint Recycled Water Advisory Committee (JRWAC) (Sunnyvale)
17. Joint Recycled Water Advisory Committee (JRWAC) (East PA/PA/MV)
18. Joint Recycled Water Policy Advisory Committee (JRWPAAC) (SJ/SC/TPAC)
19. Joint Water Resources Committee (JWRC) (Gilroy/Morgan Hill)
20. San Felipe Division Reach One

External Committees/Agencies (Verbal Reports):

21. ACWA and ACWA Joint Powers Insurance Authority
22. Joint Venture Silicon Valley Board of Directors
23. Landscape Committee
24. Local Agency Formation Commission (LAFCO)
25. Northern California Latino Water Coalition
26. Pajaro River Watershed Flood Protection Authority
27. Redevelopment Dissolution Countywide Oversight Board of Santa Clara County
28. Safe, Clean Water Independent Monitoring Committee (IMC)
29. San Francisquito Creek JPA
30. Santa Clara County Water Retailers
31. Santa Clara Valley Habitat Conservation Plan JPA
32. San Luis and Delta-Mendota Water Authority Board
33. Santa Clara County Emergency Operations Area Council
34. Santa Clara County Recycling and Waste Reduction Commission
35. Santa Clara County Special Districts Association
36. South County Regional Wastewater Authority (SCRWA)
37. Zone 7, EBRPD, ACWD, SCVWD, LARPD and Tri-Valley Conservancy Liaison Committee

Director Keegan reviewed the information on January 14, 2021 Stream Planning and Operations Committee meeting, as contained in Handout 4.6.7-A. Copies of the Handout were distributed to the Board and made available to the public.

The Board noted the information without formal action.

4.7. Proposed Future Board Member Agenda Items.

None.

6. WATERSHEDS:

- 6.1. Approve Amendment No. 1 to Agreement No. A4263A, with Kleinfelder, Inc., for On-Call Geotechnical Engineering Services, CAS File No. 4913, Increasing the Fee by \$750,000, for a Total Revised Fee of \$1,750,000; and Amendment No. 1 to Agreement No. A4264A, with Cal Engineering & Geology, Inc., for On-Call Geotechnical Engineering Services, CAS File No. 4940, Increasing the Fee by \$750,000, for a Total Revised Fee of \$1,750,000.

- Recommendation:
- A. Approve Amendment No. 1 to Agreement No. A4263A with Kleinfelder, Inc. for On-Call Geotechnical Engineering services, to increase the not-to-exceed fee by \$750,000, resulting in a total not-to-exceed fee of \$1,750,000; and
 - B. Approve Amendment No. 1 to Agreement No. A4264A with Cal Engineering & Geology, Inc. for On-Call Geotechnical Engineering services, to increase the not-to-exceed fee by \$750,000, resulting in a total not-to-exceed fee of \$1,750,000.

Ms. Rechelle Blank, Deputy Operating Officer, reviewed the information on this item, per the attached Board Agenda Memorandum.

Move to Approve: John L. Varela
Second: Richard P. Santos
Yeas: Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard P. Santos, John L. Varela, Tony Estremera
Nays: None
Abstains: None
Recuses: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

- 6.2. Authorize the Chief Executive Officer to Execute the Master Agreement With the City of Milpitas for the Removal and Construction of City Improvements, Modifications to City Facilities, and Work Within City's Right of Way Included in the Lower Berryessa Creek Flood Protection, Lower Calera Creek Flood Protection, and Lower Penitencia Creek Improvements Projects (Project Nos. 40174005 and 40334005) for a Fee of \$1,665,505 (Milpitas) (District 3).

Recommendation: Authorize the Chief Executive Officer to Execute the Master Agreement With the City of Milpitas for the Removal and Construction of City Improvements, Modifications to City Facilities, and Work Within City's Right of Way Included in the Lower Berryessa Creek Flood Protection, Lower Calera Creek Flood Protection, and Lower Penitencia Creek Improvements Projects for a Fee of \$1,665,505 (Milpitas) (District 3).

The Board considered Item 6.2 without a staff presentation.

Move to Authorize: Richard P. Santos
Second: John L. Varela
Yeas: Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard P. Santos, John L. Varela, Tony Estremera
Nays: None
Abstains: None
Recuses: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

Director Kremen left the meeting and returned as noted below.

7. ASSISTANT CHIEF EXECUTIVE OFFICER:

None.

8. EXTERNAL AFFAIRS:

None.

9. CHIEF EXECUTIVE OFFICER:

- 9.1. Valley Water Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020, and other Independent Auditor's Reports.

Recommendation: Accept the Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020, and other Independent Auditor's Reports.

Mr. Taylor reviewed the information on this item, per the attached Board Agenda Memorandum.

| | |
|-----------------|--|
| Move to Accept: | Nai Hsueh |
| Second: | Richard P. Santos |
| Yeas: | Nai Hsueh, Barbara Keegan, Linda J. LeZotte, Richard P. Santos, John L. Varela, Tony Estremera |
| Nays: | None |
| Abstains: | None |
| Recuses: | None |
| Absent: | Gary Kremen |
| Summary: | 6 Yeas; 0 Nays; 0 Abstains; 1 Absent. |

9.2. CEO and Chiefs' Report.

Director Kremen returned.

Mr. Jeffrey Hare, San Jose resident, expressed concern that according to the summary provided in Handout 9.2-A, Stream Maintenance Report, Pages 1 and 2, Coyote Creek had not been included in any Valley Water sediment removal, bank protection, minor maintenance, and instream habitat improvement projects during the 2020 Stream Maintenance Program season; expressed concern about the impact of the Anderson Dam Retrofit Project on the Coyote Creek watershed; and requested higher prioritization.

Ms. Sue Tippetts, Interim Chief Operating Officer, confirmed that the Stream Maintenance Program provided maintenance of previously constructed flood protection projects, such as those included in the list referenced by Mr. Hare. She confirmed that a flood protection project that addresses Anderson Dam Seismic Retrofit Project-related impacts to the Coyote Creek watershed was planned and confirmed that 19 vegetation removal projects for increased flow capacity had been completed on Coyote Creek in the 2020 season, reported on Handout 9.2-A, Page 3, Table 2.

Ms. Melanie Richardson, Assistant Chief Executive Officer, reported that on Friday, January 22, 2021, the US Army Corps of Engineers released their solicitation of bids for Reaches 1, 2, and 3 of the South San Francisco Bay Shoreline Project, from the Alviso Marina to the Don Edwards Center. She confirmed that bids were expected in March 2021, with construction beginning in Summer of 2021.

Ms. Tippetts reported on preparation efforts for an upcoming weather event predicted for January 26, 2021 through January 28, 2021; and informed the Board that Valley Water had been awarded the 2021 American Council of Engineering Companies of California, Engineering Excellence Merit Award for the Permanente Creek McKelvey Park Detention Basin Project.

Ms. Rachael Gibson, Chief of External Affairs, reported on Storm Preparedness Outreach efforts and activation of Valley Water's Emergency Operations Center (EOC); and reviewed the information contained in the attached Government Relations Legislative Update, identified as Handout 9.2-B, herein. Copies of the Handout were distributed to the Board and made available to the public.

Mr. Aaron Baker, Chief Operating Officer, discussed coordination efforts between Valley Water's Emergency Reservoir Operations teams and EOC staff.

10. ADMINISTRATION:

None.

11. DISTRICT COUNSEL:

None.

12. ADJOURN:

12.1. Board Member Reports/Announcements.

Director Varela reported attending a meeting with newly-elected Morgan Hill District A Council Member Gino Borgioli, a meeting with City of Gilroy Mayor Marie Blankley and Councilmember Zack Hilton, and a San Luis and Delta-Mendota Water Authority (SLDMWA) meeting; and reported having given a presentation at a Morgan Hill Kiwanis Club meeting.

Director Keegan reported attending Board Audit Committee (BAC), Stream Planning and Operations Committee (SPOC), and Recycled Water Committee (RWC) meetings; a Valley Water All Employee Virtual Town Hall; a Delta Conveyance Authority (DCA) Chair Briefing meeting; a Santa Clara Valley Habitat Joint Governing and Implementation Board meeting; and various meetings with staff.

Director Santos reported attending the aforementioned SLDMWA meeting; and a Berryessa Citizens Advisory Committee Meeting.

Director LeZotte reported attending the aforementioned BAC, SPOC, and Santa Clara Valley Habitat Joint Governing and Implementation Board meetings; a briefing on Rancho San Antonio; a Valley Water Preparedness Workshop; a Board Policy and Planning Committee (BPPC) meeting; and various meetings with staff.

Director Hsueh reported attending the aforementioned BPPC meeting; an Environmental and Water Resources Committee (EWRC) meeting; and various meetings with staff.

Director Kremen reported attending a Delta Conveyance Finance Authority meeting; a Quarterly Water Retailers meeting; and various meetings with staff.

Chairperson Estremera reported attending the aforementioned BAC, DCA, SPOC, RWC, and EWRC meetings, and Valley Water All-Employee Virtual Town Hall.

12.2. Clerk Review and Clarification of Board Requests.

None.

- 12.3. Adjourn to Special Meeting at 10:00 a.m., on Wednesday, January 27, 2021, 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.

Chairperson Estremera adjourned the meeting at 7:40 p.m., to the Special Meeting at 10:00 a.m., on Wednesday, January 27, 2021, 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.

Michele L. King, CMC
Clerk/Board of Directors

Approved:

Date:

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BOARD OF DIRECTORS MEETING

MINUTES

**SPECIAL SESSION MEETING
TUESDAY, JANUARY 27, 2021
10:00 AM**

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER:

A Special Meeting of the Santa Clara Valley Water District (Valley Water) Board of Directors, conducted by Zoom Teleconference, was called to order in the Valley Water Headquarters Building Boardroom at 5700 Almaden Expressway, San Jose, California , at 10:00 a.m.

1.1. Roll Call.

Board members in attendance were Tony Estremera, Nai Hsueh, and Richard P. Santos. Board members participating by teleconference were Barbara F. Keegan, Linda J. LeZotte, and John L. Varela, constituting a quorum of the Board.

Director Gary Kremen joined the meeting by teleconference, as noted below.

Staff in attendance was M. King, Clerk, Board of Directors. Staff participating by teleconference were R. Callender, Chief Executive Officer, Leslie Orta, Acting District Counsel, J. Aranda, A. Baker, A. Fulcher, R. Gibson, C. Hakes, M. Richardson, D. Taylor, S. Tippetts, and T. Yoke.

1.2. Pledge of Allegiance/National Anthem.

Director Santos led all present in reciting the Pledge of Allegiance.

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

Chairperson Estremera declared time open for public comment on any item not on the agenda. There was no one present who wished to speak.

Chairperson Estremera moved the agenda to Item 2.2.

2. TIME CERTAIN:

10:00 AM

2.2. Board Strategic Planning Meeting.

- Recommendation:
- A. Participate in the Board's Strategic Planning Meeting to review goals, strategies, and focus areas for the Fiscal Year 2021-2022 (FY22) Board Work Plan;
 - B. Receive recommended changes to the FY22 Board Work Plan from staff; and
 - C. Direct the Board Policy and Planning Committee, in collaboration with facilitator CivicMakers and staff, to review collected information and develop a Draft FY22 Board Work Plan for Board review and approval.

The Board entered into a Strategic Planning session to develop its Fiscal Year 2022 Work Plan.

Mr. Rick L. Callender, Chief Executive Officer, reviewed the information on this item, per the attached Board Agenda Memo, and the corresponding presentation materials contained in Handout 2.2-A were reviewed as follows: Mr. Lawrence Grodeska, CivicMakers Chief Executive Officer, reviewed Slides 1 through 8, 12 through 14, 18, and 23; and Mr. Callender reviewed Slides 9 through 11, 15 through 17, 19 through 22, and 24. Copies of the Handout were distributed to the Board and made available to the public.

A summary of the Board's discussion will be presented at the March 1, 2021 Board Policy and Planning Committee meeting.

During discussion, Director Kremen joined the meeting by teleconference.

Ms. Stephanie Moreno, of undisclosed residency or agency affiliation, expressed support for staff's recommendations pertaining to environmental justice, as contained in Handout 2.2-A, Pages 16 and 25, and encouraged the Board to include by name in future work plans, the specific projects identified each year to meet the Board's environmental justice goals.

Motion: Accept the proposed changes for incorporation into the Draft FY22 Board Work Plan; refer to staff to present a summary of the Board's discussion to the Board Policy Planning Committee; and refer to the Board Policy and Planning Committee, in collaboration with facilitator CivicMakers and staff, to review collected information and develop a Draft FY22 Board Work Plan for Board review and approval.

Move to Approve: Nai Hsueh
Second: Richard P. Santos

Yeas: Tony Estremera, Nai Hsueh, Barbara F. Keegan, Gary Kremen, Linda J. LeZotte, Richard P. Santos, John L. Varela
 Nays: None
 Abstains: None
 Recuses: None
 Absent: None
 Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

2.1. Review of 2021 Board Committee Appointments.

Recommendation: A. Review, revise if necessary, and approve individual Board Committee purpose descriptions;
 B. Create or disband Board Committee(s), as necessary;
 C. Review and approve the proposed 2021 Board Committee appointments as submitted by 2021 Board Chair; and
 D. Appoint new Board Committee Representatives, as necessary.

Ms. Michele King, Clerk, Board of Directors, reviewed the information on this item, per the attached Board Agenda Memo.

Motion: Approve the list of Board Committee Appointments suggested by the Board Chairperson, as contained in Attachments 1 and 2, noting that the Stream Planning and Operations Committee was inadvertently listed twice in Attachment 2, under the Board Committees and *Joint Committees* sections, and would be removed accordingly from the *Joint Committees* table.

Move to Approve: Nai Hsueh
 Second: Richard P. Santos

Director Keegan requested the motion be amended to revise the 2021 Board Committee Appointments to restore her appointment to the Homeless Encampment Ad Hoc Committee.

Motion: Amend the list of 2021 Board Committee Appointments, as contained in Attachments 1 and 2, to replace Chairperson Estremera with Director Keegan as appointed representative to the Homeless Encampment Ad Hoc Committee, and to remove the Stream Planning and Operations Committee from the Joint Committees table in Attachment 2; and approve the lists of 2021 Board Committee Appointments as amended.

Move to Approve as Amended: Nai Hsueh
 Second: Richard P. Santos

Yeas: Tony Estremera, Nai Hsueh, Barbara F. Keegan, Gary Kremen, Richard P. Santos, John L. Varela
Nays: Linda J. LeZotte
Abstains: None
Recuses: None
Absent: None
Summary: 6 Yeas; 1 Nays; 0 Abstains; 0 Absent.

Director LeZotte explained that she had voted in opposition to the item because she did not agree with her removal from the Board Audit Committee and the Local Agency Formation Commission; because she felt the treatment of women in the 2021 Board Committee Appointments violated the Board's policies of gender and racial equity; and because she felt the 2021 Board Committee Appointments manifested what she describes as an ongoing campaign of harassment, intimidation, and attempts to bully female Board members, by male Board members.

3. ADJOURN:

3.1. Clerk Review and Clarification of Board Requests.

Ms. King confirmed that there were no new Board Member Requests.

3.2. Adjourn to Regular Meeting at 1:00 p.m., on February 9, 2021, 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.

Chairperson Estremera adjourned the meeting at 11:45 a.m., to the next regularly scheduled meeting at 1:00 p.m., on February 9, 2021, 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.

Michele L. King, CMC
Clerk, Board of Directors

Approved:

Date:



Santa Clara Valley Water District

File No.: 21-0080

Agenda Date: 2/23/2021

Item No.: 4.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Consider the January 7, 2021 Board Policy and Planning Committee Recommendations Regarding Modifications to Valley Water Environmental Justice Board Governance Ends Policies.

RECOMMENDATION:

- A. Consider the January 7, 2021 Board Policy and Planning Committee recommendations to adopt the proposed modifications to Board Governance Ends Policy General Principles E-1 and Glossary to add Environmental Justice Policy Language; and
- B. Adopt the proposed modifications to Board Governance Ends Policy General Principles E-1 and Glossary to add Environmental Justice Policy Language.

SUMMARY:

On September 22, 2020, the Board approved a Resolution titled “Addressing Systematic Racism and Promoting Equity.” The resolution provides a new framework and model to inform potential changes to Santa Clara Valley Water District (Valley Water) internal policies, procedures, and trainings, including calling for the creation of an Ends Policy relative to environmental justice.

At the September 28, 2020 Board Policy and Planning Committee (BPPC) meeting, Watershed Stewardship staff presented and discussed revisions to Board Governance Ends Policy E-4 and a proposed new Ends Policy E-5. The BPPC provided feedback to ensure that environmental justice language is incorporated into the new policy on climate change, and all Board Governance Policies. Following that meeting, Office of Racial Equity, Diversity, and Inclusion (REDI) staff began working on modifying the first set of Governance Policies, beginning with Ends Policy General Principles E-1.

At the November 23, 2020 BPPC meeting, REDI staff presented proposed modifications to Board Governance Ends Policy General Principles E-1 and the Glossary relative to environmental justice. Proposed changes included a more precise definition for environmental justice and disadvantaged community, after surveying best practices in current policies and definitions from other water agencies and environmental organizations. During this process, staff proposed expanding the environmental justice definition beyond the federal Environmental Protection Agency (EPA) definition that has been referenced in past policies, including Valley Water’s Executive Limitation related to environmental justice that was approved in 2018. The environmental justice definition was expanded

to better reflect our local and unique communities' makeup in Santa Clara County.

During the November meeting, the BPPC provided feedback that included language to clarify intent on work product aesthetics, adding inclusive language to the environmental justice definition to include gender and disability, and performance metrics to monitor and measure progress. Suggestions also included researching and confirming appropriate language for the environmental justice definition and use of "disadvantaged communities" versus "marginalized communities."

At the January 7, 2021 BPPC meeting, REDI staff presented revised recommendations based on feedback received during the November meeting, which included clarifying language on intent of work aesthetics, inclusive language on the environmental justice definition to include gender identity and disability status, and retaining the word disadvantaged communities, because of the wide use of the word in federal, state and local government agencies. Staff also recommended performance metrics language and reporting tools for monitoring and measuring progress through Board Appointed Officer (BAO) interpretations to preserve the high-level nature of the Board's End Policies. The BPPC approved all changes and recommended that they go to the full Board for consideration.

The modifications to Board Governance Ends Policy General Principles E-1 and the Glossary relative to environmental justice are consistent with Valley Water's core values and value statement. Specifically, that we are committed to upholding environmental justice for disadvantaged communities in Santa Clara County.

The attached final amendments to the Ends Policy General Principles E-1 and Glossary relative to environmental justice reflects the requested changes by the BPPC and is being presented to the full board for consideration for adoption (Attachment 1).

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: Amendment to General Principles and Glossary

UNCLASSIFIED MANAGER:

File No.: 21-0080

Agenda Date: 2/23/2021
Item No.: 4.1.

Marta Lugo, 408-630-2237

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Environmental Justice Amendments to Board Governance End Policies

Policy No. E-1: Mission and General Principles

A. Amend Ends Policy E-1 items 1.1—1.6 to reflect Valley Water's Environmental Justice values to read as follows.

General Principles

Accordingly, the Board of Valley Water has adopted directions to the BAOs as to the intended results, organizational products, impacts, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what costs). In implementing Board directions, staff will be guided by the following general principles:

- 1.1. An integrated, socially equitable, and balanced approach in managing a sustainable water supply, effective natural flood protection, and healthy watersheds is essential to the prepare for the future of all communities served.
- 1.2. Effective public engagement by Valley Water in accomplishing the District mission is achieved through transparent, open communication that involves the diverse community and key stakeholder groups in a transparent and open manner, informs and generates participation among all communities, including disadvantaged communities, communities of color, and communities with limited English proficiency, as well as other key stakeholders.
- 1.3. Collaboration with government, academic, private, non-governmental, and non-profit organizations, as well as diverse and disadvantaged communities is integral to accomplishing the District Valley Water mission.
- 1.4. A net positive impact on the environment and providing benefits equitably across all communities is required in order to accomplish is important in support of the District mission and is reflected in all that we do. the Valley Water mission.
- 1.5. Recognize that District Valley Water operations and services are critical to the economic vitality of Silicon Valley, ensuring that economic benefits are equitable for all communities that we serve.
- 1.6. As standard practice, all work products shall be visually pleasing, sustainable, cost-effective, culturally appropriate, equitable across all communities and reflect the characteristics of the surrounding urban setting and natural habitat using appropriate materials, colors, shapes, art works, vegetation, and surface treatments. This includes the naming of facilities in a manner that is respectful of all diverse communities.

B. Amend Ends Policy E-1 to add item 1.7, a General Principle focused on environmental justice, that would read as follows.

- 1.7. Valley Water is committed to eEnvironmental justice and shall provide for is the fair treatment and meaningful engagement involvement of all people regardless of race, color, gender identity, disability status, national origin, tribe, culture, -or income, immigration status, or English language proficiency, with respect to the planning, projects, policies, services, and operations of Valley Water. development, implementation, and enforcement of environmental laws, regulations, and policies. Environmental Justice is This goal will be achieved when all people receive everyone enjoys:
- Equitable consideration in the planning and execution of flood protection, water supply, safe drinking water, water resource stewardship projects, and the same degree of protection from environmental and health hazards, and
 - equal access to the Valley Water's decision-making process to have a healthy environment in which to live, learn, and work.;

Glossary

Amend the Glossary of the Board Governance Policies to include the following definition.

“disadvantaged community”

Disadvantaged community is an area whose residents are disproportionately impacted from a combination of economic, health, and environmental burdens, such as poverty, high unemployment, environmental pollution, the presence of hazardous waste, or environmental degradation. These communities often are comprised of people who have suffered historical discrimination based on race, color, national origin, tribe, culture, income, immigration status, or English language proficiency.

For the purposes of Valley Water policies, projects, services, and programs, disadvantaged communities include any of the following:

- Low-income households (Household incomes below 80 percent of the Area Median Income (AMI) in Santa Clara County, as of 2020 AMI for average household of three is \$100,950, however AMI is updated annually;
- Low-income census tracts (Census tracts where aggregated household incomes are less than 80 percent of the Area Median Income for Santa

Clara County), as of 2020 AMI for average household of three is \$100,950, however AMI is updated annually

- An area defined by California Environmental Protection Agency (pursuant to Section 39711 of the California Health and Safety Code), using the CalEnviroScreen tool, which was developed to determine communities most burdened by environmental, socioeconomic and health factors.

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Santa Clara Valley Water District

File No.: 21-0122

Agenda Date: 2/23/2021

Item No.: 4.2.

BOARD AGENDA MEMORANDUM

SUBJECT:

Approve Revised Clarifying Language to the Board Audit Committee Audit Charter.

RECOMMENDATION:

Approve Revised Clarifying Language to the Board Audit Committee Audit Charter.

SUMMARY:

The Board Audit Committee (BAC) was established by the Valley Water Board of Directors (Board) to identify potential areas and priorities for auditing; to review, update, plan, and coordinate the execution of Board audits. On September 26, 2018, the BAC directed that a Board Audit Committee Audit Charter (BAC Audit Charter) be developed, and on June 26, 2019, it approved of a final version of the BAC Audit Charter to recommend for approval by the Board. At its regular meeting of August 27, 2019, the Board formally approved the BAC Audit Charter. As a best practice, the BAC Audit Charter provides the BAC with formal Board guidance regarding its purpose, duties, and powers. It also ensures that audits are carried out in accordance with the expectations of the Board and in accordance with commonly recognized audit standards.

At the September 16, 2020, BAC meeting, the BAC recommended that staff present to the full Board for approval the following updates to the BAC Audit Charter: (1) updated naming convention from “the District” to “Valley Water” and substituted the new Valley Water logo on the cover page; (2) addition of Article III Section 3 - Disclosure of Impairment to Independence; (3) addition of supplemental text to Article III Section 7.2 related to proposed substantive changes to the Annual Audit Work Plan must be approved by the Board; (4) addition of supplemental text to Article V Section 2(e) related to Board approval not required for desk reviews; and (5) addition of supplemental text to Article VI Section 7 related to management review for technical accuracy of preliminary draft audit report to be provided within ten working days from issuance. These proposed changes were presented at the October 13, 2020 Board meeting.

At the October 13, 2020, Board meeting, the Board requested that the BAC Audit Charter be further revised for clarifying language and the revisions be presented at a future Board meeting. Revisions made to address concerns of the Board include the following updates:

- (1) Article 3 Section 8 of the BAC Audit Charter was revised to provide that: “The Committee may recommend that the Independent Auditor perform individual audits but shall ensure that additional auditors are recommended for use in planned audits so that

- (2) no single firm conducts a disproportionate number of audits in a given fiscal year;" and Article 6 Section 1 of the BAC Audit Charter was revised to provide that: "The Committee shall make recommendations to the full Board for the selection of all Auditors to perform audits in the approved Annual Audit Work Plan. In making such recommendations, the Committee shall consider multiple auditors in order to avoid having any single auditor perform a disproportionate number of audits in a given fiscal year. Following such recommendation, the Board shall make the final decision regarding the selection of such auditors."

The revised clarifying language to the BAC Audit Charter is provided in a clean version (Attachment 1) and redlined version (Attachment 2) for approval by the Board at its regular February 23, 2021, Board meeting.

The charter requires that the BAC conduct a periodic review of the charter terms and make any recommendations regarding changes to the full Board for final approval. (Article IX, §1).

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: 121620 BAC Charter Revisions (Clean Version)

Attachment 2: 121620 BAC Charter Revisions (Redlined Version)

UNCLASSIFIED MANAGER:

Darin Taylor, 408-630-3068



SANTA CLARA VALLEY WATER DISTRICT
BOARD AUDIT COMMITTEE
AUDIT CHARTER

ARTICLE I - PURPOSE

1. This Charter shall govern the operation of the Santa Clara Valley Water District (Valley Water) Board Audit Committee (Committee).
2. Valley Water's Board of Directors (Board) is responsible for ensuring that Valley Water provides Silicon Valley with safe, clean water for a healthy life, environment, and economy.
3. Audits constitute an important oversight tool as they provide independent and fact-based information to an agency's elected officials and management. Information derived from audits can be used by those responsible with governance and oversight to use it to improve program performance and operations, confirm regulatory compliance, reduce costs, and facilitate decision making.
4. The Committee shall assist the Board, consistent with direction from the full Board, by identifying potential areas for audit and audit priorities, and to review, update, plan and coordinate execution of Board audits.
5. Through its oversight of the audit process, the Committee serves a critical role in providing oversight of Valley Water's governance, risk management, ethics program, and internal control practices. This oversight mechanism also serves to provide confidence in the integrity of these practices. It is the Committee's responsibility to provide the Board with independent, objective advice on the adequacy of Valley Water management's arrangements with respect to the aspects of the management of Valley Water being evaluated.
6. In carrying out its functions, the Committee shall emphasize: (a) the identification of organizational risk; (b) service delivery; (c) operational efficiency; (d) effectiveness of Valley Water programs; (e) project delivery; (f) establishment of an Annual Workplan and an Annual Audit Workplan to guide the Committee's work; and (g) oversight and monitoring of Valley Water operations and compliance with all applicable regulatory requirements.
7. In addition to carrying out audits in a Board approved Annual Audit Work Plan, the Committee's purpose also includes oversight of audits initiated by Valley Water management, review and comment upon final audits initiated by third-party governmental or administrative agencies, and the conduct of Limited Investigations of potential fraud, waste or violations of law or policy as set forth herein. The

Committee's oversight of Annual Financial Statement Audits shall include the additional elements set forth in Article VIII herein.

8. The Committee shall serve to reinforce the wholeness of the Board's job and shall never interfere with delegation from the Board to the Board Appointed Officers.
9. Through its oversight of the audit process, the Committee shall provide the Board with independent advice and guidance regarding the adequacy and effectiveness of Valley Water's management practices and potential improvements to those practices.

ARTICLE II - COMPOSITION

1. Number of Committee members/Appointment - The Committee shall consist of at least three members of the Board and shall be appointed by the Board in accordance with the Board's Governance Policies. Committee members shall serve one-year terms.
2. Quorum - The quorum for the Committee shall be a majority of the members.
3. Committee Chair - A Committee Chair shall be elected by a majority of the Committee at the first Committee meeting of the calendar year and shall serve for a one-year term. The Committee Chair shall be responsible for approving agendas for Committee meetings, approving the payment of invoices to Auditors, and making all initial efforts to resolve any conflicts that may arise during an audit. To the extent the Chair is unable to resolve conflicts arising during the audit, the matter shall be referred to the Committee for attempted resolution.
4. Committee Vice-Chair - A Committee Vice-Chair shall be elected by a majority of the Committee at the first Committee meeting of the calendar year and shall serve for a one-year term. The Vice-Chair shall assume the duties of the Chair during the Chair's absence.

ARTICLE III – OPERATIONAL PRINCIPLES

1. Committee Values. The Committee shall conduct itself in accordance with Valley Water's values as set forth in Valley Water's Governance Policies of the Board of Directors, Governance Process No. GP-7 (Values Statement).
2. Communications – The Committee expects that all communication with management and staff of Valley Water as well as with any external auditors will be direct, open, and complete. The Committee is entitled to receive any explanatory

information that it deems necessary to discharge its responsibilities. The Committee will communicate directly with the Board and will not exercise actual authority over Valley Water employees.

3. Disclosure of Impairment to Independence – The Auditor shall disclose the details of any audit-related impairment in fact or in appearance to the Committee (e.g. one which threatens the ability to carry out audit responsibilities in an unbiased manner, including matters of audit identification, scope, procedures, frequency, timing, and report content).
4. Access to Information - Except where action by the full Board is required (such as for the waiver of a legal privilege), the Committee shall have unrestricted access to records, data, reports, and all other relevant information it consider necessary to discharge its duties. If access to requested documents is denied due to legal or confidentiality reasons, the Committee shall follow any prescribed, Board approved mechanism for resolution of the matter.
5. Authority – This Charter sets out the authority of the Committee to carry out the responsibilities established for it by the Board. In the event of any conflict between this Charter and either the District Act or the Board Governance Policies, the provisions of the District Act and Board Governance Policies shall prevail.
6. Annual Work Plan –
 - 6.1. Work Plans are used by all Board Committees to increase Committee efficiency, provide increased public notice of intended Committee discussions, and enable improved follow-up by Valley Water staff. Work Plans are dynamic documents managed by Committee chairs and are subject to change. Annual Work Plans establish a framework for committee discussion and action during the annual meeting schedule. Committee Work Plans also serve as Annual Committee Accomplishments Reports.
 - 6.2. The Committee shall, in coordination with Valley Water’s Clerk of the Board, develop a proposed Annual Work Plan. Items shall be included in the Annual Work Plan based upon a majority vote of the Committee.
7. Annual Audit Work Plan
 - 7.1. While the Annual Work Plan governs the overall work of the Committee, the Committee shall also develop a proposed “Annual Audit Work Plan” which shall list each of the individual audits to be performed over the course of the year.

- 7.2. At least annually, the Committee shall develop and submit a proposed Annual Audit Work Plan to the full Board for consideration and approval. Following such Board consideration and approval, the Annual Audit Work Plan shall be automatically updated to include any additional audits formally referred to the Committee by the full Board. Any proposed substantive changes to the Annual Audit Work Plan (e.g., combining audits, removing an audit, or significantly delaying initiation of an audit) must be approved by the Board. Recommended changes should be evidence based.
- 7.3. Only audits properly included in an approved Annual Audit Work Plan, as set forth in section 7.2 above, may be undertaken by the Committee.
- 7.4. Risk Assessment – The Committee shall endeavor to complete a Valley Water-wide risk assessment, at a minimum, tri-annually and to annually update Valley Water-wide audit risk assessment to include objectively recommended audits ranked based upon the potential level of risk to Valley Water. The results of this Valley Water-wide audit risk assessment should be relied upon to develop the proposed Annual Audit Work Plan.
8. Valley Water Independent Auditor – Upon approval of the Board following recommendation by the Committee, Valley Water may retain an Independent Auditor to serve as support to the Committee, to make recommendations for the Annual Work Plan, and to recommend audits for inclusion in the Annual Audit Work Plan. The Independent Auditor shall not be an employee of Valley Water. The Independent Auditor must report directly to the Audit Committee and Valley Water staff shall not direct or attempt to direct the work of the Independent Auditor. The Committee may recommend that the Independent Auditor perform individual audits but shall ensure that additional auditors are recommended for use in planned audits so that no single firm conducts a disproportionate number of audits in a given fiscal year.
9. Committee Evaluation of Auditor Performance – The Committee shall evaluate the performance of the Independent Auditor and any other Auditor retained by the Board. The Committee may make a recommendation to the Board to discharge such Independent Auditors or other Auditors where they are not adequately fulfilling their contracted duties.
10. Preparation and Attendance – Committee members are obligated to prepare for and participate in Committee meetings.

11. Conflicts of Interest – It is the responsibility of Committee members to disclose any conflict of interest or appearance of a conflict of interest to the Committee regarding any matters coming before or considered by the Committee.

ARTICLE IV – MEETINGS

1. Meeting Agendas – Guided by the Audit Charter, Annual Work Plan, and Annual Audit Work Plan, the Committee Chair will establish agendas for Committee meetings in consultation with Committee members, Valley Water Management, and the Clerk of the Board.
2. Meetings – The Committee will conduct its meetings in accordance with the provisions of the Brown Act. The Committee shall meet at least four times per year. Beyond this minimum, there shall be no limit to the number of meetings held over the course of the year.

ARTICLE V – AUDIT PRINCIPLES

1. Audit Purposes – Audits can serve several purposes including, but not limited to:
 - a. Verifying that programs, services, and operations are working based upon the Committee’s understanding;
 - b. Assuring efficiency and effectiveness;
 - c. Identifying the root cause of any problems experienced by Valley Water;
 - d. Assessing future risks facing Valley Water;
 - e. Assessing the progress of prior audit recommendations;
 - f. Identifying any impact that changes in Valley Water operations have had on financial performance and service delivery;
 - g. Identifying leading practices;
 - h. Assessing regulatory compliance;
 - i. Developing policy options; and
 - j. Assessing the accuracy of financial information reported by Valley Water.
2. Audit Types – The types of audits that may be conducted on behalf of Valley Water include, but are not limited to, the following:
 - a. Financial audits – Valley Water hires an outside independent audit firm to perform Valley Water’s financial statement audit;

- b. Internal audits – Internal audits review the environment, information, and activities that are designed to provide proper accountability over Valley Water operations;
 - c. Compliance audits – Compliance audits review adherence to Valley Water policies and procedures, state regulatory requirements, or federal regulatory requirements;
 - d. Performance audits – Performance audits review the economy, efficiency, and effectiveness of Valley Water’s programs, services, and operations. Performance audits can evaluate current impact or assess operations prospectively;
 - e. Desk reviews – Small and quick audits of limited size or duration for the purpose of determining if a full performance audit is needed. Board approval is not required for Desk reviews, however the Committee shall, as soon as is practicable, provide the Board with notice following the Committee’s approval to initiate any Desk review;
 - f. Follow up audits – Audits evaluating to what extent prior audit recommendations have been implemented. Follow up audits may also assess other actions taken to respond to or prevent the occurrence of problems;
 - g. Best practice reviews – Audits which compare current Valley Water operations to best practices.
3. Audit Objectives – Audit objectives must be developed for every audit conducted on behalf of Valley Water. These audit objectives are questions posed by management, Committee members, Board members, or auditors about the specific nature of the issue or concern that is the subject of the audit. Suggested Audit Objectives shall be referenced in the Annual Audit Work Plan for every audit listed therein. The audit objectives may be subject to revision as necessary during the planning phase of the audit.
4. Audit Standards – Audits conducted by or on behalf of the Committee shall conform with the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing (Standards) (RED Book) or the Generally Accepted Government Auditing Standards established by the U.S. Government Accountability Standards (YELLOW Book), or both.
5. Limited Investigations.
- a) Purpose. In lieu of an audit, the Committee shall also have discretion to conduct or request Limited Investigations to address any discrete issue or concern regarding fraud, waste, or violations of law or policy at Valley

Water. The Committee shall not have jurisdiction to conduct Limited Investigations on any other matters. Prior Board approval is not required for the initiation of Limited Investigations.

- b) Scope. Such Limited Investigations may or may not be subject to the Audit Standards set forth above and shall be undertaken only where: (1) the Limited Investigation is designed to determine the existence or nonexistence of discrete facts involving alleged fraud, waste, or violations of law or policy at Valley Water; (2) the Committee has determined that an audit is not appropriate to address the concern; and (3) the Limited Investigation does not address any matters covered or potentially covered by Board Governance Policy GP-6 (Board Members' Code of Conduct).
 - c) Classified Employees. Classified employees who are parties to any Limited Investigation shall be afforded all applicable rights under the Meyers-Milias-Brown Act and the Memorandum of Understanding then in effect with the employee's union.
 - d) Timely completion. All Limited Investigations must be completed in a timely manner.
 - e) Report of Results. The Committee shall advise the Board of the results of all completed Limited Investigations.
6. Protection of Confidential or Privileged Information – The Committee shall take all necessary steps to prevent the unnecessary disclosure of privileged or confidential information arising in the audit process, arising in the final reports on the audits, arising in the Limited Investigation process, or arising in final reports issued on Limited Investigations.

ARTICLE VI – COMMITTEE OVERSIGHT OF BOARD INITIATED AUDITS

Committee recommendation of Auditors – The Committee shall make recommendations to the full Board for the selection of all Auditors to perform audits in the approved Annual Audit Work Plan. In making such recommendations, the Committee shall consider multiple auditors in order to avoid having any single auditor perform a disproportionate number of audits in a given fiscal year. Following such recommendation, the Board shall make the final decision regarding the selection of such auditors.

1. Board Auditors and Valley Water Staff – Valley Water staff may assist the Committee in its work and may provide information to, assist, or work with Auditors retained by the Board, as necessary. Valley Water staff shall not, however, attempt to direct any Auditors retained by the Board. Auditors retained by the Board shall have a duty to the Board and shall not take direction from Valley Water staff.

2. Communications with Auditors – Individual Committee members shall have the right to speak with Auditors directly regarding the Auditor's assignments. However, direction to Auditors shall come from the Committee as a whole.
3. Completion of Annual Audit Work Plan – The Committee shall ensure that audits on the Annual Audit Work Plan are initiated and completed in an accurate and timely manner.
4. Review of Audit Results/Notice to Board – The Committee shall review the observations and conclusions of all audits conducted pursuant to the Annual Audit Work Plan. Upon finalization of the audits and any related reports, the Committee shall provide the Board with the results and make any recommendations to the Board regarding improvement of program performance and operations, cost reductions, and best practices.
5. Draft Audit Reports - The Committee may request the opportunity to review and comment on any draft audit reports before such reports are finalized by the auditor.
7. Valley Water Management Response to Audits – Valley Water Management must review, for technical accuracy, and provide comments on any preliminary draft audit report within ten working days from issuance. Valley Water Management must review and respond to draft audit report recommendations included in Board Initiated audits within fifteen working days from issuance of any draft audit report, unless the Auditor requires the Management response in a shorter amount of time. The Committee, at the request of Valley Water management, may extend the review and comment periods on an audit-by-audit basis. The Committee may ask questions about or make comments on any responses to the draft audit report recommendations. However, the Committee shall not attempt to direct Valley Water staff in its response to any audit.
8. Board Monitoring of Committee Performance – The Committee shall provide the Board with timely and periodic reports regarding its activities, its progress on individual audits, its progress on the Annual Work Plan, its progress on the Annual Audit Work Plan, the results of completed audits, and the Committee's recommendations based upon the audit results. The Committee may also identify any recognizable trends in the audit results as part of its periodic reports. The Committee shall provide such reports to the Board at least four times per calendar year.

ARTICLE VII – THIRD-PARTY AND MANAGEMENT INITIATED AUDITS

1. Third-Party Audits – Third-Party Audits are audits initiated by a separate governmental agency (entities other than Valley Water).
2. Management Initiated Audits – Management Initiated Audits are audits requested by Valley Water management. Nothing in this Charter shall restrict the ability or discretion of Valley Water management to undertake any audits it deems required or recommended.
3. Notice to Committee of Third-Party Audits – The Committee shall be promptly notified in writing of the existence and results of any Third-Party audits of Valley Water. Where Valley Water has been given an opportunity to submit a response before the Third-Party audit is finalized, the Committee Chair shall be immediately notified by email or telephone and shall determine whether to have the Committee review and comment upon any draft Valley Water response at a regularly scheduled or specially noticed Committee meeting. Where possible, Valley Water management shall provide the Committee with at least fifteen days for such review and comment. Where timely review and comment by the full Committee is not reasonably possible, the Committee Chair may conduct such review and comment himself/herself and shall report upon such review and comment at the next scheduled Committee meeting. The Committee Chair may also delegate this responsibility to the Vice Chair for any particular Third-Party Audit, where the Committee Chair is unavailable. The Committee shall be provided with copies of any final reports on Third-Party Audits.
4. Notice to Committee of Management Initiated Audits – Valley Water management shall notify the Committee in writing of any planned Management Initiated Audits before commencing the same. Upon request by the Board Chair, Valley Water management shall provide a report to the Committee of the scope and nature of all planned Management Initiated Audits at the next scheduled Committee meeting. Where circumstances require any Management Initiated Audit to commence before the next regularly scheduled Committee meeting, the Committee Chair shall be advised of this need, and the audit need not be delayed. Where the Management Initiated Audit allows for a response by Valley Water staff before it is finalized, the Committee Chair shall be immediately notified by email or telephone and shall determine whether to have the Committee review and comment on any draft Valley Water response at a regularly scheduled or specially noticed Committee meeting. Where possible, Valley Water management shall provide the Committee with at least fifteen days for such review and comment. Where timely review and comment by the full

Committee is not reasonably possible, the Committee Chair may conduct such review and comment himself/herself and shall report upon such review and comment at the next scheduled Committee meeting. The Committee Chair may also delegate this responsibility to the Vice Chair for any particular Management Initiated Audit, where the Committee Chair is unavailable. The Committee shall be provided with copies of any final reports on Management Initiated Audits.

5. Comment Upon Draft Audit Responses. The Committee Chair and the Committee may ask questions about or make comments upon any draft audit responses. However, they shall not attempt to direct Valley Water staff in its response to any audit.
6. Audit Results – The Committee may request a report by Valley Water Staff on any response to Management Initiated or Third-Party Audits and any plans by Valley Water staff to implement changes as a result of the audits.
7. Board Report of Audit Results – In its periodic reports to the full Board, the Committee may include information regarding Third-Party Audits or Management Initiated Audits.

ARTICLE VIII – ANNUAL FINANCIAL STATEMENT AUDIT

1. Annual Financial Statement Audit - The Committee shall participate in Valley Water's procurement process for Valley Water's annual financial statement audit.
2. The Committee's participation shall include, but not be limited to, providing input to Valley Water management on the selection criteria and desired qualifications of the public accounting firm. The selected external financial auditor shall submit to the Committee Valley Water's audited financial statements annually, including all related management letters to the Committee for review and comment.

ARTICLE IX – PERFORMANCE MANAGEMENT

1. The Committee shall periodically review the Audit Charter and shall make any recommendations regarding changes to the Board for final approval.
2. The Board may make any changes to the Audit Charter it deems to be appropriate.

3. Education – The Annual Work Plan shall include some component of Committee training on audit principles, practices, or standards. At least annually, the Independent Auditor shall provide Committee training and other knowledge transfer on some component of audit principles, practices, and standards
4. At least annually, the Committee shall conduct an evaluation of its performance to determine whether it is functioning effectively and to discuss with the Independent Auditor any observations related to the effectiveness of the Committee. The Committee shall prepare a formal report based upon each such self-evaluation and shall provide such report to the full Board following its adoption by the Committee.



SANTA CLARA VALLEY WATER DISTRICT
BOARD AUDIT COMMITTEE
AUDIT CHARTER

ARTICLE I - PURPOSE

1. This Charter shall govern the operation of the Santa Clara Valley Water District (Valley Water) Board Audit Committee (Committee).
2. ~~The Santa Clara~~ Valley Water ~~District~~'s Board of Directors (Board) is responsible for ensuring that ~~the District~~ Valley Water provides Silicon Valley with safe, clean water for a healthy life, environment, and economy.
3. Audits constitute an important oversight tool as they provide independent and fact-based information to an agency's elected officials and management. Information derived from audits can be used by those responsible with governance and oversight to use it to improve program performance and operations, confirm regulatory compliance, reduce costs, and facilitate decision making.
4. The Committee shall assist the Board, consistent with direction from the full Board, by identifying potential areas for audit and audit priorities, and to review, update, plan and coordinate execution of Board audits.
5. Through its oversight of the audit process, the Committee serves a critical role in providing oversight of ~~the District~~ Valley Water's governance, risk management, ethics program, and internal control practices. This oversight mechanism also serves to provide confidence in the integrity of these practices. It is the Committee's responsibility to provide the Board with independent, objective advice on the adequacy of District Valley Water management's arrangements with respect to the aspects of the management of ~~the District~~ Valley Water being evaluated.
6. In carrying out its functions, the Committee shall emphasize: (a) the identification of organizational risk; (b) service delivery; (c) operational efficiency; (d) effectiveness of District Valley Water programs; (e) project delivery; (f) establishment of an Annual Workplan and an Annual Audit Workplan to guide the Committee's work; and (g) oversight and monitoring of District Valley Water operations and compliance with all applicable regulatory requirements.
7. In addition to carrying out audits in a Board approved Annual Audit Work Plan, the Committee's purpose also includes oversight of audits initiated by District Valley Water management, review and comment upon final audits initiated by third-party governmental or administrative agencies, and the conduct of Limited Investigations of potential fraud, waste or violations of law or policy as set forth herein The

Committee's oversight of Annual Financial Statement Audits shall include the additional elements set forth in Article VIII herein.

8. The Committee shall serve to reinforce the wholeness of the Board's job and shall never interfere with delegation from the Board to the Board Appointed Officers.
9. Through its oversight of the audit process, the Committee shall provide the Board with independent advice and guidance regarding the adequacy and effectiveness of ~~the District~~Valley Water's management practices and potential improvements to those practices.

ARTICLE II - COMPOSITION

1. Number of Committee members/Appointment - The Committee shall consist of at least three members of the Board and shall be appointed by the Board in accordance with the Board's Governance Policies. Committee members shall serve one-year terms.
2. Quorum - The quorum for the Committee shall be a majority of the members.
3. Committee Chair - A Committee Chair shall be elected by a majority of the Committee at the first Committee meeting of the calendar year and shall serve for a one-year term. The Committee Chair shall be responsible for approving agendas for Committee meetings, approving the payment of invoices to Auditors, and making all initial efforts to resolve any conflicts that may arise during an audit. To the extent the Chair is unable to resolve conflicts arising during the audit, the matter shall be referred to the Committee for attempted resolution.
4. Committee Vice-Chair - A Committee Vice-Chair shall be elected by a majority of the Committee at the first Committee meeting of the calendar year and shall serve for a one-year term. The Vice-Chair shall assume the duties of the Chair during the Chair's absence.

ARTICLE III – OPERATIONAL PRINCIPLES

1. Committee Values. The Committee shall conduct itself in accordance with ~~the District~~Valley Water's values as set forth in ~~the District~~Valley Water's Governance Policies of the Board of Directors, Governance Process No. GP-7 (Values Statement).
2. Communications – The Committee expects that all communication with management and staff of ~~the District~~Valley Water as well as with any external

auditors will be direct, open, and complete. The Committee is entitled to receive any explanatory information that it deems necessary to discharge its responsibilities. The Committee will communicate directly with the Board and will not exercise actual authority over ~~District~~Valley Water employees.

3. Disclosure of Impairment to Independence – The Auditor shall disclose the details of any audit-related impairment in fact or in appearance to the Committee (e.g. one which threatens the ability to carry out audit responsibilities in an unbiased manner, including matters of audit identification, scope, procedures, frequency, timing, and report content).

3.4. Access to Information - Except where action by the full Board is required (such as for the waiver of a legal privilege), the Committee shall have unrestricted access to records, data, reports, and all other relevant information it consider necessary to discharge its duties. If access to requested documents is denied due to legal or confidentiality reasons, the Committee shall follow any prescribed, Board approved mechanism for resolution of the matter.

4.5. Authority – This Charter sets out the authority of the Committee to carry out the responsibilities established for it by the Board. In the event of any conflict between this Charter and either the District Act or the Board Governance Policies, the provisions of the District Act and Board Governance Policies shall prevail.

5.6. Annual Work Plan –

5.1.6.1. Work Plans are used by all Board Committees to increase Committee efficiency, provide increased public notice of intended Committee discussions, and enable improved follow-up by ~~District~~Valley Water staff. Work Plans are dynamic documents managed by Committee ~~chairs, and~~chairs and are subject to change. Annual Work Plans establish a framework for committee discussion and action during the annual meeting schedule. Committee Work Plans also serve as Annual Committee Accomplishments Reports.

5.2.6.2. The Committee shall, in coordination with ~~the District~~Valley Water's Clerk of the Board, develop a proposed Annual Work Plan. Items shall be included in the Annual Work Plan based upon a majority vote of the Committee.

6.7. Annual Audit Work Plan

6.1.7.1. While the Annual Work Plan governs the overall work of the Committee, the Committee shall also develop a proposed “Annual Audit Work Plan” which

shall list each of the individual audits to be performed over the course of the year.

6.2.7.2. At least annually, the Committee shall develop and submit a proposed Annual Audit Work Plan to the full Board for consideration and approval. Following such Board consideration and approval, the Annual Audit Work Plan shall be automatically updated to include any additional audits formally referred to the Committee by the full Board. Any proposed substantive changes to the Annual Audit Work Plan (e.g., combining audits, removing an audit, or significantly delaying initiation of an audit) must be approved by the Board. Recommended changes should be evidence based.

6.3.7.3. Only audits properly included in an approved Annual Audit Work Plan, as set forth in section 7.6.2 above, may be undertaken by the Committee.

6.4.7.4. Risk Assessment – The Committee shall endeavor to complete a DistrictValley Water-wide risk assessment, at a minimum, tri-annually and to annually update ~~the DistrictValley Water~~-wide audit risk assessment to include objectively recommended audits ranked based upon the potential level of risk to ~~the DistrictValley Water~~. The results of this DistrictValley Water-wide audit risk assessment should be relied upon to develop the proposed Annual Audit Work Plan.

7.8. DistrictValley Water Independent Auditor – Upon approval of the Board following recommendation by the Committee, ~~the DistrictValley Water~~ may retain an Independent Auditor to serve as support to the Committee, to make recommendations for the Annual Work Plan, and to recommend audits for inclusion in the , and to conduct a broad scope of audits in an approved Annual Audit Work Plan. The Independent Auditor shall not be an employee of ~~the DistrictValley Water~~. The Independent Auditor must report directly to the Audit Committee and DistrictValley Water staff shall not direct or attempt to direct the work of the Independent Auditor. The DistrictThe Committee may recommend that the Independent Auditor perform individual audits but shall ensure that additional auditors are recommended for use in planned audits so that no single firm conducts a disproportionate number of audits in a given fiscal year's retention of an Independent Auditor shall not preclude the retention of additional Auditors to perform individual audits.

8.9. Committee Evaluation of Auditor Performance – The Committee shall evaluate the performance of the Independent Auditor and any other Auditor retained by the

Board. The Committee may make a recommendation to the Board to discharge such Independent Auditors or other Auditors where they are not adequately fulfilling their contracted duties.

9.10. Preparation and Attendance – Committee members are obligated to prepare for and participate in Committee meetings.

11. Conflicts of Interest – It is the responsibility of Committee members to disclose any conflict of interest or appearance of a conflict of interest to the Committee regarding any matters coming before or considered by the Committee.

ARTICLE IV – MEETINGS

1. Meeting Agendas – Guided by the Audit Charter, Annual Work Plan, and Annual Audit Work Plan, the Committee Chair will establish agendas for Committee meetings in consultation with Committee members, ~~District~~Valley Water Management, and the Clerk of the Board.
2. Meetings – The Committee will conduct its meetings in accordance with the provisions of the Brown Act. The Committee shall meet at least four times per year. Beyond this minimum, there shall be no limit to the number of meetings held over the course of the year.

ARTICLE V – AUDIT PRINCIPLES

1. Audit Purposes – Audits can serve several purposes including, but not limited to:
 - a. Verifying that programs, services, and operations are working based upon the Committee's understanding;
 - b. Assuring efficiency and effectiveness;
 - c. Identifying the root cause of any problems experienced by ~~the~~ DistrictValley Water;
 - d. Assessing future risks facing ~~the~~ DistrictValley Water;
 - e. Assessing the progress of prior audit recommendations;
 - f. Identifying any impact that changes in DistrictValley Water operations have had on financial performance and service delivery;
 - g. Identifying leading practices;
 - h. Assessing regulatory compliance;
 - i. Developing policy options; and
 - j. Assessing the accuracy of financial information reported by ~~the~~ DistrictValley Water.

2. Audit Types – The types of audits that may be conducted on behalf of ~~the District~~Valley Water include, but are not limited to, the following:
 - a. Financial audits – ~~The District~~Valley Water hires an outside independent audit firm to perform ~~the District~~Valley Water's financial statement audit;
 - b. Internal audits – Internal audits review the environment, information, and activities that are designed to provide proper accountability over ~~District~~Valley Water operations;
 - c. Compliance audits – Compliance audits review adherence to ~~District~~Valley Water policies and procedures, state regulatory requirements, or federal regulatory requirements;
 - d. Performance audits – Performance audits review the economy, efficiency, and effectiveness of ~~the District~~Valley Water's programs, services and operations. Performance audits can evaluate current impact or assess operations prospectively;
 - e. Desk reviews – Small and quick audits of limited size or duration for the purpose of determining if a full performance audit is needed. Board approval is not required for Desk reviews, however the Committee shall, as soon as is practicable, provide the Board with notice following the Committee's approval to initiate any Desk review;
 - f. Follow up audits – Audits evaluating to what extent prior audit recommendations have been implemented. Follow up audits may also assess other actions taken to respond to or prevent the occurrence of problems;
 - g. Best practice reviews – Audits which compare current Valley Water~~District~~ operations to best practices.
3. Audit Objectives – Audit objectives must be developed for every audit conducted on behalf of ~~the District~~Valley Water. These audit objectives are questions posed by management, Committee members, ~~or~~ Board members, or auditors about the specific nature of the issue or concern that is the subject of the audit. Suggested Audit Objectives shall be referenced in the Annual Audit Work Plan for every audit listed therein. The audit objectives may be subject to revision as necessary during the planning phase of the audit.
4. Audit Standards – Audits conducted by or on behalf of the Committee shall conform with the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing (Standards) (RED Book) ~~and/or~~ the

Generally Accepted Government Auditing Standards established by the U.S. Government Accountable Standards (YELLOW Book), or both.

5. Limited Investigations.

- a) Purpose. In lieu of an audit, the Committee shall also have discretion to conduct or request Limited Investigations to address any discrete issue or concern regarding fraud, waste, or violations of law or policy at ~~the~~ DistrictValley Water. The Committee shall not have jurisdiction to conduct Limited Investigations on any other matters. Prior Board approval is not required for the initiation of Limited Investigations.
- b) Scope. Such Limited Investigations may or may not be subject to the Audit Standards set forth above and shall be undertaken only where: (1) the Limited Investigation is designed to determine the existence or nonexistence of discrete facts involving alleged fraud, waste, or violations of law or policy at ~~the District~~ Valley Water; (2) the Committee has determined that an audit is not appropriate to address the concern; and (3) the Limited Investigation does not address any matters covered or potentially covered by Board Governance Policy GP-6 (Board Members' Code of Conduct).
- c) Classified Employees. Classified employees who are parties to any Limited Investigation shall be afforded all applicable rights under the Meyers-Milias-Brown Act and the Memorandum of Understanding then in effect with the employee's union.
- d) Timely completion. All Limited Investigations must be completed in a timely manner.
- e) Report of Results. The Committee shall advise the Board of the results of all completed Limited Investigations.

6. Protection of Confidential or Privileged Information – The Committee shall take all necessary steps to prevent the unnecessary disclosure of privileged or confidential information arising in the audit process, arising in the final reports on the audits, arising in the Limited Investigation process, or arising in final reports issued on Limited Investigations.

ARTICLE VI – COMMITTEE OVERSIGHT OF BOARD INITIATED AUDITS

- ~~4.~~ Committee recommendation of Auditors – The Committee shall make recommendations to the full Board for the selection of all Auditors to perform audits in the approved Annual Audit Work Plan. In making such recommendations, the Committee shall consider multiple auditors in order to avoid having any single auditor perform a disproportionate number of audits in a

given fiscal year. Following such recommendation, the Board shall make the final decision regarding the selection of such auditors.

3.1. Board Auditors and ~~Valley Water District~~ Staff – ~~District~~Valley Water staff may assist the Committee in its work and may provide information to, assist, or work with Auditors retained by the Board, as necessary. Valley Water District staff shall not, however, attempt to direct any Auditors retained by the Board. Auditors retained by the Board shall have a duty to the Board and shall not take direction from Valley Water District staff.

3.2. Communications with Auditors – Individual Committee members shall have the right to speak with Auditors directly regarding the Auditor's assignments. However, direction to Auditors shall come from the Committee as a whole.

4.3. Completion of Annual Audit Work Plan – The Committee shall ensure that audits on the Annual Audit Work Plan are initiated and completed in an accurate and timely manner.

5.4. Review of Audit Results/Notice to Board – The Committee shall review the observations and conclusions of all audits conducted pursuant to the Annual Audit Work Plan. Upon finalization of the audits and any related reports, the Committee shall provide the Board with the results and make any recommendations to the Board regarding improvement of program performance and operations, cost reductions, and best practices.

6.5. Draft Audit Reports - The Committee may request the opportunity to review and comment on any draft audit reports before such reports are finalized by the auditor.

7. ~~District-Valley Water~~ Management Response to Audits – ~~Valley Water District~~ Management must review, for technical accuracy, and provide comments on any preliminary draft audit report within ten working days from issuance. Valley Water Management must review and respond to draft audit report recommendations included in Board Initiated audits within fifteen working days from issuance of any draft audit report, unless the Auditor requires the Management response in a shorter amount of time. - The Committee, at the request of ~~Valley Water District~~ management, may extend the review and comment periods on an audit by audit basis. The Committee may ask questions about or make comments on any ~~such~~

~~draft~~ responses to the draft audit report recommendations. However, the Committee shall not attempt to direct Valley WaterDistrict staff in its response to any audit.

8. Board Monitoring of Committee Performance – The Committee shall provide the Board with timely and periodic reports regarding its activities, its progress on individual audits, its progress on the Annual Work Plan, its progress on the Annual Audit Work Plan, the results of completed audits, and the Committee's recommendations based upon the audit results. The Committee may also identify any recognizable trends in the audit results as part of its periodic reports. The Committee shall provide such reports to the Board at least four times per calendar year.

ARTICLE VII – THIRD-PARTY AND MANAGEMENT INITIATED AUDITS

1. Third-Party Audits – Third-Party Audits are audits initiated by a separate governmental agency (entities other than ~~the District~~Valley Water).
2. Management Initiated Audits – Management Initiated Audits are audits requested by Valley WaterDistrict management. Nothing in this Charter shall restrict the ability or discretion of Valley WaterDistrict management to undertake any audits it deems required or recommended.
3. Notice to Committee of Third-Party Audits – The Committee shall be promptly notified in writing of the existence and results of any Third-Party audits of ~~the District~~Valley Water. Where ~~the District~~Valley Water has been given an opportunity to submit a response before the Third-Party audit is finalized, the Committee Chair shall be immediately notified by email or telephone and shall determine whether to have the Committee review and comment upon any draft Valley WaterDistrict response at a regularly scheduled or specially noticed Committee meeting. Where possible, DistrictValley Water management shall provide the Committee with at least fifteen days for such review and comment. Where timely review and comment by the full Committee is not reasonably possible, the Committee Chair may conduct such review and comment himself/herself and shall report upon such review and comment at the next scheduled Committee meeting. The Committee Chair may also delegate this responsibility to the Vice Chair for any particular ~~Third-Party~~Third-Party Audit, where the Committee Chair is unavailable. The Committee shall be provided with copies of any final reports on Third-Party Audits.
4. Notice to Committee of Management Initiated Audits – ~~District~~Valley Water management shall notify the Committee in writing of any planned Management Initiated Audits before commencing the same. Upon request by the Board Chair,

~~District~~Valley Water management shall provide a report to the Committee of the scope and nature of all planned Management Initiated Audits at the next scheduled Committee meeting. Where circumstances require any Management Initiated Audit to commence before the next regularly scheduled Committee meeting, the Committee Chair shall be advised of this need, and the audit need not be delayed. Where the Management Initiated Audit allows for a response by ~~District~~Valley Water staff before it is finalized, the Committee Chair shall be immediately notified by email or telephone and shall determine whether to have the Committee review and comment on any draft ~~District~~Valley Water response at a regularly scheduled or specially noticed Committee meeting. Where possible, ~~District~~Valley Water management shall provide the Committee with at least fifteen days for such review and comment. Where timely review and comment by the full Committee is not reasonably possible, the Committee Chair may conduct such review and comment himself/herself and shall report upon such review and comment at the next scheduled Committee meeting. The Committee Chair may also delegate this responsibility to the Vice Chair for any particular Management Initiated Audit, where the Committee Chair is unavailable. The Committee shall be provided with copies of any final reports on Management Initiated Audits.

5. Comment Upon Draft Audit Responses. The Committee Chair and the Committee may ask questions about or make comments upon any draft audit responses. However, they shall not attempt to direct ~~District~~Valley Water staff in its response to any audit.
6. Audit Results – The Committee may request a report by ~~District~~Valley Water Staff on any response to Management Initiated or Third-Party Audits and any plans by ~~District~~Valley Water staff to implement changes as a result of the audits.
7. Board Report of Audit Results – In its periodic reports to the full Board, the Committee may include information regarding Third-Party Audits or Management Initiated Audits.

ARTICLE VIII – ANNUAL FINANCIAL STATEMENT AUDIT

1. Annual Financial Statement Audit - The Committee shall participate in ~~the~~ ~~District~~Valley Water's procurement process for ~~the~~ ~~District~~Valley Water's annual financial statement audit.

2. The Committee's participation shall include, but not be limited to, providing input to ~~District~~Valley Water management on the selection criteria and desired qualifications of the public accounting firm. The selected external financial auditor shall submit to the Committee ~~the District~~Valley Water's audited financial statements annually, including all related management letters to the Committee for review and comment.

ARTICLE IX – PERFORMANCE MANAGEMENT

1. The Committee shall periodically review the Audit Charter and shall make any recommendations regarding changes to the Board for final approval.
2. The Board may make any changes to the Audit Charter it deems to be appropriate.
3. Education – The Annual Work Plan shall include some component of Committee training on audit principles, practices, or standards. At least annually, the Independent Auditor shall provide Committee training and other knowledge transfer on some component of audit principles, practices, and standards
4. At least annually, the Committee shall conduct an evaluation of its performance to determine whether it is functioning effectively and to discuss with the Independent Auditor any observations related to the effectiveness of the Committee. The Committee shall prepare a formal report based upon each such self-evaluation and shall provide such report to the full Board following its adoption by the Committee.



Santa Clara Valley Water District

File No.: 21-0123

Agenda Date: 2/23/2021

Item No.: 4.3.

BOARD AGENDA MEMORANDUM

SUBJECT:

Review Fiscal Year 2021 Board Policy Planning Calendar.

RECOMMENDATION:

Review, discuss and revise the Fiscal Year 2021 Board Policy Planning Calendar.

SUMMARY:

This item provides the Board an opportunity to review, discuss and revise the Fiscal Year 2021 Board Policy Planning Calendar (FY21 Board Calendar) and identify appropriate items for Board Committee work plans for discussion and feedback to the Board.

The current FY21 Board Calendar is attached for Board review.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: FY21 Board Calendar

UNCLASSIFIED MANAGER:

Michele King, 408-630-2711

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FY21 VALLEY WATER BOARD POLICY PLANNING CALENDAR

| FY21 Board Work Plan | | | Board Committee | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June |
|----------------------|---|---|--|-----|------|-----|-----|-----|-----|-----|-----|-----|-----|------|
| 1. | Actively Pursue Water Storage Opportunities | • Sites Reservoir | Water Storage Exploratory Committee | | | C | S | | | | C | | C | |
| | | • Los Vaqueros Expansion Project (Amendment #2) | Water Storage Exploratory Committee | C | | | S | | | | | | | |
| | | • Los Vaqueros Expansion Project (JPA Formation) | Water Storage Exploratory Committee | | | | | | C | | C | | C/R | |
| | | • Pacheco Reservoir | Water Storage Exploratory Committee | | | | | | C&R | | | | | |
| 2. | Actively Participate in Decisions Regarding the CA Delta Conveyance | • Decision on next level of funding, determination of VW participation level, DCA agreement amendment | | | | | S | | | | | | | |
| 3. | Lead Recycled and Purified Water Efforts with Committed Partners | • South County Recycled Water Governance | Recycled Water Committee | | C | | | | | C | | | R | |
| | | • Negotiations with cities of San José and Santa Clara | Recycled Water Committee | | C | | C | | | C | | C | | R |
| | | • Public-Private Partnership (P3) | Recycled Water Committee | | R | | C | | C | C | C | C | C | R |
| | | • Countywide Water Reuse Master Plan | Recycled Water Committee | R | | | C | | | | C | R | | |
| 4. | Engage and Educate the Community, Elected Officials and Staff on Future Water Supply Strategies in Santa Clara County | • Water Supply Master Plan/Monitoring and Assessment Plan (MAP) & Water Demand Projection | Water Conservation and Demand Management Committee | | C | R | | C | | C | | C | | C |
| | | • Urban Water Management Plan (UWMP) | Water Conservation and Demand Management Committee | | | | | C | | C | | C/R | R | |
| | | • Water Conservation Program | Water Conservation and Demand Management Committee | | | | | C | | C | | C | | C |
| 5. | Advance Anderson Dam Seismic Retrofit Project | • Alternative Contracting | | R | | | | | | | | | | |
| | | • Decommissioning of Anderson Hydroelectric Facility | | | | | | | R | | | | | |
| 6. | Protect and maintain existing assets and infrastructure | • Second amendment to CVP Contract | | | | | S | | | | | | | |
| | | • CVP Contract conversion under WIIN Act | | | | | | | | R | | | | |
| | | • SWP Contract amendment to add “Water Management Tools” | | | | | S | | | | | | | |

Board Meetings
R = Regular
S = Special
C = Committee
X = Closed
I = Information Only

FY21 VALLEY WATER BOARD POLICY PLANNING CALENDAR

| FY21 Board Work Plan | | | | Board Committee | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June |
|----------------------|--|---|---|-----------------|-----|------|-----|-----|-----|-----|-----|-----|-----|-----|------|
| 7. | Pursue opportunities to improve internal capacity to acquire regulatory permits | • Work-Study Session w/Regulators | SF Bay Regional Water Quality Board Mtg | | | | I | | | | | | | | |
| 8. | Attain Net Positive Impact on the Environment When Implementing Flood Protection and Water Supply Projects | • One Water Countywide Framework | Board Policy and Planning Committee | | | | | | | | C | | | | |
| 9. | Promote the Protection of Creeks, Bay and Other Aquatic Ecosystems from Threats of Pollution and Degradation | • Revisions to the Water Protection Ordinance | Board Policy and Planning Committee | | | | | | | C | | | | | |
| | | • Updated Trails Policy | Board Policy and Planning Committee | | | | C | | | C | | | R | | |
| 10. | Continue FAHCE | • Update on Guadalupe River and Stevens Creek | SPOC Committee | | | | | | | C | | C | | C | |
| | | • Review of FAHCE Committee Structure and Purpose | FAHCE Committee | | | C | | R | | | | | | | |
| 11. | Advance Diversity and Inclusion | • Racial Equity, Diversity and Inclusion Master Plan | D&I Ad Hoc Committee | | | | | | | C | | | C | | |
| 12. | Maintain Appropriate Staffing Levels and Expertise | • Project Labor Agreement | PLA Working Group | | | | | | C | R | C | | | | |
| | | • Long-Term Staffing Master Plan | D&I Ad Hoc Committee | | | | | | | | | C | | | |
| 13. | Provide Affordable and Cost-Effective Level of Services | • Customer Assistance Program | | | | R | | | R | | | | | | |
| | | • FY20-21 Budget Review related to COVID-19 Impacts & Mid-Year Increase Decision | | | | R | | | | | | | | | |
| | | • FY20 Unaudited Actuals Review & Comprehensive Annual Financial Report (CAFR) Review | | | | R | | | | R | | | | | |
| | | • Budget Committee Benchmarking and Proposal | | | | | | R | | | | | | | |
| | | • FY21-22 Water Rate Setting Process | | | | | | R | | R | R | | R | R | |
| | | • FY21-22 Budget Setting Process | | | | | | | R | | R | R | R | R | |
| 14. | Address Future Impacts of Climate Change to Valley Water's Mission and Operations | • Climate Change Action Plan (CCAP) | Board Policy and Planning Committee | | | | | C | | | | C | | R | |

Board Meetings

R = Regular

S = Special

C = Committee

X = Closed

I = Information Only

FY21 VALLEY WATER BOARD POLICY PLANNING CALENDAR

| FY21 Board Work Plan | | | Board Committee | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June |
|----------------------|--|--|--------------------------|-----|------|-----|-----|-----|-----|-----|-----|-----|-----|------|
| 15. | Other Notable Policy and Board Actions | • Office of Government Relations Annual Legislative and Policy Proposals | | | | R | | | | | | | | |
| | | • Recycled Water Outreach and Tracking Poll | Recycled Water Committee | | C | | | | | | | | | |
| | | • Safe, Clean Water Grant Program funding recommendations | | | | | | | | | R | | | |
| | | • Redistricting Plan: Process, Criteria, and Advisory Committee | | | | | | R | R | | | | | |

| Board Committee(s) Recommended Items (Committee Not Assigned to Board Work Plan Items) | | | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June |
|---|-----------------------------------|---|-----|------|-----|-----|-----|-----|-----|-----|-----|-----|------|
| 1. | Audit Committee | • Grants Management Audit Report | | | C | C | C | C | | R | | | |
| | | • Board Audit Committee Charter Update | | | R | | | | R | | | | |
| 2. | Policy and Planning Committee | • FY20-21 Board Work Plan | R | | | | | | | | | | |
| | | • FY20-21 Board Policy Planning Calendar | R | C | R | R | | | R | R | R | R | R |
| | | • Adding Environmental Justice to E-1 | | | | C | | | C | | | | |
| | | • E-2 Water Supply | | | C | | | C | | C | | C | |
| | | • E-3 Flood Protection | | | | | | | | | | | |
| | | • E-4 Environmental Stewardship | | C | | C | | C | | R | | | |
| | | • E-5 Climate Change | | | | C | | | | C | | | |
| | | • FY22 Strategic Planning/Board Work Plan | | | C | R | | S | | | | | |
| 3. | Capital Improvement Program (CIP) | • Contracts Improvement Process Update | | | | | | | C | | | | |
| | | • Preliminary FY21-22 Five-Year Capital Improvement Program | | | | | C | R | | | | | |
| | | • FY21-22 Five-Year CIP Adoption Process | | | | | | | R | | R | R | |

Board Meetings
R = Regular
S = Special
C = Committee
X = Closed
I = Information Only

FY21 VALLEY WATER BOARD POLICY PLANNING CALENDAR

| Items Regularly Monitored by Board | | | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June |
|------------------------------------|-----------------------|--|-----|------|-----|-----|-----|-----|-----|-----|-----|-----|------|
| 1. | BAO Performance | | X | X | X | | | | | X | | | X |
| 2. | BAO Compensation | | | | | | | | | | | | R |
| 3. | Board Expense Report | | | | R | | | | R | | | | R |
| 4. | Board Self-Assessment | | | R | | | | | | | | | |

| Board Member(s) Requested Items | | | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June |
|---------------------------------|------------------------|---|-----|------|-----|-----|-----|-----|-----|-----|-----|-----|------|
| 1. | Santos | Two-Year Budget | R | | | | | | | | | | |
| 2. | Santos | District Financial/Investment Status (To be Combined with FY20-21 Budget Review) | | R | | | | | | | | | |
| 3. | Varela, Santos, Kremen | Fire Suppression Efforts | | | | X | | | | | | | |
| 4. | Hsueh | Structure and Scope for Budget Committee | | | | R | | | | | | | |
| 5. | Kremen | Energy Master Plan | | | | | X | | | | | | |
| 6. | Kremen | Roles & Responsibilities of Board Members who participate on External Boards | | | | | | | | | | | |

Board Meetings
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Santa Clara Valley Water District

File No.: 21-0197

Agenda Date: 2/23/2021
Item No.: 4.4.

BOARD AGENDA MEMORANDUM

SUBJECT:

Board Committee Reports.

ATTACHMENTS:

- *Handout 4.4-A: 011521 RWC Summary & 022421 RWC Agenda
- *Handout 4.4-B: 020821 CIP Summary
- *Handout 4.4-C: 022221 JRWAC w/PA/MV Agenda
- *Handout 4.4-D: 022421 Youth Comm Agenda

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FC 14 (01-02-07)

FROM: Recycled Water Committee

DATE: February 23, 2021

2.1 District Counsel Report on Closed Session.

4.1 Approval of Minutes.

5.1 Election of 2021 Recycled Water Committee Chairperson and Vice Chairperson.

5.2 Update on Implementation of Purified Water Program Using Public-Private Partnership (P3) Approach.

Ms. Kerrie Romanow, Chief Sustainability Officer and Director of Environmental Services of the City of San Jose , expressed the City's commitment to facilitate the integration of a new facility with the existing facility at the Regional Wastewater facility in a timely manner. In support of

that commitment, Ms. Romanow announced that the City agreed to provide a draft list of key terms to Valley Water next week in an effort to accelerate a water agreement.

In response to Vice Chair Keegan's inquiry about efforts made to increase awareness among City Council on the details of this ongoing coordination between the City and Valley Water, Ms. Romanow informed the Committee that three water retailers provided information to the Council on supply and conservation efforts, and that recycled water is part of the Climate Smart San Jose Plan. She indicated that an agenda item was forthcoming at the next joint Valley Water/City meeting, to allow their City Council to hear first-hand from experts the details of coordination that had been shared at today's meeting

Mr. Ricardo Barajas, Program Administrator, informed the Committee about ongoing outreach plans for a virtual public scoping meeting in March 2021, and a virtual focus groups in February 2021 to help tailor a message for community outreach by identifying specific areas of concern to potable water reuse among the opposition demographics revealed from a past survey of parents with young children, and the Latin X and Asian communities. He also informed the Committee that the collection of testimonials and letters of support continue with the ongoing Purification Center/Water Infrastructure Tours. In 2020, a total of 1,103 individuals participated in Valley Water's virtual tour series.

The Committee requested an updated copy of a comprehensive outreach plan that includes possibility of including Non-Governmental Organizations (NGO's) such as Sustainable Silicon Valley or Sierra Club and their patrons, with coordination with the City of San Jose, to get the message out about recycled water. Chair Estremera has requested to put this item on the agenda at a Recycled Water Committee meeting in the near future.

Mr. Jensen Clarke, Fongate Infrastructure Director, introduced himself as a Private Public Partnership developer, and inquired about the date of Industry Day. Ms. Struve confirmed that Valley Water's Industry Day would be held within the first quarter of the calendar year.

5.3 Potential Joint Recycled Water Advisory Committee Meeting with Cities of East Palo Alto, Mountain View, and Palo Alto.

Mr. Hossein Ashktorab, Recycled & Purified Water Manager, informed the Committee about a potential date of the next Joint Recycled Water Advisory Committee Meeting with the Cities of Palo Alto, Mountain View and East Palo Alto in mid-February, when the Cities have selected their committee members for CY 2021, and informed the Committee about the planned agenda items: Valley Water's update on the Countywide Reuse Master Plan completion and Technical Memorandums on the first potable reuse project; City of Palo Alto design concept of the Palo Alto Salt Removal Facility; Valley Water's update on the Northwest County Recycled Water Strategy Plan on alternate use of groundwater from dewatering systems and redirecting flows to regional wastewater facility in Palo Alto; and Valley Water's update on Regional Advanced Water Purified Facility, including the future potential construction of an Advanced Water Purification Facility at Palo Alto.

The Committee noted the information without formal action.

5.4 Review and Authorize the Chair to Present the 2020 Recycled Water Committee Accomplishments Report to the Board and Discuss the 2021 Recycled Water Committee Work Plan and Meeting Schedule.

The Committee acknowledged the 2020 Accomplishment Report, approved the proposed meeting schedule for 2021 recurring every fourth Wednesday of each month, reminded everyone of the commitment needed and expected by the community in moving forward with purified water, and acknowledged the contributions made by retiring Assistant Officer, Mr. Jerry DeLa Piedra.

A copy of the Committee's 2020 Accomplishments Report is submitted to the Board as an attachment to this memo.

The next regular Committee meeting will be held on March 24, 2021.

Board member comments and suggestions can be forwarded to Ms. Eva Sans, Assistant Deputy Clerk II, at (408) 630-2306, or by email to esans@valleywater.org

Tony Estremera

*Director, District 6
Recycled Water Committee Chairperson*

Attachment 1: 2020 RWC Accomplishment Report

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2020 Annual Accomplishments Report
Recycled Water Committee
Updated: 2/16/21

Accomplishment Report Item Numbers Correspond with Work Plan Task Numbers

| ITEM | WORK PLAN ITEM BOARD POLICY STAFF | OBJECTIVE(S) (Action or Information Only) | ACCOMPLISHMENT(S)/OUTCOME(S) |
|------|--|---|---|
| 1 | Update on Purified Water Program including Partnership with Cities of San Jose and Palo Alto | <u>09/23/20 Objectives</u> Receive information and discuss next steps. | <u>09/23/20 Accomplishments</u> Staff reported the following: <ul style="list-style-type: none"> Valley Water has met several times with the Cities of San Jose and Santa Clara to negotiate an agreement to secure treated wastewater effluent from the San Jose/Santa Clara Regional Wastewater Facility (RWF), land for a future Advanced Water Purification Facility (AWPF), and a solution to reverse osmosis concentrate (ROC) management. On September 1, 2020 the City of San Jose Council approved a recommendation to "Direct the City Manager prioritize the pursuit of expanded recycled water use with Valley Water to increase local, drought-resilient supply and reduce reliance on imported water." Meetings have been held with Palo Alto staff to discuss next steps in implementing the December 2019 Agreement. This includes securing additional effluent from the smaller partner agencies such as the City of Los Altos. To this end, on August 25, 2020 the Council for the City of Los Altos approved an agreement committing their effluent. . Valley Water staff/consultants and Palo Alto staff are discussing specific steps to secure the land needed to build an AWPF in Palo Alto, and to address ROC management. |

2020 Annual Accomplishments Report
Recycled Water Committee
Updated: 2/16/21

Accomplishment Report Item Numbers Correspond with Work Plan Task Numbers

| ITEM | WORK PLAN ITEM BOARD POLICY STAFF | OBJECTIVE(S) (Action or Information Only) | ACCOMPLISHMENT(S)/OUTCOME(S) |
|------|--------------------------------------|---|---|
| | | <u>11/20/2020 Objectives</u> <ul style="list-style-type: none"> • Receive an update on negotiations towards a long-term agreement between Valley Water and the cities of San Jose and Santa Clara to advance potable water reuse. • Receive updates related to the construction of an AWPf in Palo Alto. | <u>11/20/2020 Accomplishments</u> Staff reported the following: <ul style="list-style-type: none"> • Valley Water continues to meet with staff from the Cities of San Jose and Santa Clara to discuss key items related to the development of a long-term agreement. On October 13, 2020, the City of Santa Clara City Council approved staff's participation in these negotiations. • Valley Water and Palo Alto staff are meeting to discuss available land, such as the former Los Altos Treatment Plant site located in Palo Alto for an AWPf. • Staff obtained access to the San Jose site to conduct preliminary environmental and geotechnical analyses and is working with Palo Alto on access for such analyses. This work will feed into the EIR as well as RFP for the Expedited Purified P3 project. |
| 2 | Countywide Water Reuse Master Plan | <u>01/21/20 Objectives</u> <ul style="list-style-type: none"> • Receive information on the status and next steps; and • Receive information on staff's responses to comments from the 11/14/18 RWC meeting. | <u>01/21/20 Accomplishments</u> Received updated <i>conceptual</i> water reuse portfolios (1% Design) dated July 26, 2019 for input on Groundwater Augmentation, Surface Water Augmentation, Raw Water Augmentation, Treated Water Augmentation, including enhanced non-potable reuse via inter-ties. |
| | | <u>08/06/20 Objectives</u> <ul style="list-style-type: none"> • Receive information and next steps; • Recommend that the Board authorizes the CEO to negotiate and execute an amendment consistent with Option II to the Agreement with Brown & Caldwell for the CWRMP Project (Agmt No. A4120A). | <u>08/06/20 Accomplishments</u> Received first draft version of the Countywide Water Reuse Master Plan (dated July 1, 2020) and recommended the Board authorize the CEO to negotiate and execute an amendment with the consultant consistent with staff recommendations. |

2020 Annual Accomplishments Report
Recycled Water Committee
Updated: 2/16/21

Accomplishment Report Item Numbers Correspond with Work Plan Task Numbers

| ITEM | WORK PLAN ITEM BOARD POLICY STAFF | OBJECTIVE(S) (Action or Information Only) | ACCOMPLISHMENT(S)/OUTCOME(S) |
|------|---|---|--|
| | | 11/20/2020 Receive information on the status, findings, and next steps for the CWRMP (or CoRe Plan) | 11/20/20 Accomplishments Received second iteration of the Countywide Water Reuse Master Plan (CoRe Plan) dated October 14, 2020, including status, results, findings, and next steps. Received technical reports including: Project Definition Technical Memorandum (TM), Baseline Analysis TM, Conceptual Alternatives TM, Conceptual Alternatives Design, Feasible Project Portfolios TM, Draft Final Countywide Water Reuse Master Plan, Non-Potable Onsite Reuse Survey, Public Outreach and Engagement Survey, California Water Reuse Governance Survey, RO Concentrate Integration and South Bay Water Recycling Master Plan Updates. |
| 3 | Joint Mtg Prep/Debrief: Cities of San Jose, Santa Clara, TPAC | No CY 2020 discussion to date. | |
| 4 | Joint Mtg Prep/Debrief: Cities of Palo Alto/Mtn View | No CY 2020 discussion to date. | |
| 5 | Joint Mtg Prep/Debrief: City of Sunnyvale | No CY 2020 discussion to date. | |
| 6 | Update on SFPUC/BAWSCA Collaboration Efforts | No CY 2020 discussion to date. | |
| 7 | Conceptual Recycled Water Exchange with Contra Costa Water District and Central Contra Costa Sanitary District | No CY 2020 discussion to date. | |
| 8 | Update on Reverse Osmosis Concentrate Management | 01/21/20 Objective Receive information and discuss next steps. | 01/21/20 Accomplishments Received information on completion of (1) Evaluation of ROC Management Options Technical Memorandum (dated October 2019); (2) Stakeholder Workshop No. 3 (November 21, 2019); and (3) meeting with the Regional Water Quality Control Board (November 18, 2019). Staff presented key ROCM options being evaluated, including blending at various locations (existing, enhanced, and deep outfalls) and evaporation ponds (South County). |

2020 Annual Accomplishments Report
Recycled Water Committee
Updated: 2/16/21

Accomplishment Report Item Numbers Correspond with Work Plan Task Numbers

| ITEM | WORK PLAN ITEM BOARD POLICY STAFF | OBJECTIVE(S) (Action or Information Only) | ACCOMPLISHMENT(S)/OUTCOME(S) |
|------|---|---|--|
| | | <u>08/06/20 Objectives</u> Receive information on the ROCM plan. | <u>08/06/20 Accomplishments</u> Received information on completion of (1) workshop with countywide stakeholders, research partners and state regulators; (2) refinements to ROCM options; (3) additional studies recommended by state regulators; (4) updated costs for the different ROCM options; and (6) a draft Technical Memorandum No. 6: Evaluation of ROCM Options Final Report (under review as of 12/31/2020). |
| 9 | IRS Letter (Update on Private Activity Analysis) | No CY 2020 discussion to date. | |
| 10 | Policy Options Related to Centralized and Decentralized Reuse for the Committee's Consideration | No CY 2020 discussion to date. | |
| 11 | Regional Discussions on Options to Meet the Board's 10% Recycled Water Goal Using Either Desalination or Brackish Water | No CY 2020 discussion to date. | |
| 12 | Update on Bottling Purified Water at the SVAWPC | No CY 2020 discussion to date. | |
| 13 | Update on the Independent Advisory Panel Meeting | <u>09/23/20 Objectives</u> Receive information on the 6 th meeting of the Independent Advisory Panel (IAP) for evaluation of Santa Clara Valley Water District's Potable Reuse program and efforts | <u>09/23/20 Accomplishments</u> Received information on the 6th annual meeting of the Independent Advisory Panel (IAP) for evaluation of Santa Clara Valley Water District's Potable Reuse program and efforts. |
| 14 | Update on Public Private Partnership (P3) Procurement | <u>09/23/20 Objectives</u> Received information on the key factors influencing the P3 procurement process and schedule | <u>09/23/20 Accomplishments</u> Staff provided updated information on the process leading to a Request for Qualifications and a Request for Proposals for a public-private partnership to develop and operate a purified water project. Staff discussed key considerations influencing the public-private partnership procurement plan schedule. |

2020 Annual Accomplishments Report
Recycled Water Committee
Updated: 2/16/21

Accomplishment Report Item Numbers Correspond with Work Plan Task Numbers

| ITEM | WORK PLAN ITEM BOARD POLICY STAFF | OBJECTIVE(S) (Action or Information Only) | ACCOMPLISHMENT(S)/OUTCOME(S) |
|------|---|--|--|
| | | <u>11/20/20 Objective</u> Receive updates on major milestones for the Public/Private Partnership (P3) procurement plan schedule for purified water projects. | <u>11/20/20 Accomplishment</u> Staff provided an update that included critical tasks necessary to be completed before issuing the Request for Proposal (RFP): <ul style="list-style-type: none"> Finalizing detailed terms and conditions with our partner agencies Development of a Draft Environmental Impact Report (EIR) for California Environmental Quality Act (CEQA) compliance Developing supporting technical information (e.g., CEQA inputs, subsurface conditions, etc.) Preparing draft Water Services Agreement (i.e., establishing terms by which the P3 Entity will design, build, finance, operate, and maintain the Project and basis for Valley Water payment for services plus defining conditions for relief events, early termination, and conditions for return of facilities). <p>Based on the realistic timelines associated with each of these critical tasks, staff recommended an updated schedule that extended the anticipated release of the RFQ and RFP by several months</p> |
| 15 | Urban Runoff Study with Stanford University | No CY 2020 discussion to date. | |
| 16 | Outreach Efforts | <u>09/23/20 Objectives</u> Presentation of Public Perception Survey Poll Results on Advanced Purified Water and Public Outreach Update. | <u>09/23/20 Accomplishment</u> Staff reviewed a countywide survey executed by EMC Research in Spring 2020 to collect data on public perception toward water reuse. Key findings included: (1) initial reactions to “using advanced purified recycled water for drinking” are positive, (2) majorities support using advanced purified water to bolster local water supply, (3) messages relaying environmental benefits and safety of advanced purified water remain most compelling communication themes, (4) general awareness of water reuse remains relatively low. The Committee noted that the 2020 survey collected information from Santa Clara County registered voters and requested that future polls should also survey Valley Water customers that are not necessarily registered voters. The Committee noted the information without formal action. |

2020 Annual Accomplishments Report
Recycled Water Committee
Updated: 2/16/21

Accomplishment Report Item Numbers Correspond with Work Plan Task Numbers

| ITEM | WORK PLAN ITEM BOARD POLICY STAFF | OBJECTIVE(S) (Action or Information Only) | ACCOMPLISHMENT(S)/OUTCOME(S) |
|------|---|--|--|
| 17 | South Santa Clara County Water Reuse Opportunities | <u>08/06/20 Objectives</u> Receive information and discuss next steps. | <u>08/06/20 Accomplishments</u> Staff reviewed collaborative activities with our South County partners (Gilroy, Morgan Hill, SCRWA) since formal agreements were adopted in 1999 to facilitate non-potable recycled water use. The discussion highlighted capital master planning processes in 2004 and subsequent revisions in 2015 to expand water reuse infrastructure, which included engineering design and cost assessment. These 2015 recycled water opportunities were compared to water reuse options developed through the Countywide Water Reuse Master Plan. The Committee noted the information without formal action. |
| 18 | South Santa Clara County Water Reuse Governance | <u>08/06/20 Objectives</u> Receive information and discuss next steps. | <u>08/06/20 Accomplishments</u> The Chief Executive Officer (CEO) discussed meetings with Morgan Hill and Gilroy City Managers regarding a possible governance for recycled water collaboration in response to the Board's expression of interest to establish collaborative governance with the cities of South County. The CEO proposed that a letter be sent to both cities that would indicate next steps to accomplish this objective. The Committee requested the Board draft a letter to both Gilroy and Morgan Hill proposing a discussion on South County recycled water governance, formation of a Committee among the cities and Valley Water and developing an integration agreement among members. A letter was subsequently drafted and transmitted in September 2020. |
| | | | |



Santa Clara Valley Water District Recycled Water Committee Meeting

Via Teleconference

REGULAR MEETING AGENDA

**Wednesday, February 24, 2021
11:00 AM**

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

RECYCLED WATER COMMITTEE

Tony Estremera - District 6, Chair
Barbara Keegan - District 2, Vice
Chair
Gary Kremen - District 7, Member

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GARTH HALL
Committee Liaison

EVA SANS
Assistant Deputy Clerk II
Office/Clerk of the Board
(408) 265-2306
esans@valleywater.org

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

Santa Clara Valley Water District
Recycled Water Committee
REGULAR MEETING
AGENDA

Wednesday, February 24, 2021

11:00 AM

Via Teleconference

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 Committee, staff, and the public to participate and conduct the meeting by teleconference, videoconference, or both.

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Join Zoom Meeting:
<https://valleywater.zoom.us/j/99518153521>
Meeting ID: 995 1815 3521
One tap mobile
+1-669-9009128, 99518153521# (San Jose)

1. CALL TO ORDER:

1.1. Roll Call.

2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA.

Notice to the Public: Members of the public who wish to address the Committee on any item not listed on the agenda should access the "Raise Hand" or "Chat" tools located in Zoom meeting link listed on the agenda. Speakers will be acknowledged by the Committee Chair in order requests are received and granted speaking access to address the Committee. Speakers comments should be limited to three minutes or as set by the Chair. The law does not permit Committee action on, or extended discussion of, any item not on the agenda except under special circumstances. If Committee action is requested, the matter may be placed on a future agenda. All comments that require a response will be referred to staff for a reply in writing. The Committee may take action on any item of business appearing on the posted agenda.

3. APPROVAL OF MINUTES:

3.1. Approval of Minutes.

[21-0151](#)

Recommendation: Approve the minutes of the January 15, 2021 meeting.

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: 0111521 Minutes](#)

4. ACTION ITEMS:

4.1. Nominate and Elect a Vice Chairperson for Calendar Year 2021.

[21-0157](#)

Recommendation: Nominate and elect a Vice Chairperson for calendar year 2021.

Manager: Michele King, 408-630-2711

Est. Staff Time: 5 Minutes

4.2. Public Private Partnership Updates.

[21-0147](#)

Recommendation: A. Receive update on negotiations with City of Palo Alto and Cities of San Jose and Santa Clara; and
B. Receive update on the environmental process and Industry Day.

Manager: Kirsten Struve, 408-630-3138

Est. Staff Time: 10 Minutes

4.3. Agreements with Partner Cities San Jose, Santa Clara, and Palo Alto.

[21-0148](#)

Recommendation: Receive information and provide feedback.

Manager: Kirsten Struve, 408-630-3138

Est. Staff Time: 5 Minutes

4.4. South County Recycled Water Collaboration.

[21-0149](#)

Recommendation: Receive information and provide feedback.

Manager: Kirsten Struve, 408-630-3138

Est. Staff Time: 5 Minutes

4.5. Presentation of Comprehensive Community Outreach and Engagement Plan for Purified Water Program.

[21-0150](#)

Recommendation: Receive information on community outreach and engagement efforts for the Purified Water Program.

Manager: Marta Lugo, 408-630-2237

Attachments: [Attachment 1: PowerPoint](#)

Est. Staff Time: 15 Minutes

4.6. Consider Recommendation to Amend the 2021 Legislative Guiding Principles to Include Revision of Principle (I)(A)(3) Regarding Recycled Water.

[21-0200](#)

Recommendation: Approve Committee Recommendation to Board for Amendment of the 2021 Legislative Guiding Principles to revise principle (I) (A)(3) regarding recycled water to bolster advocacy for direct potable reuse regulations.

Manager: Donald Rocha, 408-630-2338

Attachments: [Attachment 1: Direct Potable Reuse One Pager](#)
[Attachment 2: 2021 Legislative Guiding Principles and Proposals](#)

Est. Staff Time: 10 mins

- 4.7. Discuss the 2021 Recycled Water Committee Work Plan, Upcoming Discussion Items, and Next Meeting Date.

Recommendation: Accept the updated 2021 Recycled Water Committee Work Plan and provide feedback on upcoming discussion items and meeting schedule.

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: 2021 Work Plan](#)
[Attachment 2: Updated 2021 Work Plan](#)

Est. Staff Time: 5 Minutes

5. INFORMATION ITEMS:

6. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.

This is an opportunity for the Clerk to review and obtain clarification on any formally moved, seconded, and approved requests and recommendations made by the Committee during the meeting.

7. ADJOURN:

- 7.1. Adjourn to Regular Meeting at 12:00 p.m., on March 24, 2021, 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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To: Board of Directors

From: CIP Committee

Subject: February 8, 2021 Capital Improvement
Program Committee Meeting Summary

Date: February 23, 2021

This memorandum summarizes the Capital Improvement Program Committee (Committee) meeting held on February 8, 2021, where the following workplan items were discussed:

1. Capital Project Monitoring - Design and Permitting Report.

The Committee received an update on the status of capital projects in the design and permitting phase. Staff will provide the committee a detailed presentation on the Rinconada Water Treatment Plant Residuals Remediation Project at the March meeting. The Committee expressed concerns about the timing of regulatory permits expiration and funding availability for Upper Llagas Phase 2b construction start. The Committee also expressed the importance of making progress on Sunnyvale East and West Channels Project to meet District's commitments

2. Capital Project Monitoring - Feasibility and Planning Report.

The Committee received an update on projects in the feasibility and planning phase. Staff provided more detailed information on the Ogier Ponds project delay and the possibility of using a License Agreement with County Parks versus a Memorandum of Agreement (requires County Supervisors approval) to complete early planning study tasks.

3. Consultant Agreement Amendments for Capital Projects.

The Committee received updates on proposed amendments to the following consultant agreements:

- 1) For Permanente Creek Flood Protection Project - Rancho San Antonio Detention Project.
 - Agreement A3932A with Harris & Associates provides construction management, Project No. 26244001.
 - Agreement A4107G with Andrew Galvan, Most Likely Descendant, provides for Native American Consulting Services
 - Agreement A3345A with Mott MacDonald provides for design services and engineering support during construction
 - Agreement A2735A with ICF International (formerly Jones and Stokes, Inc.) provides for environmental planning and CEQA support
- 2) Amendment A3958A with Biggs Cardinal Associates, Inc., time extension and increases of \$750,000, for the on-call structural engineering services.
- 3) Agreement A3959A with Mark Thomas & Company, Inc. time extension and increases of \$750,000, for the on-call structural engineering services.

- 4) Agreement A4325G with Horizon Water and Environmental, LLC, provides for environmental planning and permitting services for the Anderson Dam Seismic Retrofit Project, Project No. 91864005. Amendment No. 1 proposes to add services to the scope of work and increase the NTE fee by \$2,974,005 to allow the Consultant to provide additional project management, support with regulatory permitting work, and complete environmental documentation for the project.
- 5) Agreement A3936A with Associated Right of Way Services, Inc., provides for on-call real estate services. Amendment No. 2 proposes to extend the agreement to February 9, 2022 and allow for other administrative updates such as environmental assessments, appraisals, acquisition, disposition, transactions regarding other real property interests (such as fee simple, easements, and other real property interests); providing relocation services for displaced residential or business tenants; and assist Valley Water staff with the condemnation process such as preparing supplemental reports, responding to discovery requests, and testifying at judicial proceedings, on an as-needed basis.
- 6) Agreement A4296A with Vena Solutions, Inc. for On-Call Enhancements and Support Services to support the Capital Improvement Program Project No. 00074033 and Budget Office Project No. 60221001. Amendment No. 1 proposes to extend the agreement to January 31, 2023, to assist Valley Water in its transition to a biennial budget process with the addition of Task 4, Biennial Budget.

4. 2020 Capital Improvement Program Committee Accomplishments Report.

The Committee reviewed and accepted the report. A copy is attached to this memo.

5. 2021 Capital Improvement Program Committee Work Plan.

The Committee reviewed the work plan and confirmed items for the March meeting, and added the following item to the March agenda: Update on the Rinconada Water Treatment Plant Residuals Remediation Project.

Board member comments and suggestions can be forwarded to Natalie Dominguez, Assistant Deputy Clerk II, at ndominguez@valleywater.org.

Kind regards,

Nai Hsueh, Director, District 5
Capital Improvement Committee Program Chairperson



Santa Clara Valley Water District Joint Recycled Water Policy Committee with Cities of Palo Alto/East Palo Alto/Mountain View

Teleconference

Join Zoom Meeting <https://valleywater.zoom.us/j/91617956564>

REGULAR MEETING AGENDA

**Monday, February 22, 2021
12:00 PM**

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

JOINT RECYCLED WATER POLICY
COMMITTEE W/ CITIES OF PALO
ALTO, EAST PALO ALTO &
MOUNTAIN VIEW

Gary Kremen - District 7, Committee
Chair

Tony Estremera - District 6
Richard P. Santos - District 3

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Santa Clara Valley Water District
Joint Recycled Water Policy Committee with Cities of PA/EPA/MV
REGULAR MEETING
AGENDA

Monday, February 22, 2021

12:00 PM

Teleconference

IMPORTANT NOTICES

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Join Zoom Meeting

<https://valleywater.zoom.us/j/91617956564>

Meeting ID: 916 1795 6564

One tap mobile

+16699009128,,91617956564# US (San Jose)

Dial by your location

+1 669 900 9128 US (San Jose)

Meeting ID: 916 1795 6564

1. CALL TO ORDER:

1.1. Roll Call.

2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA.

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3. APPROVAL OF MINUTES:

3.1. Approval of Minutes

[21-0178](#)

Recommendation: Approve the September 5, 2019, Meeting Minutes

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: 090519 Jt RWPC Draft Mins](#)

Est. Staff Time: 5 Minutes

4. ACTION ITEMS:

4.1. Update on Countywide Water Reuse Master Plan. [21-0179](#)

Recommendation: Receive information on the status, findings, and next steps for the Countywide Water Reuse Master Plan.

Manager: Kirsten Struve, 408-630-3138

Attachments: [Attachment 1: PowerPoint](#)
[Attachment 2: Draft Final CoRe Plan](#)
[Attachment 3: Draft Final CoRe Plan Appendices-Link](#)

Est. Staff Time: 15 Minutes

4.2. Update on Collaboration Efforts with the Cities of Palo Alto and Mountain View. [21-0180](#)

Recommendation: Receive information and discuss next steps.

Manager: Kirsten Struve, 408-630-3138

Attachments: [Attachment 1: PowerPoint](#)

Est. Staff Time: 15 Minutes

4.3. Next Meeting and Agenda Items. [21-0183](#)

Recommendation: Discuss and confirm next meeting date and agenda items.

Manager: Michele King, 408-630-2711

Est. Staff Time: 5 Minutes

5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.

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6. ADJOURN:

6.1. Adjourn



Santa Clara Valley Water District Santa Clara Valley Water District Youth Commission Meeting

Via Teleconference-Zoom

Join Zoom Meeting: <https://valleywater.zoom.us/j/92512855510>

REGULAR MEETING AGENDA

**Wednesday, February 24, 2021
6:00 PM**

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

SCVWD Youth Commission
Michael Zhao- Commission Chair
Ishita Verma- Commission Vice Chair

BOARD REPRESENTATIVES

Nai Hsueh - District 5
Barbara Keegan - District 2
John L. Varela - District 1

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COB Commission Liaison
Glenna Brambill -
Management Analyst II
gbrambill@valleywater.org

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

Santa Clara Valley Water District
Santa Clara Valley Water District Youth Commission
REGULAR MEETING
AGENDA

Wednesday, February 24, 2021

6:00 PM

Via Teleconference-Zoom

IMPORTANT NOTICES

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Join Zoom Meeting: <https://valleywater.zoom.us/j/92512855510>

1. CALL TO ORDER:

1.1. Roll Call.

2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA.

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3. WELCOME

4. OATH OF OFFICE

5. INTRODUCTIONS/INTERACTIVITY

6. MANAGER'S REPORT

7. APPROVAL OF MINUTES:

7.1. Approval of Minutes.

[21-0101](#)

Recommendation: Approve the August 26, 2020, Meeting Minutes.

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: 11182020 Youth Comm Draft Mins](#)

Est. Staff Time: 5 Minutes

8. ACTION ITEMS:

8.1. Presentation of the Pilot Mural Art Project.

[21-0102](#)

- Recommendation:
- A. Review and discuss staff's recommendation for a pilot Mural Art Project with members of the Youth Commission;
 - B. The Youth Commission recommend to the Board of Directors to approve the Youth Commission's participation in the pilot Mural Art Project; and
 - C. The Youth Commission recommend to the Board of Directors to approve the location for the pilot mural at the Blossom Hill Annex building at 1020 Blossom Hill Road, San Jose, CA.

Manager: Marta Lugo, 408-630-2237

Attachments: [Attachment 1: Pilot Mural Art Project PPT](#)

Est. Staff Time: 10 Minutes

8.2. Update from Santa Clara Valley Water District Youth Commission's Working Groups.

[21-0103](#)

- Recommendation: Approve, discuss, and consider any new working groups. Receive updates on working groups, recommendations and make recommendations to the Board, as necessary.

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: Working Group 2021](#)

Est. Staff Time: 20 Minutes

8.3. Review, Discuss, and Approve Santa Clara Valley Water District Youth Commission Work Plan, and Propose the Commission's Next Meeting Agenda.

[21-0104](#)

- Recommendation: Review, Discuss, and Approve the Commission's work plan to guide the Commission's discussions and schedule the next meeting and agenda.

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: 2021 Youth Comm Work Plan](#)

9. INFORMATION ITEMS:

- 9.1. Update on Valley Water's Creation of New Office of Racial Equity, Diversity & Inclusion and Board Adoption of a Resolution Addressing Systemic Racism and Promoting Equity.

Recommendation: Receive information on Valley Water's Creation of the Office of Racial Equity, Diversity and Inclusion, and the Board of Directors' Adoption of a Resolution Addressing Systemic Racism and Promoting Equity

Manager: Marta Lugo 408-630-2237

Attachments: [Attachment 1: Board-Adopted Resolution](#)

Est. Staff Time: 10 Minutes

10. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.

This is an opportunity for the Clerk to review and obtain clarification on any formally moved, seconded, and approved requests and recommendations made by the Committee during the meeting.

11. ADJOURN:

- 11.1. Adjourn to Regular Meeting at 6:00 p.m., on Wednesday, May 26, 2021, 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.: 21-0111

Agenda Date: 2/23/2021

Item No.: 7.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Review and Authorize Distribution of Santa Clara Valley Water District's Draft Fiscal Years 2022-26 Capital Improvement Program.

RECOMMENDATION:

Review the Draft Fiscal Years 2022-26 Capital Improvement Program and authorize release of the document to all cities in Santa Clara County and the County of Santa Clara for review as to its consistency with their General Plans.

SUMMARY:

Each year a five-year Capital Improvement Program (CIP) is prepared for Board consideration and approval. The CIP describes Santa Valley Water District's (Valley Water) capital investment priorities and provides information on the planned capital projects and Valley Water's intended source(s) of funding. Staff presents the CIP to the Board at the Preliminary and Draft stages for the Board to make decisions and provide direction. The final CIP is approved in conjunction with the annual budget, wherein funding is appropriated to the projects for the following fiscal year.

Draft FY 2021-25 CIP

The Board reviewed the Preliminary Fiscal Years (FY) 2022-26 CIP on January 12, 2021 in conjunction with the preliminary FY 2021-22 groundwater production charges. At that meeting, the Board provided direction regarding key capital investments and other assumptions to include in both the CIP and the groundwater charge projection. For purposes of the CIP, key capital investments include: "Baseline Projects" such as Dam Seismic Retrofits, the Rinconada Water Treatment Plant Reliability Improvement, and the 10-Year Pipeline Rehabilitation Program as identified in the Water Supply Master Plan; the Expedited Purified Water Program to be delivered via a public-private partnership (P3); and the Pacheco Reservoir Expansion Project. The Draft FY 2022-26 CIP is consistent with direction given by the Board on January 12, 2021.

For the purpose of reporting on FY 2020-21 expenditures, the FY 2022-26 CIP includes five projects that are completed, closed, or being reprogrammed by the end of FY 2020-21, as follows:

1. Main and Madrone Pipeline Replacement - Completed;
2. Westside Retailer Interties - Closed;

-
3. Stream Maintenance Program (SMP) Mitigation, Stream and Watershed Land Preservation - Completed;
 4. Salt Ponds Restoration (SCW - D8) - Reprogrammed (reprogrammed to Operations); and
 5. E-Discovery Management System - Completed.

Since the Board reviewed the Preliminary 5-year CIP on January 12, 2021, staff has identified the following additional changes for incorporation into the Draft FY 2022-26 CIP. Below is a summary of those changes by type of business area.

Water Utility:

- 91864005 - Anderson Dam: No change to project scope or schedule. Construction phase cost decreased by \$4M and the Design/Right-of-Way phase increased by \$4M primarily due to an increase on a right-of-way acquisition. Also, reduced FY 21 expenditures and increased FY 22 planned expenditures; total project cost (TPC) with inflation increased by approximately \$225K to \$648.75M.
- 95084002 - 10-Year Pipeline Rehabilitation Project: Board received this update verbally when the Preliminary CIP was reviewed on January 12, 2021. The 10-Year Pipeline Inspection and Rehabilitation Project increased in cost by \$31.9 million due to an additional Almaden Valley Pipeline inspection project being added, and the scope of individual projects within the program that have expanded to incorporate more extensive repairs, upgrades, and replacements. TPC with inflation increased by approximately \$31.9M to \$141.1M.
- 94084007 - Treated Water Isolation Valves: Work planned to be completed in FY 21 has been delayed due to staffing limitations. The previously approved project plan showed work on the design phase scheduled to take several years. It is now proposed to accelerate the design phase to be completed in FY 23 as it is anticipated that staff will be available to work on the project; TPC with inflation decreased by approximately \$96K to \$8.68M.
- 91094001 - Land Rights South County Recycled Water Pipeline Project: Schedule delayed by one year due to lack of staff and resources. Project costs updated based on further evaluation of the planning and environmental phase efforts. It is currently anticipated that the planning phase and environmental phases will cost less than previously anticipated, so these funds were shifted to the Right-of-Way phase of the Project; TPC with inflation increased by approximately \$315K to \$7.56M.
- 91234002 - Coyote Pumping Plant ASD: The duration of the planning phase was extended because of the additional time required to complete the planning phase documents, including the Control Systems Technical Memoranda, the Problem Definition Report, the Project Requirements Memoranda, and the Conceptual Design. This additional time was necessary due to the transition in project team members and the additional time needed by staff to review the Project deliverables. Additionally, because this project will be delivered using a new process for Valley Water, the design build project delivery method, the development of new

procurement documents (RFQ and RFP) is taking longer than previously anticipated. Therefore, the design phase duration has also been extended. TPC with inflation increased by approximately \$436K to \$15.57M.

- 93294058 - RWTP Residuals Remediation: Updated project schedule and expenditures via Change Management Memo (CMM) dated 1/15/21. The Design phase schedule has been updated to reflect the current status of the project. The Design phase cost has been increased to include legal fees for pursuing a lawsuit filed against the original project planning firm and design firm, and the cost of a temporary mobile centrifuge rental through project completion. The Construction phase schedule has been updated to reflect the estimated date of the Notice to Proceed and the most recently received 90% design construction schedule. The construction phase cost has been increased to reflect the 90% opinion of probable construction cost; TPC with inflation increased by approximately \$6.86M to \$32.69M.
- 91084019 - Dam Seismic Evaluation: changes include a revised Project schedule, cost, and expenditures. These changes are due to prioritization of work on Anderson and Pacheco dams, resulting in an extension of the schedule for completion of the comprehensive Dam Safety Evaluation of Coyote, Chesbro, and Uvas dams (DSE1) from 2021. This subsequently will delay the start of the comprehensive Dam Safety Evaluation of Rinconada, Vasona, and Coyote Percolation dams (DSE2) from FY 22 to FY 25. Project schedule extended two years, \$750K added to planning per CMM dated 1/12/2021. TPC with inflation increased by approximately \$1.72M to \$31.32M.

Watersheds:

- 26154003 - Upper Guadalupe River Project (Southern Pacific Railroad to Blossom Hill Rd. R7-12): Schedule extended by 3 years. Planned expenditures moved to future years. On December 30, 2020, the Department of the Army (U.S. Army Corps) and the Santa Clara Valley Water District signed an agreement to conduct a Flood Risk Management General Re-evaluation Study. The study is scheduled to be completed in three years. After the study is completed, it is estimated that the U.S. Army Corps will take two years to approve the new project scope and initiate a project partnership agreement with Valley Water. Design and construction will proceed following the execution of a project partnership agreement; TPC with inflation increased by approximately \$8.73M to \$128.28M.
- 62084001 - Watersheds Asset Rehabilitation Program (WARP): Decrease in FY 21 planned expenditures due to delays in the Calabazas Creek project advertisement and increase in FY 22 planned expenditure (to move construction for Calabazas to Spring 2022). Additionally, in FY 22, four new small caps projects requested by the Watersheds Operation and Maintenance unit will be initiated to begin structural, geotechnical and survey investigations; TPC with inflation decreased by approximately \$3.27M to \$182.58M.

Buildings & Grounds:

- 60204016 - Facility Management Small Capital Improvements: Board received this update verbally when the Preliminary CIP was approved by the Board on January 12, 2021. Increase annual planned expenditures from \$3M to \$4M each fiscal year.

Based upon the Board reviewed Preliminary CIP and the subsequent staff-identified changes, staff has prepared the Draft FY 2022-26 CIP (Attachment 1) for Board consideration.

Additionally, staff is in the process of incorporating minor revisions for the Final FY 2022-26 CIP to further align the CIP with the renewed Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program), which was approved by voters in November 2020. These revisions are detailed below:

- 26044002 - Safe, Clean Water Fish Passage Improvements: The Safe, Clean Water Fish Passage Improvements Project is linked to Key Performance Indicator (KPI) 3 under the Fish Habitat and Passage Improvement Project (Project D4) under the renewed Safe, Clean Water Program, which requires that Valley Water spend \$8M on fish passage improvements by FY 2027-28. Singleton Road Fish Passage Improvements will remain under 26044002, with planned expenditures in FY 2021-22 and beyond of approximately \$1.5M.

Additionally, a placeholder project for Safe, Clean Water Fish Passage Improvements is being updated to include approximately \$6.5M for yet to be identified fish passage improvements, which when combined with delivery of Singleton Road Fish Passage Improvements will deliver KPI 3. Further, the construction of the Bolsa Road Bridge Fish Passage Project is being removed to reflect the renewed Safe, Clean Water Program, Priority D, Project D6 Restoration of Natural Creek Functions, which identified construction of the Bolsa Road Bridge Fish Passage Project as KPI 2. In turn, the Bolsa Road Bridge Fish Passage Project will be given a new project number in the Final CIP, with approximately \$6.64M for project construction.

Subject to authorization by the Board, the Draft CIP will be transmitted to cities within Valley Water's jurisdiction and to the County of Santa Clara to solicit feedback and obtain confirmation that Valley Water's Draft FY 2022-26 CIP is consistent with their applicable General Plans. The CIP will also be available online for general public review. Staff will contact and offer to meet with each of the City Managers, Planning Directors, and/or Public Works Directors to discuss the proposed list of projects and seek feedback on the CIP prior to returning to the Board for approval of the CIP.

The Draft FY 2022-26 CIP includes 67 funded projects distributed among the following categories: 31 Water Supply, 17 Flood Protection, 11 Water Resources Stewardship, 2 Buildings and Grounds, and 6 Information Technology projects, for a total Valley Water planned cost of \$6.7B. An anticipated additional \$1.3B may be funded by outside sources through cost-share partnerships, or reimbursements, yielding a total CIP value of \$8.0B.

FINANCIAL IMPACT:

There is no financial impact associated with Board approval of the recommendation for this item. The

total value of the Draft FY 2022-26 CIP is \$8.0B, of which \$1.3B may be funded by outside sources.

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: Draft FY 2022-2026 CIP

UNCLASSIFIED MANAGER:

Heath McMahon, 408-630-3126

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Valley Water

Clean Water • Healthy Environment • Flood Protection

Draft Fiscal Year 2022-2026 (FY 2022-26) Capital Improvement Program (CIP)

Presented by **Heath McMahon**, Deputy Operating Officer

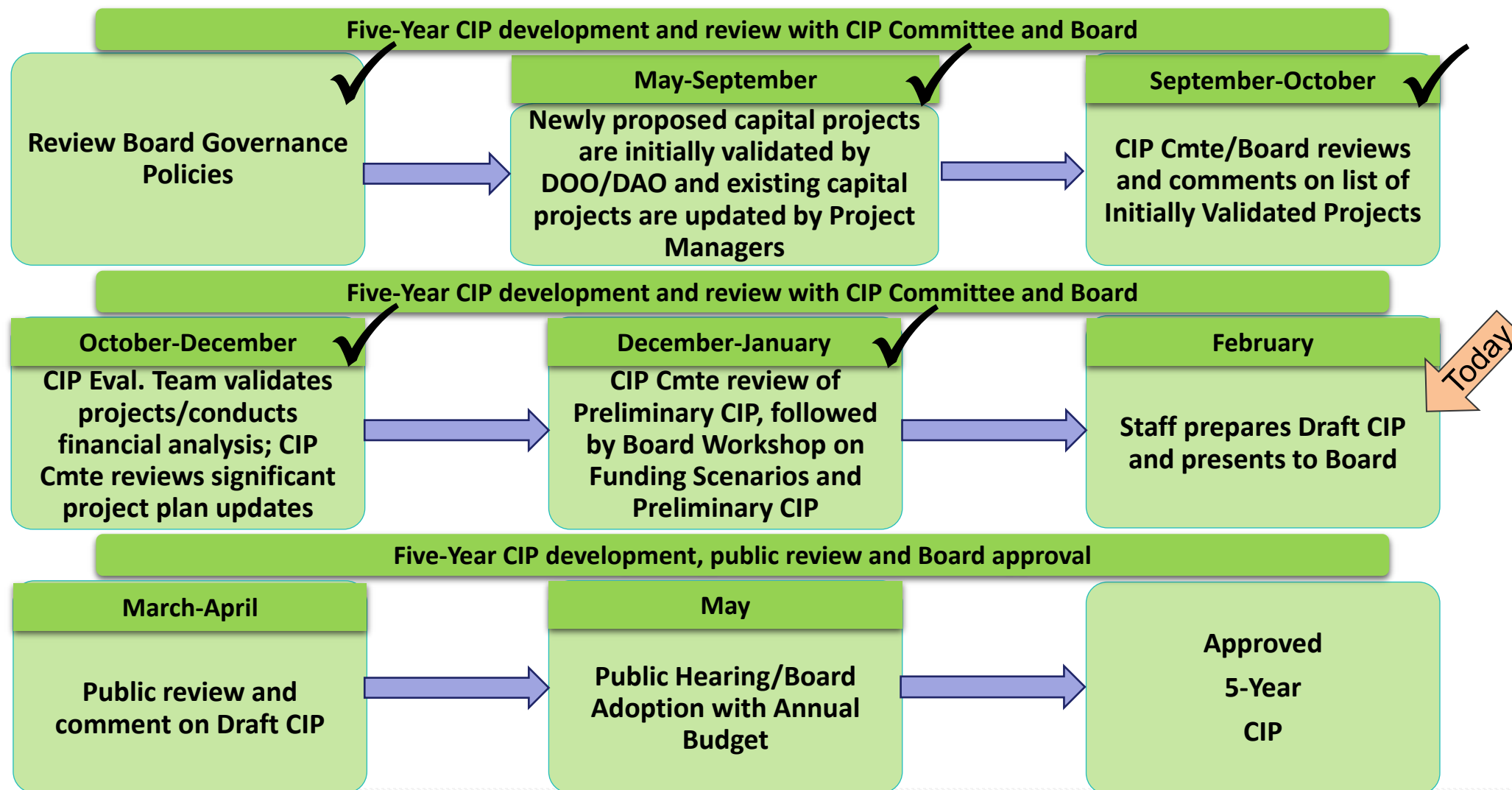
Draft FY 2022-26 CIP: Board Actions Today

1. Review the Draft FY 2022-26 CIP; and
2. Authorize release of the document to all agencies having land-use authority in Santa Clara County, including the cities, towns and the County of Santa Clara, for review as to its consistency with their General Plans.

Draft FY 2022-26 CIP Presentation Outline

1. Annual CIP Process
2. Draft FY 2022-26 CIP
 - Project Categories
 - Summary of Project Costs
 - Other Funding Sources (Reimbursements)
 - Updates from Preliminary CIP
 - Additional planned changes from Draft to Final CIP
3. Next Steps

Annual CIP Process Overview



Draft FY 2022-26 CIP Project Categories

- Water Supply – 31 projects
- Flood Protection – 17 projects
- Water Resources Stewardship – 11 projects
- Buildings and Grounds – 2 projects
- Information Technology – 6 projects

Draft FY 2022-26 CIP

Summary of Project Costs

| | Appropriated / Actuals through FY-21 | Remaining Cost to Completion | Total Project Costs |
|------------------------|--|---------------------------------|---------------------|
| Water Supply | \$740 M | \$4,606 M | \$5,346 M |
| Flood Protection | \$990 M | \$870 M | \$1,860 M |
| Stewardship | \$45.7 M | \$165.6 M | \$211 M |
| Buildings/Grounds | \$3 M | \$55.6 M | \$58.6 M |
| Information Technology | \$27 M | \$22.7 M | \$50 M |
| TOTAL CIP | \$1,856 M | \$5,719 M | \$7,525 M |

Other Funding Sources – Capital Reimbursements

Reimbursements anticipated to be received between FY22 and FY26 = \$352M

- Grants and Cost Share including Measure AA & Cal Water Commission: \$295M
- State Subvention Reimbursements = ~\$57M

State Subvention Reimbursements

- Project must be federally authorized, then appropriated through State budget process
- Subventions reimburses 50% -100% of local share
- The Board has reserved the authority to determine which projects will be funded by state subvention reimbursements; if not specifically allocated by the Board, reimbursements will go back into Fund reserves

Other Funding Sources – State Subvention Reimbursements

State Flood Control Subventions Program

- Safe Clean Water Subventions previously designated to remain in SCW Fund
- Watershed/Stream Stewardship Fund Remaining subventions funding \$1.7M
 - Projects designated to receive subventions:

| Project | Amount |
|--|--------|
| Lower Penitencia | \$5M |
| Cunningham Flood Detention Certification | \$3M |
| Lower Silver Creek | \$9M |
| Llagas Ck Lower – Capacity | \$1.1M |

Updates from Preliminary FY 2022-26 CIP

Fund 61, Water Utility Enterprise Fund

91864005 Anderson Dam Seismic Retrofit: No change to project scope or schedule. Construction phase cost decreased by \$4M and the Design/Right-of-Way phase increased by \$4M primarily due to an increase on a right-of-way acquisition. Also, reduced FY 21 expenditures and increased FY 22 planned expenditures; total project cost (TPC) with inflation increased by approximately \$225K to \$648.75M.

95084002 10-Year Pipeline Rehabilitation: 10-Year Pipeline Rehabilitation Project: Board received this update verbally when the Preliminary CIP was reviewed on January 12, 2021. The 10-Year Pipeline Inspection and Rehabilitation Project increased in cost by \$31.9 million due to an additional Almaden Valley Pipeline inspection project being added, and the scope of individual projects within the program that have expanded to incorporate more extensive repairs, upgrades, and replacements. TPC with inflation increased by approximately \$31.9M to \$141.1M.

94084007 Treated Water Isolation Valves: Work planned to be completed in FY 21 has been delayed due to staffing limitations. The previously approved project plan showed work on the design phase scheduled to take several years. It is now proposed to accelerate the design phase to be completed in FY 23 as it is anticipated that staff will be available to work on the project; TPC with inflation decreased by approximately \$96K to \$8.68M.

Updates from Preliminary FY 2022-26 CIP

Fund 61, Water Utility Enterprise Fund, continued

91094001 Land Rights South County Recycled Water Pipeline: Schedule delayed by one year due to lack of staff and resources. Project costs updated based on further evaluation of the planning and environmental phase efforts. It is currently anticipated that the planning phase and environmental phases will cost less than previously anticipated, so these funds were shifted to the Right-of-Way phase of the Project; TPC with inflation increased by approximately \$315K to \$7.56M.

91234002 Coyote Pumping Plant ASD: The duration of the planning phase was extended because of the additional time required to complete the planning phase documents, including the Control Systems Technical Memoranda, the Problem Definition Report, the Project Requirements Memoranda, and the Conceptual Design. This additional time was necessary due to the transition in project team members and the additional time needed by staff to review the Project deliverables. Additionally, because this project will be delivered using a new process for Valley Water, the design build project delivery method, the development of new procurement documents (RFQ and RFP) is taking longer than previously anticipated. Therefore, the design phase duration has also been extended. TPC with inflation increased by approximately \$436K to \$15.57M.

Updates from Preliminary FY 2022-26 CIP

Fund 61, Water Utility Enterprise Fund, continued

93294058 RWTP Residuals Remediation: Updated project schedule and expenditures via Change Management Memo (CMM) dated 1/15/21. The Design phase schedule has been updated to reflect the current status of the project. The Design phase cost has been increased to include legal fees for pursuing a lawsuit filed against the original project planning firm and design firm, and the cost of a temporary mobile centrifuge rental through project completion. The Construction phase schedule has been updated to reflect the estimated date of the Notice to Proceed and the most recently received 90% design construction schedule. The construction phase cost has been increased to reflect the 90% opinion of probable construction cost; TPC with inflation increased by approximately \$6.86M to \$32.69M.

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Updates from Preliminary FY 2022-26 CIP

Fund 12, Watershed Stream Stewardship Fund

62084001 Watershed Asset Rehabilitation Program: Decrease in FY 21 planned expenditures due to delays in the Calabazas Creek project advertisement and increase in FY 22 planned expenditure (to move construction for Calabazas to Spring 2022). Additionally, in FY 22, four new small caps projects requested by the Watersheds Operation and Maintenance unit will be initiated to begin structural, geotechnical and survey investigations; TPC with inflation decreased by approximately \$3.27M to \$182.58M.

Updates from Preliminary FY 2022-26 CIP

Fund 26, Safe, Clean Water and Natural Flood Protection Fund

26154003 Upper Guadalupe River Flood Protection (Southern Pacific Railroad to Blossom Hill Road, Reaches 7-12): Schedule extended by 3 years. Planned expenditures moved to future years. On December 30, 2020, the Department of the Army (U.S. Army Corps) and the Santa Clara Valley Water District signed an agreement to conduct a Flood Risk Management General Re-evaluation Study. The study is scheduled to be completed in three years. After the study is completed, it is estimated that the U.S. Army Corps will take two years to approve the new project scope and initiate a project partnership agreement with Valley Water. Design and construction will proceed following the execution of a project partnership agreement; TPC with inflation increased by approximately \$8.73M to \$128.28M.

Updates from Preliminary FY 2022-26 CIP

Fund 71, Equipment Fund

No Updates

Fund 11, General Fund

60204016 Facility Management, Small Capital Improvements: Based upon updated cost estimates for capital maintenance of buildings, grounds, and facilities on the Almaden and Winfield campus the annual planned expenditure is estimated to increase from \$3M to \$4M.*

Additional planned changes from Draft to Final CIP

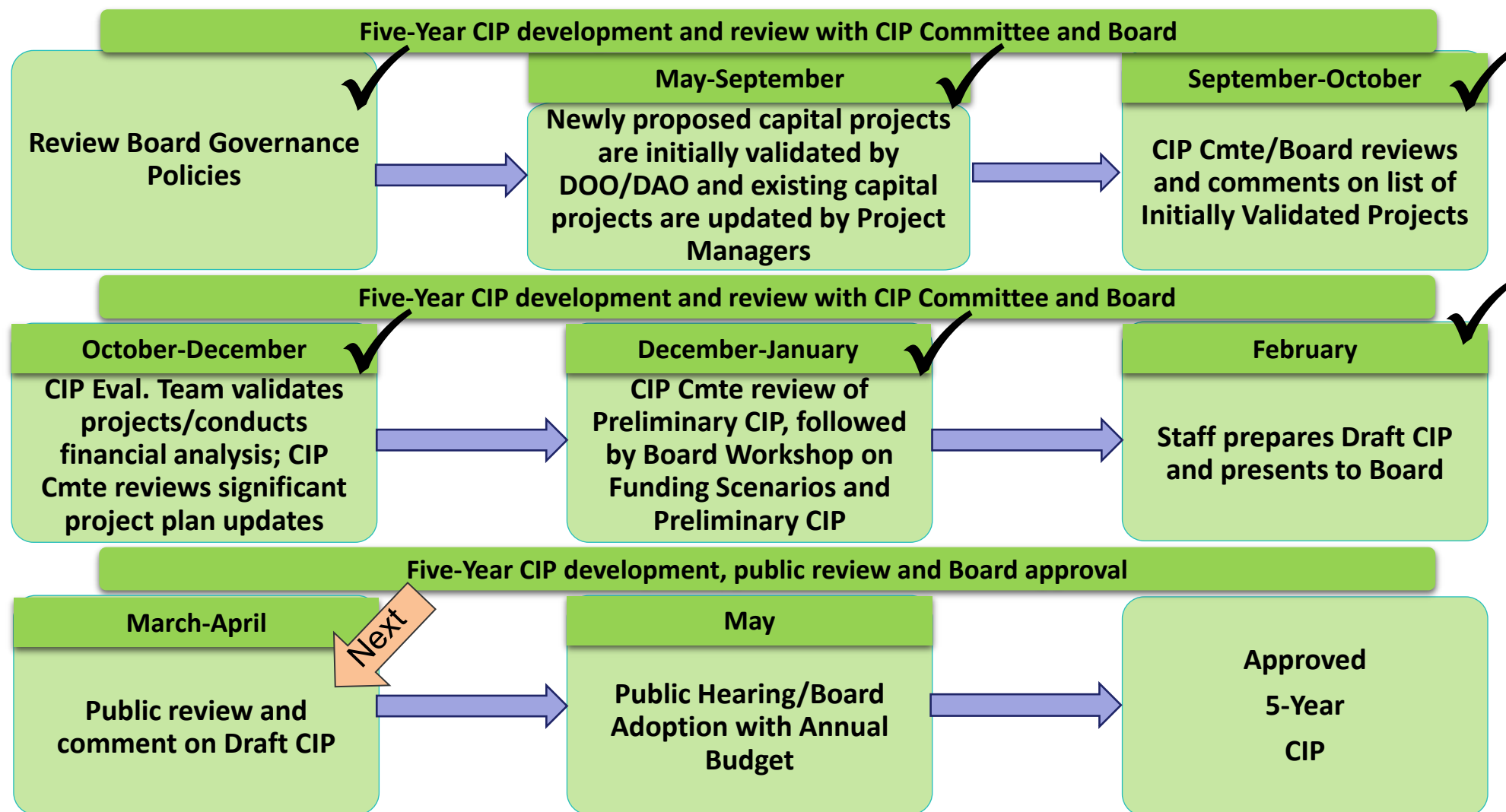
Fund 26, Safe, Clean Water Fund

26044002 Safe, Clean Water Fish Passage Improvements (D4): The Safe, Clean Water Fish Passage Improvements Project is linked to Key Performance Indicator (KPI) 3 under the Fish Habitat and Passage Improvement Project (Project D4) under the renewed Safe, Clean Water Program, which requires that Valley Water spend \$8M on fish passage improvements by FY 2027-28. Singleton Road Fish Passage Improvements will remain under 26044002, with planned expenditures in FY 2021-22 and beyond of approximately \$1.5M.

Additionally, a placeholder project for Safe, Clean Water Fish Passage Improvements is being updated to include approximately \$6.5M for yet to be identified fish passage improvements, which when combined with delivery of Singleton Road Fish Passage Improvements will deliver KPI 3. Further, the construction of the Bolsa Road Bridge Fish Passage Project is being removed to reflect the renewed Safe, Clean Water Program, Priority D, Project D6 Restoration of Natural Creek Functions, which identified construction of the Bolsa Road Bridge Fish Passage Project as KPI 2. In turn, the Bolsa Road Bridge Fish Passage Project will be given a new project number in the Final CIP, with approximately \$6.64M for project construction.

26764001 IRP2 Additional Line Valves (A3 - Pipeline Reliability): There is no change to project scope. The construction schedule has been delayed by two years to combine the construction activities with the 10-Year Pipeline Inspection and Rehabilitation Project. This allows construction to be completed for the two projects while minimizing the pipeline shutdown duration. The TPC has not increased.

Annual CIP Process Overview





Valley Water

Clean Water • Healthy Environment • Flood Protection



Santa Clara Valley Water District

File No.: 21-0140

Agenda Date: 2/23/2021

Item No.: 9.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Fiscal Year 2020-21 Midyear Financial Status Update and Fiscal Year 2020-21 Midyear Central Budget Adjustments.

RECOMMENDATION:

- A. Receive the Fiscal Year 2020-21 midyear financial status update as of December 31, 2020; and
- B. Approve the Fiscal Year 2020-21 midyear central operating and capital budget adjustments as per Attachments 2 and 3.

SUMMARY:

Valley Water completed the first six months of the Fiscal Year 2020-21 on December 31, 2020. The midyear financial status update presentation (Attachment 1) summarizes a detailed comparison, and analysis, of the budget to actual status of revenues and expenditures for all funds as of December 31, 2020.

These financial statements have been prepared by Valley Water for informational purposes only and have not been audited by the external auditor. No party is authorized to disseminate these unaudited financial statements to the State Comptroller or any nationally recognized rating agency, nor are they authorized to post these financial statements on EMMA or any similar financial reporting outlets or redistribute the information without the express written authorization of the Chief Financial Officer of Valley Water. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of District bonds, notes or other obligations and investors and potential investors should rely only on information filed by the District on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained on the World Wide Web at <<https://emma.msrb.org/>>.

Concurrently, in adhering to Governance Policies of the Board and specifically Executive Limitations EL-4, staff respectfully submits the midyear central budget adjustments to the FY 2020-21 Adopted Budget which are necessary in order to better align limited allocated resources with the Board's Ends, meet Board priorities, and continue to provide for a balanced budget.

The FY 2020-21 mid-year central budget adjustments are presented in Attachments 2 & 3 and summarized as follows:

1. FY 2020-21 Fund Balance Reconciliation and Update FY 2020-21 Beginning Budget Reserves

The FY 2020-21 budget reserves are based on year-end reserve estimates for FY 2019-20. After the FY 2019-20 Comprehensive Annual Financial Report (CAFR) is finalized and approved by the Board, Staff conducts a reconciliation of FY 2019-20 projected reserves with the final audited reserve balances. The purpose of this reconciliation is to implement the reserve budget adjustments. These actions align the FY 2020-21 Beginning Fund Balance with prior year end audited reserve balances. Total increase to the budget reserves was \$56.7 million. Attachment 2 shows the detailed reserve adjustments.

2. Capital Project Budget Adjustments: There are three budget adjustments for capital projects in various funds proposed in this report totaling \$11.7 million. Details are included in the Attachment 3 and are explained below.

Watershed Habitat Enhancement Project (62044001) - \$490,000

A budget adjustment to increase the Watershed Habitat Enhancement project FY21 budget by \$490,000 to address the expanded scope of the project. The expanded scope of work includes developing conceptual alternatives for up to three barriers recommended by the Stevens Creek prioritization study and also supports the Anderson Dam Federal Energy Regulation Commission Order Compliance Project (FOCP) by providing on-call consultant work to analyze the proposed Coyote Percolation Pond bladder dam and fish ladder. The project currently includes (1) completing a feasibility study to separate Coyote Creek from the Ogier Ponds complex, (2) completing a feasibility study to separate Coyote Creek from the Metcalf Ponds complex, (3) preparing a fish passage barrier analysis for Stevens Creek, and (4) evaluating and prioritizing fish passage barriers for Stevens Creek.

Berryessa Creek, Lower Penitencia Creek to Calaveras Project (40174005) - \$10,673,000

A budget adjustment to increase the Berryessa Creek, Lower Pen to Calaveras Blvd project FY21 budget by \$10.7 million to restore project budget that was previously utilized to fund the construction of the South San Francisco Bay Shoreline Phase 1 project. On February 25, 2020 the Board previously approved the budget adjustment to move funds from the Berryessa Creek project to the South San Francisco Shoreline project. The Berryessa project is now scheduled to begin construction in April 2021, with civil work anticipated to be completed by December 2022, and funds are required to fund such construction. After civil construction has been completed, the construction will also include three years of plant establishment and maintenance and is anticipated to be complete by April 2026.

Capital Project Management Information System (00074040) - \$522,000

A budget adjustment to move the Capital Construction Management System project FY21 budget of \$522,000, and actual expenditures, in the Water Utility Enterprise Fund to the newly created Project Management Information System project, which is allocated to the Watershed Stream Stewardship Fund (Fund 12), the General Fund (Fund 11), the Information Technology Fund (Fund 73), and the Water Utility Enterprise Fund (Fund 61) to reflect the benefit to capital projects districtwide. The original project scope included project management software (PMIS) for the planning, design, construction, and close-out phases of capital projects for Water Utility projects. Staff has received direction to expand the project scope to all capital projects in the organization and therefore requires the budget adjustment for the allocated Project Management Information System project.

FINANCIAL IMPACT:

Approval of the recommended FY 2020-21 midyear central budget adjustments (Attachment 2 and 3) will align the Fiscal Year 2020-21 budget reserves with FY 2019-20 year-end audited reserve balances. For capital projects, it will appropriate a total \$11.2 million to the Watershed Habitat Enhancement project (62044001) and Berryessa Creek, Lower Penitencia Creek to Calaveras project (40174005), correspondingly reducing Watershed Stream Stewardship Fund (Fund 12) Operating and Capital Reserve; and move the \$522,000 budget to the allocated Project Management Information System project (00074040).

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: PowerPoint

Attachment 2: FY20-21 Midyear Central Budget Adjustment Summary

Attachment 3: FY20-21 Midyear Central Budget Adjustment Details

UNCLASSIFIED MANAGER:

Darin Taylor, 408-630-3068

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First Half FY2020-21 Mid-Year Financial Status Update

February 23, 2021

Agenda

2

- **Revenue by Category and Fund**
- **Operating and Capital Expenditures**
- **Reserve Balances**
- **Summary**

Mid-Year Revenue by Category and Fund

Majority of revenues are anticipated to end the year at budgeted estimates

3

| (\$ in millions) | FY21 Adj Budget | 1H FY21 Actuals | 1H FY21 % Rec'd | 1H FY20 Actuals | 1H FY21 vs 1H FY20 | 1H FY20 % Rec'd |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|-----------------------|--------------------|
| Groundwater Production Charges | \$ 121.1 | \$ 51.9 | 42.9% | \$ 42.9 | \$ 9.0 | 40.8% |
| Treated Water Revenue | 137.4 | 78.3 | 57.0% | 80.5 | (2.2) | 47.5% |
| Surface/Recycled Water Revenue | 2.6 | 0.2 | 7.7% | 0.0 | 0.2 | 0.7% |
| 1% Ad-valorem Property Tax | 110.9 | 44.2 | 39.9% | 41.7 | 2.5 | 40.9% |
| Safe Clean Water Special Parcel Tax | 45.5 | - | 0.0% | - | - | 0.0% |
| Benefit Assessment | 12.4 | - | 0.0% | - | - | 0.0% |
| State Water Project Tax | 18.0 | 0.7 | 3.9% | 0.6 | 0.1 | 3.6% |
| Capital Reimbursements | 43.6 | 5.1 | 11.7% | 12.7 | (7.6) | 38.8% |
| Interest Income & Other | 15.1 | 7.3 | 48.3% | 9.7 | (2.4) | 74.9% |
| Total Revenue | \$ 506.6 | \$ 187.7 | 37.1% | \$ 188.1 | \$ (0.4) | 37.5% |

| (\$ in millions) | FY21 Adj Budget | 1H FY21 Actuals | 1H FY21 % Rec'd | 1H FY20 Actuals | 1H FY21 vs 1H FY20 | 1H FY20 % Rec'd |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|-----------------------|--------------------|
| General Fund | \$ 9.4 | \$ 3.8 | 40.4% | \$ 3.7 | \$ 0.1 | 43.0% |
| Watershed & Stream Stewardship Fund | 117.8 | 39.4 | 33.4% | 48.9 | (9.5) | 50.4% |
| Safe Clean Water Fund | 61.1 | 3.6 | 5.9% | 3.2 | 0.4 | 5.2% |
| Water Utility Enterprise Fund | 305.5 | 140.6 | 46.0% | 131.7 | 8.9 | 41.1% |
| Service Funds | 0.4 | 0.3 | 75.0% | 0.6 | (0.3) | 85.7% |
| Benefit Assessment Funds | 12.4 | - | 0.0% | - | - | 0.0% |
| Total Revenue | \$ 506.6 | \$ 187.7 | 37.1% | \$ 188.1 | \$ (0.4) | 37.5% |

Observations

- FY21 Budget of \$506.6M
- 1H FY21 total revenue was \$187.7M or 37.1% of Adj Budget, \$0.4M lower than the 1H FY20 actual revenue of \$188.1M
- SCW Special Parcel, Benefit Assessment and State Water Project Tax revenues recorded in second-half of the fiscal year
- Groundwater production charges of \$51.9M or 42.9% of Budget and \$9.0M higher than 1H FY20 actuals
- Treated water revenue of \$78.3M or 57.0% of Budget and \$2.2M lower than 1H FY20 actuals
- Capital reimbursements of \$5.1M, which varies year-over-year depending on progress of grant-funded projects

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Mid-Year Revenue Performance

Revenues expected to meet budget targets except for Capital Reimbursements

- Property Tax, State Water Project Tax, SCW Special Parcel Tax and Benefit Assessments are expected to meet or exceed the Adopted Budget.
 - Tax receipts were received in December and January, slightly higher than 50% of budgeted amount
- Groundwater Production Charges and Treated Water Revenue are projected to meet or exceed budget
- Capital reimbursements tracking below budget due to timing issues related to grant reimbursements and project progress

Mid-Year Operating and Capital Expenditures

Operating & Capital expenditures estimated to end FY within budgeted levels

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| (\$ in millions) | FY21 Adj Budget | 1H FY21 Actuals | 1H FY21 % Spent | 1H FY20 Actuals | 1H FY21 vs 1H FY20 | 1H FY20 % Spent |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|-----------------------|--------------------|
| General Fund | \$ 69.8 | \$ 34.5 | 49.4% | \$ 26.8 | \$ 7.7 | 45.3% |
| Watershed & Stream Stewardship Fund | 61.9 | 30.6 | 49.4% | 26.4 | 4.2 | 45.2% |
| Safe Clean Water Fund | 21.8 | 8.1 | 37.2% | 14.6 | (6.5) | 50.3% |
| Water Utility Enterprise Fund | 250.1 | 97.9 | 39.1% | 91.1 | 6.8 | 39.3% |
| Service Funds | 32.4 | 14.6 | 45.1% | 11.5 | 3.1 | 40.2% |
| Benefit Assessment Funds | 11.2 | 1.4 | 12.5% | 1.6 | (0.2) | 14.3% |
| Total Operating Expenditures | \$ 447.2 | \$ 187.1 | 41.8% | \$ 172.0 | \$ 15.1 | 41.1% |

Note 1: Operating Adjusted Budget includes Adopted Budget and current year budget adjustments
 Note 2: Budgetary basis Actuals includes actuals and encumbrances as of 12/31/20

| (\$ in millions) | FY21 Adj Budget | 1H FY21 Actuals | 1H FY21 % Spent | 1H FY20 Actuals | 1H FY21 vs 1H FY20 | 1H FY20 % Spent |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|-----------------------|--------------------|
| General Fund | \$ 3.0 | \$ 0.7 | 23.3% | \$ 1.2 | \$ (0.5) | 59.1% |
| Watershed & Stream Stewardship Fund | 76.1 | 12.6 | 16.6% | 11.8 | 0.8 | 20.6% |
| Safe Clean Water Fund | 119.9 | 46.5 | 38.8% | 50.7 | (4.2) | 39.2% |
| Water Utility Enterprise Fund | 197.7 | 68.0 | 34.4% | 52.6 | 15.4 | 31.9% |
| Service Funds | 18.7 | 2.0 | 10.7% | 2.2 | (0.2) | 13.7% |
| Total Capital Expenditures | \$ 415.4 | \$ 129.8 | 31.2% | \$ 118.5 | \$ 11.3 | 32.1% |

Note 1: Capital Adjusted Budget includes Adopted Budget and prior year capital carryforward
 Note 2: Budgetary basis Actuals includes actuals and encumbrances as of 12/31/20

Observations

- FY21 Operating Adjusted Budget of \$447.2M
- 1H FY21 Operating Expenditures of \$187.1M or 41.8% of Adjusted Budget; similar percentage spent levels as 1H FY20
- Debt service on Benefit Assessment Funds is paid in second half of fiscal year

- FY21 Capital Adjusted Budget of \$415.4M
- 1H FY21 Capital Expenditures of \$129.8M or 31.2% of Adjusted Budget; similar percentage spent as compared to 1H FY20



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Mid-Year Operating and Capital Expenditures

Operating and capital expenditures to remain within budget by year-end

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- Operating expenditures, 41.8% of budget, expected to remain within budget by year-end
- Capital expenditures, 31.2% of budget, expected to remain within budget by year-end

Reserve Balances

Projected FY21 year-end reserve balances higher than Adopted Budget

| (\$ in millions) | FY21 | | FY21 | | Estimate |
|-------------------------------------|-----------|--------------|-----------|--------------|----------------|
| | Adopted | | Estimate | | vs Adopted |
| | Budget | | | | |
| Restricted Reserves | | | | | |
| Safe Clean Water Fund | \$ | 80.4 | \$ | 87.4 | \$ 7.0 |
| Water Utility Enterprise Fund | | 59.1 | | 63.8 | 4.7 |
| Restricted Subtotal | \$ | 139.5 | \$ | 151.2 | \$ 11.7 |
| Committed Reserves | | | | | |
| General Fund | \$ | 5.7 | \$ | 5.8 | \$ 0.1 |
| Watershed & Stream Stewardship Fund | | 115.5 | | 92.7 | (22.8) |
| Water Utility Enterprise Fund | | 71.4 | | 130.3 | 58.9 |
| Service Funds | | 17.0 | | 18.8 | 1.8 |
| Committed Subtotal | \$ | 209.6 | \$ | 247.6 | \$ 38.0 |
| Total Reserves | \$ | 349.1 | \$ | 398.8 | \$ 49.7 |

Observations

- FY21 projected reserve balances at year-end \$398.8M, \$49.7M higher than Adopted Budget
- Safe Clean Water reserve \$7.0M higher due to higher Actual reserve balance in FY20
- Watershed & Stream Stewardship Fund reserve \$22.8M lower than Adopted Budget due to higher Actual reserve balance in FY20 (\$7.7M), offset by the anticipated budget adjustment in FY21 for San Francisco Bay Shoreline (\$37.0M)
- Water Utility Enterprise Fund reserve \$58.9M higher due to higher Actual reserve balance in FY20 (\$33.2M) and increase in Debt Proceeds in FY21 (\$26.5M)

Attachment 1

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Estimate Reserve Balances

Capital expenditures directly impact estimated reserve balances

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- All Year-end reserves projected above minimum reserve requirements
- Overall, FY21 year-end projected reserves are \$398.8 million
 - Estimate based on FY20 year-end actual reserve, FY21 current year projections for revenue, financing, and operating and capital expenditures
- Unspent capital project budget will result in increases to year-end reserve balance estimates

Mid-Year Financial Update Summary

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- Majority of revenues are anticipated to end FY at budgeted levels
 - Will continue to monitor performance in second half of fiscal year
- Operating expenditures estimated to end FY within budgeted levels
- First half capital expenditures trending lower than budget
- Highlight any significant developments as well as identify any potential budget actions necessary in second half of fiscal year

QUESTIONS



Attachment 2: FY 2020-21 Midyear Central Budget Adjustments

| | FY 2020-21 | | | | | | | | | |
|---|---|---|-----------------------------|-------------------------------------|--------------------------------|-----------------------|---------------------|-----------------------------|--------------|---|
| | Fund 11 | Fund 12 | Fund 26 | Fund 61 | Fund 63 | Fund 71 | Fund 72 | Fund 73 | Total | |
| | General Fund (GF) | Watershed Stream Stewardship Fund (WSS) | Safe Clean Water Fund (SCW) | Water Utility Enterprise Fund (WUE) | State Water Project Fund (SWP) | Fleet Management Fund | Risk Insurance Fund | Information Technology Fund | | |
| | Appropriations and Reserves Increase/(Decrease) | | | | | | | | | |
| 1 FY 20-21 beginning Budget Reserve Adjustments to reflect the FY 2019-20 year-end final audited reserve balances | | | | | | | | | | |
| Currently Authorized Project Reserve | | 2,344,783 | (1,642,744) | 1,755,344 | | | | 1,646,635 | 4,104,018 | |
| Benefit Assessment Reserve | | | | | | | | | - | |
| Catastrophy - Property Self-Insurance Reserve | | | | | | | (141,467) | | (141,467) | |
| Workers Compensation Liability Reserve | | | | | | | 397,900 | | 397,900 | |
| Operating and Capital Reserve | (730,088) | 7,706,941 | 7,220,686 | 30,137,827 | | 1,111,148 | | 699,121 | 46,145,635 | |
| WUE Rate Stabilization Reserve | | | | | | | | | - | |
| GP5 Reserve | | | | 2,996,637 | | | | | 2,996,637 | |
| WUE San Felipe Emergency Reserve | | | | 60,073 | | | | | 60,073 | |
| WUE State Water Project Reserve | | | | | 3,132,132 | | | | 3,132,132 | |
| Net Adjustment by Fund | (730,088) | 10,051,724 | 5,577,942 | 34,949,881 | 3,132,132 | 1,111,148 | 256,433 | 2,345,756 | 56,694,928 | |
| 2 Capital Project Budget Adjustments | | | | | | | | | | - |
| Berryessa Creek, Lower Pen to Calaveras (40174005) | | 10,673,000 | | | | | | | 10,673,000 | |
| Operating and Capital Reserve | | (10,673,000) | | | | | | | (10,673,000) | |
| | | | | | | | | | - | |
| Watershed Habitat Enhancement (62044001) | | 490,000 | | | | | | | 490,000 | |
| Operating and Capital Reserve | | (490,000) | | | | | | | (490,000) | |
| | | | | | | | | | - | |
| Capital Project Management Information System (00074040) | 10,440 | 83,520 | | 417,600 | | | | 10,440 | 522,000 | |
| Capital Construction Information Mgmt. System (95074039) | | | | (522,000) | | | | | (522,000) | |
| Operating and Capital Reserve | (10,440) | (83,520) | | 104,400 | | | | (10,440) | - | |
| Net Adjustment by Fund | - | - | - | - | - | - | - | - | - | |

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Attachment 3: FY 2020-21 Mid-Year Central Budget Adjustment Details

| ITEM | DESCRIPTION | FY | FUND | UNIT | PROJECT NO | \$ INC/(DEC) |
|---|-------------|------|------|------|------------|-----------------|
| 1. Project Management Information System | | | | | | |
| Capital Construction Management System | | FY21 | 61 | 214 | 95074039 | \$ (522,000) |
| Water Enterprise Fund Operating and Capital Reserve | | FY21 | 61 | | 00000000 | \$ 522,000 |
| Project Management Information System | | FY21 | 61 | 214 | 95074040 | \$ 417,600 |
| Water Enterprise Fund Operating and Capital Reserve | | FY21 | 61 | | 00000000 | \$ (417,600) |
| Project Management Information System | | FY21 | 12 | 214 | 62074040 | \$ 83,520 |
| Watershed and Stream Stewardship Fund Operating and Capital Reserve | | FY21 | 12 | | 00000000 | \$ (83,520) |
| Project Management Information System | | FY21 | 11 | 214 | 60074040 | \$ 10,440 |
| General Fund Operating and Capital Reserve | | FY21 | 11 | | 00000000 | \$ (10,440) |
| Project Management Information System | | FY21 | 73 | 214 | 73074040 | \$ 10,440 |
| Information Technology Fund Operating and Capital Reserve | | FY21 | 73 | | 00000000 | \$ (10,440) |
| Net Budget Adjustments | | | | | | \$0 |
| 2. Berryessa Ck, Lower Pen to Calaveras | | | | | | |
| Berryessa Ck, Lower Pen to Calaveras | | FY21 | 12 | 332 | 40174005 | \$ 10,673,000 |
| Watershed and Stream Stewardship Fund Operating and Capital Reserve | | FY21 | 12 | | 00000000 | \$ (10,673,000) |
| Net Budget Adjustments | | | | | | \$0 |
| 3. Watershed Habitat Enhancement | | | | | | |
| Watershed Habitat Enhancement | | FY21 | 12 | 246 | 62044001 | \$ 490,000 |
| Watershed and Stream Stewardship Fund Operating and Capital Reserve | | FY21 | 12 | | 00000000 | \$ (490,000) |
| Net Budget Adjustments | | | | | | \$0 |

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Santa Clara Valley Water District

File No.: 21-0219

Agenda Date: 2/23/2021
Item No.: *9.2.

BOARD AGENDA MEMORANDUM

SUBJECT:

CEO and Chiefs' Report.

ATTACHMENTS:

*Handout 9.2-A: Office of Government Relations Update

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FEBRUARY 23, 2021

Office of Government Relations Legislative Update



FEDERAL ADVOCACY EFFORTS



US Capitol

New Administration and Congress Present Opportunities to Advance Valley Water Priorities

January 2021 marked the dawn of a new administration and a new Congress in Washington, D.C., as President Joseph R. Biden, Jr. was sworn in as the 46th president of the United States and the 117th Congress began under unified Democratic leadership. This change presents opportunities for passing much-needed legislation in several areas, including additional COVID relief, infrastructure, and climate change -- all of which are opportunities to advance Valley Water priorities. Staff has hit the ground running to advocate for legislation that benefits Valley Water and the communities we serve, and we expect that it will be a busy and productive year.

Both the administration and Congress have several new faces that also bode well for advancing Valley Water priorities. At the U.S. Bureau of Reclamation, for example, President Biden has appointed Camille Touton to be Deputy Commissioner. Ms. Touton previously served on the House Transportation & Infrastructure Committee where Valley Water staff worked with her to advance the Water Resources Development Act and include language that benefits Valley Water projects. In Congress, new Senator Alex Padilla (D-CA) has been assigned to the Environment and Public Works Committee, and committee Chairman Tom Carper (D-DE) has already announced his intent to pass a major infrastructure package out of his committee before Memorial Day. Staff has reached out to both Deputy Commissioner Touton and Senator Padilla to (re)introduce them to Valley Water, and we look forward to working with them to move policies and legislation this year that advance our projects and priorities.

Shoreline Project Advances After Congressional Delegation Weighs In

On January 22, the U.S. Army Corps of Engineers (USACE) re-advertised for construction Reaches 1-3 of the South San Francisco Bay Shoreline Phase I Project, which paves the way, which paves the way for the project to move to construction in 2021.

The Office of Government Relations worked with the Santa Clara County congressional delegation to urge USACE to move forward with the project. The delegation sent a letter to USACE expressing its strong support for the project and urging USACE not to cause any further project delays. Valley Water staff is continuing to work closely with the delegation to keep USACE moving forward on the Shoreline Project so that the community can realize the project's flood protection and ecosystem restoration benefits as soon as possible.



Governor Newsom's Office

STATE ADVOCACY EFFORTS

New Funds for Pacheco & Water Storage Investment Program Grants

On January 20, the California Water Commission (CWC) approved a 2.5% inflation adjustment for all the projects currently funded under the Proposition 1 Water Storage Investment Program (WSIP), including Valley Water's Pacheco Reservoir Expansion Project. The funds were part of \$171 million that had been returned to the program from the Temperance Flat Reservoir Authority which is unable to meet the non-state funding requirements of the grant. In 2018, Valley Water's Pacheco Reservoir Expansion Project was awarded a conditional eligibility amount of \$484.5 million through the program. The inflation adjustment approved by the CWC increased the Pacheco Project's eligibility amount by more than \$12 million.

The CWC also approved an additional \$64 million for WSIP grants and set an application deadline of October 22, 2021 for new applications. Valley Water staff is currently assessing if the Pacheco or Anderson projects could qualify for the funding. Staff testified in the CWC's November, December, and January meetings to advocate for the inflation adjustment and to ensure that the Pacheco Project could be considered for additional grant funding based on

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public benefits not previously considered by the CWC. The Executive Director of the CWC announced in the January 20 meeting that Pacheco could apply for additional funding, and if awarded, the CWC would address the issue through regulatory changes in 2022.

AB 271 (R. Rivas) Timely, Safe, & Expert Construction for the Anderson Dam Project

Valley Water's sponsored bill to authorize the Anderson Dam Seismic Retrofit Project for use of the "best value" method of contractor selection, AB 271, was introduced on January 19. On January 28, the Assembly Rules Committee referred the bill to the Local Government Committee. Due to the COVID-19 pandemic, the Legislature is limiting the number of bills that will be heard in policy committees. Consequently, staff is advocating with the Local Government Committee staff is current advocating with the Assembly Local Government Committee both for the need for the bill and for its enactment in 2021. The urgency of the Anderson

LOCAL ADVOCACY AND ENGAGEMENT EFFORTS

AB 271 Advocacy Efforts Underway

The Office of Government Relations is in the process of engaging labor organizations, chambers of commerce, farming interests, elected officials, and business associations to enlist their support of Valley Water's sponsored legislation AB 271. Several organizations have already sent in their support letters including the Employees Association (AFSCME Local 101, AFL-CIO), the Engineer's Society (IFPTE Local 21) as well as the City of Morgan Hill, the NAACP-Silicon Valley San Jose Chapter & the Milpitas Chamber of Commerce.

Redistricting Efforts Poised to Begin

The Census Bureau recently announced that it plans to release state data on September 30, rather than the original date of April 1. In addition, the compilation of California's prison data could further delay the release of census data to local jurisdictions. Staff is evaluating what impact these delays will have on Valley Water's own redistricting effort, and will keep the Board apprised of developments. In the meantime, the Redistricting Advisory Committee has been established and is ready to start work, once the data is close to being released.

Upcoming Events:

Note: due to Coronavirus (COVID-19), staff is not physically participating in any events during the month of February. Staff is participating in virtual events as they are planned, including Joint Venture's State of the Valley on February 23-24, 2021 and will assess participation in events in March, pursuant to current health orders.

State Legislation Active in February 2021 with Board-Approved Positions:

| Bill (Author) | Subject | Position | Status |
|-------------------|--|----------|---|
| AB 271 (R. Rivas) | Timely, Safe, & Expert Construction for the Anderson Dam Project | Sponsor | Pending – Assembly Local Government Committee |