



Valley Water

Clean Water • Healthy Environment • Flood Protection

Board Strategic Planning Meeting

Presented by: Rick L. Callender, Chief Executive Officer, Valley Water
Jennifer Johnson & Leslee Guardino, Principals, Canyon Snow Consulting

Agenda

- Introductions and approach (5 min)
 - Board input on the process
- Review of board themes from interviews (30 min)
 - Primary role of Valley Water, Communications, Staff, Partners, Continuity of Governance Oversight
- Review and discussion of staff inputs and recommended changes (70 min)
 - Highlighting recommended changes to the plan
- Actions Needed and Next Steps (Rick, 10 min)
- Closing Remarks, Chair Estremera (5 min)

Introductions and approach

- Canyon Snow principals facilitating
- Board interviews
- Board survey
- Staff review and inputs
- Purpose of today's session
 - Review, discuss, and update current workplan
 - Discuss broader strategic themes

Board Feedback on Work Plan and Process

- Work Plan is a document for two audiences:
 - The public, so they know what we're working on and how
 - The staff, so they can focus on priorities and create a parallel work plan
- The annual review process should be a creative and collaborative opportunity
 - Look back on what we've been focused on
 - Look ahead to the future needs
- The Board should focus on governance and Ends Policies (vision)

Board Feedback on Work Plan and Process

- New changes to the work plan:
 - Climate change: we are going to have to do more, not rely on offsets; our biggest challenge and it's incumbent on us to be prepared with water supply solutions
 - Flood protection: Committee has made recommendations, hasn't yet come to the Board
 - 2040 Water Supply Master Plan: Board has approved (MAP update)
 - Our role in finding solutions for homelessness

Biennial Operating and Capital Budget Nexus

Execute the Board's Work Plan Strategies

- Incorporate any new Board Work Plan strategies into development of 2022-23 Rolling Biennial Operating and Capital Budget and 2023-27 Five-Year CIP
- Operating and Capital Budget Board Review Dates
 - January 25, 2022 – 1st Pass Rolling Biennial Budget Update
 - ✓ 1st pass preparation based on Board's Work Plan strategies for FY22
 - March 8, 2022 – 2nd Pass Rolling Biennial Budget Update
 - ✓ 2nd pass preparation will reflect any new strategies determined by the FY23 Board Work Plan
 - April 27 to 28, 2022 – Budget Work Study Sessions
 - ✓ Confirm all strategic direction and funding priorities are incorporated
- Check-in with Board, after every budget pass and during work study sessions, to confirm strategic direction and Board Work Plan funding priorities are incorporated before final adoption of 2022-23 Rolling Biennial Operating and Capital Budget and 2023-27 Five-Year CIP scheduled for May 10, 2022

Board Discussion Themes

Themes from Board Interviews

Our Primary Objectives

- Greatest priority of Valley Water: Water Supply
 - Long time scale, we're planning and building for the future
 - We're an infrastructure organization: huge projects
 - We are supply constrained in this long drought cycle
 - We need to deploy all tools: storage, recycling, conservation
- Imperatives
 - We need to communicate this with the public
 - We need to work with our retail partners
 - We need to protect ratepayers

Themes from Board Interviews

Prioritization within the Work Plan

- Key objectives should receive clearer prioritization:
 - Water Supply
 - Flood Protection
 - Environmental Stewardship
- Supporting functions are important but not strategic in the same way
- Organizing climate change under Environmental Stewardship could be appropriate

Themes from Board Interviews

Communications Challenges

- Topics and Themes
 - Need to communicate our timelines and projects better to the public – long timelines, building for the future
 - Need better communications when flooding threats occur
 - Need to communicate better and more on climate change
 - Drought is not over when weather changes to rain
 - Conservation works – do it now in a drought, and keep doing it
- Tactics and Methods
 - We communicate like an engineering organization and need to communicate more like a human organization
 - We should communicate vision like a Mayor's annual budget message
 - We should leverage the retailers more in communications

Themes from Board Interviews

Staff Retention

- We are an employer of choice and value our staff
- Upcoming retirements are potentially a threat
- Pandemic concerns:
 - Staff want to continue working from home
 - Will we be able to accomplish all our work?
 - Can we make people comfortable returning to the workplace?
 - Need to keep people connected even when distant
- Staff pay is competitive and we have progressive, family-friendly policies

Themes from Board Interviews

Our Partners Play a Key Role (1 of 2)

- Retailers – work more closely with them, leverage them in communicating with ratepayers/communities
- Cities – get San Jose on board for recycling expansion; build on Palo Alto and South County progress; establish JPA-like agreement with all wastewater authorities in the county
- Environmental advocates – look for ways to improve these relationships and trust; climate change could be an opportunity

Themes from Board Interviews

Our Partners Play a Key Role (2 of 2)

- State Legislature & Governor: get direct potable approved
- Federal Representatives: good relationships here; they have our back; leverage for access to infrastructure funding for projects
- Regulatory Agencies: this environment is getting more complex, not less; need to continue to improve these relationships
- Purchasing Water: negotiating pricing on emergency water purchases and ensuring the protection of ratepayers

Themes from Board Interviews

Continuity of Governance Oversight

- In four years, the Board will have all new members under current policy
 - We need to leave a good roadmap for future Directors
 - Time of great change/challenge, similar to founding of the special district
 - Should length of terms be reconsidered?

Staff Inputs & Recommendations

Staff Recommendations: FY23 Board Work Plan

Overall Goal Restatements

- **Integrated Water Resources Management:** Efficiently manage water resources across business areas.
- **Water Supply:** Provide a reliable, safe, and affordable water supply for current and future generations in all communities served.
- **Natural Flood Protection:** Provide natural flood protection to reduce risk and improve health and safety.
- **Environmental Stewardship:** Sustain ecosystem health while managing local water resources for flood protection and supply
- **Climate Change:** Mitigate carbon emissions and adapt Valley Water operations to climate change impacts
- **Business Management:** Promote effective management of water supply, flood protection and environmental stewardship through responsive and socially responsible business services.

Integrated Water Resources Management: Objective 1

- Recommends new tactics for wildfire planning and preventive maintenance
- Recommends specific tactics infrastructure projects planning and advancement
- Recommends development of comprehensive infrastructure master plans
- Recommends tactic to measure expedient execution of the adopted Capital program

CURRENT LANGUAGE		FY23 STAFF RECOMMENDATION	
GOAL	INTEGRATED WATER RESOURCES MANAGEMENT	Section: INTEGRATED WATER RESOURCES MANAGEMENT GOAL: Efficiently manage water resources across business areas.	
Strategy 1:	Protect and maintain existing assets and infrastructure and advance new infrastructure projects.	Objective:	Protect and maintain existing assets and infrastructure and advance new projects.
Challenge / Opportunity:	The development and maintenance of Valley Water’s infrastructure is crucial to ensuring we continue to provide safe, clean water and critical flood protection for our communities. Timely maintenance is the most cost-effective investment, whereas deferred maintenance disproportionately increases costs. In addition, aging assets are reaching the end of the design life and will require major recapitalization.	Challenge / Opportunity:	The maintenance of Valley Water’s infrastructure is crucial to ensuring we continue to provide safe, clean water and critical flood protection for our communities. Timely maintenance is the most cost-effective investment, whereas deferred maintenance disproportionately increases costs and causes unplanned outages and failures risking the population of the county. In addition, aging assets are reaching the end of the design life and will require major recapitalization.
Focus:	<ul style="list-style-type: none">• Be strategic in managing existing flood protection assets consistent with the Safe Clean Water Program.• Advance new infrastructure projects identified in the Asset Management Plan and Operations and Maintenance Plan.• Increase engagement with cities on flood plain management, Community Rating System (CRS) program, and emergency action plans.	FY23 Tactics:	<ul style="list-style-type: none">• Develop a Fuel Management Policy to guide the incorporation of wildfire planning efforts in an integrated and programmatic way.• Continue a robust preventive maintenance program including monitoring asset condition and risk.• Strategically plan for larger infrastructure renewal projects through Safe Clean Water Project F8 – Sustainable Creek Infrastructure for Continued Public Safety; Water Treatment Plant, Distribution System and SCADA Implementation Plans; Watersheds and Water Utility Operations and Maintenance Plans; and various Asset Management Plans.• Advance infrastructure renewal projects identified in strategic planning efforts by initiating new Capital or Small Capital Projects, or by conducting work as part of ongoing operations projects.• Develop comprehensive infrastructure master plans for all water utility treatment plant and distribution infrastructure to plan out 30-year capital investments that meet future regulatory requirements, and fold in projects identified in asset management plan and O&M plan.• Expedient execution of the adopted Capital program and projects.
Monitoring:	Board Policy and Planning Committee	Monitoring:	Board Policy and Planning Committee CIP Committee
Related Staff Plans:	Watersheds & Water Utility Five-year Operations and Maintenance Plans District-wide Asset Management Plan Watershed Asset Management Plan Safe, Clean Water and Natural Flood Protection Program Capital Improvement Program	Related Staff Plans:	Watersheds & Water Utility Five-year Operations and Maintenance Plans District-wide Asset Management Plan Watershed Asset Management Plan Safe, Clean Water and Natural Flood Protection Program Capital Improvement Program

Integrated Water Resources Management: Objective 2

- Additional tactic related to Regional Water Quality Control Board (RWQCB):
 - Work together to expedite issue resolution
 - Collaborate on the Steelhead Regional Temperature Study

CURRENT LANGUAGE		FY23 STAFF RECOMMENDATION	
Strategy 2:	Pursue opportunities to improve internal capacity to acquire regulatory permits.	Objective:	Improve internal capacity to acquire regulatory permits.
Challenge / Opportunity:	Valley Water continues to pursue legislative and administrative solutions to resolve regulatory and permitting issues at the federal and state levels. The Board's efforts will continue to focus on improving internal capacity when applying for permits, as well as continuing to build relationships with regulatory agencies and staying abreast of the regulatory environment.	Challenge / Opportunity:	Valley Water continues to pursue legislative and administrative solutions to resolve regulatory and permitting issues at the federal and state levels. The Board's efforts will continue to focus on improving internal capacity when applying for permits, as well as continuing to build relationships with regulatory agencies and staying abreast of the regulatory environment.
Focus:	<ul style="list-style-type: none">• Continue to provide for agency-wide regulatory planning and permitting effort and pursue other efforts at the state and federal level to expedite permit review.• Continue to foster better relationships with regulatory agencies and open dialogue with environmental, environmental justice and other stakeholders.• Implement memorandum of understanding (MOU) with Regional Water Quality Control Board.	FY23 Tactics:	<ul style="list-style-type: none">• Continue to provide for agency-wide regulatory planning and permitting effort and pursue other efforts at the state and federal level to expedite permit review.• Continue to foster better relationships with regulatory agencies and open dialogue with environmental, environmental justice and other stakeholders.• Continue to work with the Regional Water Quality Control Board (RWQCB) under the terms of our memorandum of understanding (MOU) to expedite issue resolution and prevent regulatory overreach.• Collaborate with RWQCB on the Steelhead Regional Temperature Study.
Monitoring:	Board Policy and Planning Committee	Monitoring:	Board Policy and Planning Committee
Related Staff Plans:	One Water Plan	Related Staff Plans:	One Water Plan

Integrated Water Resources Management: Objective 3

- Recommends including external stakeholders in education efforts
- Clarifies engagement with the public
- Emphasizes the value of strategic meetings with local governments
- Recommends engagement with cities on flood plain management, CRS program, and emergency action plans

CURRENT LANGUAGE		FY23 STAFF RECOMMENDATION	
Strategy 3:	Engage and educate the community, elected officials and staff on our management of water resources in Santa Clara County.	Objective:	Educate the community, elected officials and external stakeholders on our management of water resources in Santa Clara County.
Challenge / Opportunity:	A reliable supply of clean water is necessary for the social, economic, and environmental wellbeing of Santa Clara County. Valley Water must effectively communicate with the public on our management of water resources around several key issues including: the cost of water, the public perception of costs of different types of water, how to effectively implement our water supply strategies into the future, as well as our flood protection and environmental stewardship efforts.	Challenge / Opportunity:	A reliable supply of clean water is necessary for the social, economic, and environmental wellbeing of Santa Clara County. Valley Water must effectively communicate with the public on our management of water resources around several key issues including: the cost of water, the public perception of costs of different types of water, how to effectively implement our water supply strategies into the future, as well as our flood protection and environmental stewardship efforts.
Focus:	<ul style="list-style-type: none">• Continue to apply strategies for effective outreach, engagement and education.• Continue to develop and refine metrics to understand and improve the return on investment (ROI) of outreach strategies.• Continue increasing efforts to educate the public about the mix of different types of water in Valley Water's portfolio, as well as our flood protection and environmental stewardship efforts.• Engage directly with local government jurisdictions through joint meetings	FY23 Tactics:	<ul style="list-style-type: none">• Continue to apply strategies for effective public engagement and education.• Continue to develop and refine metrics to understand and improve the return on investment (ROI) of outreach strategies.• Continue increasing efforts to educate the public about the mix of different types of water in Valley Water's portfolio, as well as our flood protection and environmental stewardship efforts.• Engage directly with local government jurisdictions through strategic meetings.• Continue engagement with cities on flood plain management, Community Rating System (CRS) program, and emergency action plans.
Monitoring:	Board of Directors	Monitoring:	Board of Directors
Related Staff Plans:	Water Supply Master Plan Countywide Water Reuse Master Plan	Related Staff Plans:	Water Supply Master Plan Countywide Water Reuse Master Plan

Water Supply: Objective 1

- Recommends emphasis on diversified supply and storage opportunities
- Recommends tactics show connection to resiliency
- Recommends exploration of partnership opportunities for Pacheco and validation of Valley Water’s continued participation
- Adds Annual Monitoring Assessment Program (MAP) updates to staff plans

CURRENT LANGUAGE		FY23 STAFF RECOMMENDATION	
GOAL	WATER SUPPLY	Section: WATER SUPPLY GOAL: Provide a reliable, safe, and affordable water supply for current and future generations in all communities served.	
Strategy 1:	Actively Pursue New Water Supply and Storage Opportunities.	Objective:	Pursue new and diversified water supply and storage opportunities.
Challenge / Opportunity:	Water storage capacity is an important tool for Valley Water for capturing lower-value water for higher-value uses later. Such storage aids water supply, flood protection, and recreational uses and helps regulate downstream water quality and supply cold water flows for fish. As such, water storage is important for both human and environmental objectives and must fit within a large and diverse water and environmental portfolio. Challenges include determining the appropriate level of participation for Valley Water and prioritizing sites within funding limitations across all projects.	Challenge / Opportunity:	Water Supply Analysis shows that with limited conveyance capacity across the Delta in wet periods, future climate change, and anticipated future regulations, Valley Water may have difficulty filling its existing storage. Since every storage project has unique conveyance and storage limitations, Valley Water is evaluating whether diversifying its storage portfolio could help maximize our use of storage and stored water recovery under future conditions. Water storage also provides potential flood protection, environmental, and recreational benefits. Challenges include determining the appropriate level of participation for Valley Water and prioritizing projects within funding limitations.
Focus:	<ul style="list-style-type: none"> • Explore opportunities to develop new surface and groundwater storage projects that align with Valley Water’s mission. • Determine level of participation for projects and decisions about partnerships in accordance with the Water Supply Master Plan and water affordability. • Make decisions on the Pacheco Reservoir Expansion Project following review of the project’s Environmental Impact Report (EIR). 	FY23 Tactics:	<ul style="list-style-type: none"> • Explore opportunities to develop new surface and groundwater storage projects that help Valley Water meet future water supply needs and be resilient to climate change. • Determine level of participation for projects and decisions about partnerships in accordance with the Water Supply Master Plan and water affordability. • Explore partnership opportunities for the Pacheco Reservoir Expansion Project. • Validate Valley Water’s continued participation in the Pacheco Reservoir Expansion Project during the MAP review process, bi-annual budget development, and following review and certification of the project’s Environmental Impact Report (EIR).
Monitoring:	Water Storage Exploratory Committee	Monitoring:	Water Storage Exploratory Committee
Related Staff Plans:	Water Supply Master Plan	Related Staff Plans:	Water Supply Master Plan Annual Monitoring and Assessment Program (MAP) Updates

Water Supply: Objective 2

- Re-frames objective: Secure existing water supplies and water supply infrastructure
- Proposes five tactics: influence Delta decisions, participate in regional efforts, evaluate Delta relative to storage diversification projects, complete supply infrastructure master plans, improve reliability of South Bay Aqueduct
- Monitoring: two committees added
- Plans: GW management and Infrastructure & Asset Management

CURRENT LANGUAGE		FY23 STAFF RECOMMENDATION	
Strategy 2:	Actively Participate in decisions regarding the CA Delta Conveyance.	Objective:	Secure existing water supplies and water supply infrastructure
Challenge / Opportunity:	As much as 40 percent of the water Santa Clara County uses each year comes through the Delta. But the Delta's aging network of earthen levees faces risks from rising seas, earthquakes and flooding, while the declining conditions for fish and wildlife have led regulators to put more restrictions on when water can move through the Delta. Participation in modernizing the delta conveyance is necessary to protect water supply in Santa Clara County and to restore the Delta for fish and wildlife.	Challenge / Opportunity:	The Water Supply Master Plan's "Ensure Sustainability" strategy includes securing existing water supplies and infrastructure. Valley Water's local and imported water supplies are vulnerable to climate change impacts, droughts, earthquakes, and regulatory requirements that may restrict the amount of available water.
Focus:	As a voice for Northern California, continue to engage and negotiate, through serving on the Delta Conveyance Design and Construction Authority and Finance Authority and Stakeholder Engagement Committee in adherence to Board approved Guiding Principles, to protect Santa Clara County's interests.	FY23 Tactics:	<ul style="list-style-type: none"> • Participate and influence decisions regarding the CA Delta Conveyance. • Participate in regional efforts, and build and maintain effective water supply partnerships to increase resiliency. • Evaluate Delta Conveyance in conjunction with storage diversification projects. • Complete water supply infrastructure master plans and asset management plans to ensure Valley Water can maximize use of existing storage to receive Delta Conveyance supplies. • Improve reliability of South Bay Aqueduct, which is needed to convey Delta Conveyance water to Valley Water.
Monitoring:	Board of Directors	Monitoring:	Board of Directors Water Conservation and Demand Management Committee (Groundwater) CIP Committee (infrastructure projects)
Related Staff Plans:	Water Supply Master Plan	Related Staff Plans:	Water Supply Master Plan Groundwater Management Plan Infrastructure and Asset Management Plans

Water Supply: Objective 3

- Re-frames the opportunity: Water Supply Master Plan require 24,000 acre-feet per year by 2040; role of recycled and purified water is important and requires partnerships, contractual agreements, land, regulatory compliance, RO concentrate management
- Tactics focus on implementing P3 partnership, South County agreement, collaboration with SV Advanced Purification Facility

CURRENT LANGUAGE		FY23 STAFF RECOMMENDATION	
Strategy 3:	Lead Recycled and Purified Water Efforts with committed partners.	Objective:	Lead Recycled and Purified Water Efforts with committed partners.
Challenge / Opportunity:	Recycled and purified water continue to play a key role in the long-term sustainability of Santa Clara County's water supplies. Identifying and working with the appropriate agencies within the County to negotiate and execute expanding the use of non-potable water and the production and use of advanced purified water is a high priority. Opportunities exist to expand Valley Water's Silicon Valley Advanced Water Purification Facility. However, challenges include resolving previously identified issues of land, securing contractual rights to wastewater, treated wastewater quality and declining flows at treatment plants, and reverse osmosis concentrate management.	Challenge / Opportunity:	The Water Supply Master Plan includes developing up to 24,000 acre-feet per year of purified water by 2040. Recycled and purified water is a drought resilient, locally controlled water supply important to long-term sustainability. Developing new recycled and purified water projects and partnerships with wastewater agencies is a high priority. Additional challenges include securing wastewater supply contractual agreements with wastewater agencies, available land, stringent regulatory requirements, reverse osmosis concentrate management, and implementation costs.
Focus:	<ul style="list-style-type: none"> • Advance the Expedited Purified Water Program by releasing a Request for Proposal (RFP) for at least one Locally Sponsored Project. • Implement the Countywide Water Reuse Master Plan. • Continue to monitor Direct Potable Reuse (DPR) guidance and implement actions as needed. • Finalize negotiations on term sheet for South County recycled water and agreement on governance. 	FY23 Tactics:	<ul style="list-style-type: none"> • Implement the first phase of the Purified Water Program, including release of an RFP and enter a contract for an Indirect Potable Reuse project that is implemented via a Public Private Partnership. • Implement the Countywide Water Reuse Master Plan. • Develop a Comprehensive Water Reuse Agreement for South County to advance water reuse and its production, distribution, and wholesaling in South County • Continue to actively be involved with the Direct Potable Reuse (DPR) guidance and implement actions as needed. • Continue collaboration on the Silicon Valley Advanced Water Purification Facility including building a strong collaborative relationship with the Regional Wastewater Facility to expand the facility.
Monitoring:	Recycled Water Committee	Monitoring:	Recycled Water Committee
Related Staff Plans:	Water Supply Master Plan Countywide Water Reuse Master Plan	Related Staff Plans:	Water Supply Master Plan Countywide Water Reuse Master Plan

Water Supply: Objective 4

- Challenge to move ADSRP forward expeditiously and completion of risk reduction measures
- Tactics proposed focus on maintaining level at 488 ft, completing ADTP and design of ADSRP, focus on regulatory compliance work

CURRENT LANGUAGE		FY23 STAFF RECOMMENDATION	
Strategy 4:	Advance Anderson Dam Seismic Retrofit Project.	Objective:	Complete the Anderson Dam Seismic Retrofit Project.
Challenge / Opportunity:	As our largest reservoir, Anderson serves not only as a critical water supply facility, but also supports Valley Water's mission of flood protection and environmental stewardship. Given the reservoir's critical importance to ensuring safe, clean water for our communities and to protect public safety, it is imperative that the Anderson Dam Seismic Retrofit Project (ADSRP) move forward proactively.	Challenge / Opportunity:	As our largest reservoir, Anderson serves not only as a critical water supply facility, but also supports Valley Water's mission of flood protection and environmental stewardship. Given the reservoir's critical importance to ensuring safe, clean water for our communities and to protect public safety, it is imperative that the Anderson Dam Seismic Retrofit Project (ADSRP) move forward expeditiously. This includes the reconstruction of the Dam and completion of the interim risk reduction measures resulting from the February 20, 2020 directive from the Federal Energy Regulatory Commission.
Focus:	<ul style="list-style-type: none"> • Continue construction on the Anderson Dam Tunnel Project (ADTP). • Continue to work with appropriate regulatory agencies to advance the ADSRP. • Release for review the Draft Environmental Report for the ADSRP. • Continue to educate and engage the public, key stakeholders, decision makers, and elected officials of the project progress and construction timeline. • Coordinate long term ADSRP operations with the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) 	FY23 Tactics:	<ul style="list-style-type: none"> • Maintain the Anderson Reservoir level at elevation 488 ft per the FERC directive. • Complete the construction on the Anderson Dam Tunnel Project (ADTP). • Complete the design of the ADSRP. • Continue to work with appropriate regulatory agencies to advance the ADSRP. • Release the Draft Environmental Impact Report for the ADSRP. • Obtain all necessary permits for ADSRP construction. • Continue to educate and engage the public, key stakeholders, decision makers, and elected officials of the project progress and construction timeline. • Coordinate long term ADSRP operations with the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE).
Monitoring:	Capital Improvement Program Committee. Stream Planning and Operations Committee	Monitoring:	Capital Improvement Program Committee. Stream Planning and Operations Committee
Related Staff Plans:	Safe, Clean Water and Natural Flood Protection Program Fish Habitat Restoration Plan Coyote Feasibility Study Water Supply Master Plan Capital Improvement Program	Related Staff Plans:	Safe, Clean Water and Natural Flood Protection Program Fish Habitat Restoration Plan Coyote Feasibility Study Water Supply Master Plan Capital Improvement Program Ogier Ponds Feasibility Study

Water Supply: Objective 5

- Proposes shift from promoting conservation to making it a way of life
- Frames the opportunity as a cost-effective measure for meeting demand and mitigating drought
- Continues educational outreach
- Proposes development and implementation of a Drought Response Plan

CURRENT LANGUAGE		FY23 STAFF RECOMMENDATION	
Strategy 5:	Promote Making Water Conservation a California Way of Life in Santa Clara County.	Objective:	Make water conservation a California way of life in Santa Clara County.
Challenge / Opportunity:	Water conservation is an essential component in providing a reliable water supply and Valley Water has set a water conservation goal for annual water savings of 99,000 acre-feet (AF) by 2030 and 109,000 AF by 2040. Water conservation is amongst the most cost-effective water supply investments over short- and long-term planning horizons. As Valley Water faces challenges from climate change and drought, water conservation will continue to be amongst the most effective tools for short-term behavioral change and long-term water conservation investments within the community. Opportunities exist to leverage resources to provide a consistent level of customer service and program participation commensurate with water supply conditions.	Challenge / Opportunity:	Water conservation is an essential component in providing a reliable water supply and Valley Water has set a water conservation goal for annual water savings of 99,000 acre-feet (AF) by 2030 and 109,000 AF by 2040. Water conservation is amongst the most cost-effective water supply investments over short- and long-term planning horizons. As Valley Water faces challenges from climate change and drought, water conservation will continue to be amongst the most cost-effective tools for efficiently meeting current and future demands while mitigating droughts.
Focus:	<ul style="list-style-type: none"> • Increase communication and educational outreach to promote Valley Water's water conservation programs to customers. • Increase collaboration with retailers to promote Valley Water's water conservation programs. • Implement new water conservation programs and engagement strategies identified within the Water Conservation Strategic Plan. • Engage and support private-sector stakeholders, local, state, and federal agencies that promote water conservation. 	FY23 Tactics:	<ul style="list-style-type: none"> • Continue communication and educational outreach to promote Valley Water's water conservation programs. • Increase collaboration with retailers to promote Valley Water's water conservation programs. • Implement new water conservation programs and engagement strategies identified within the Water Conservation Strategic Plan. • Engage and support private-sector stakeholders, local, state, and federal agencies that promote water conservation. • Develop and implement a Drought Response Plan with support and input from retailers and the broader community to guide short-term behavioral changes during water shortages.
Monitoring:	Water Conservation and Demand Management Committee.	Monitoring:	Water Conservation and Demand Management Committee
Related Staff Plans:	Water Conservation Strategic Plan Water Supply Master Plan Safe, Clean Water and Natural Flood Protection Program	Related Staff Plans:	Water Conservation Strategic Plan Water Supply Master Plan Safe, Clean Water and Natural Flood Protection Program

Natural Flood Protection: Objective 1

- Re-frames objective: protection of people and property while balancing environmental quality, sustainability, and cost
- Reframes the opportunity as maintaining balance through an integrated approach
- Multiple new tactics proposed among several projects: advancing construction and/or studies

CURRENT LANGUAGE		FY23 STAFF RECOMMENDATION	
GOAL	NATURAL FLOOD PROTECTION	Section: NATURAL FLOOD PROTECTION GOAL: Provide Natural Flood Protection to reduce risk and improve health and safety.	
Strategy 1:	Plan, design and maintain flood protection projects with multiple benefits, including protecting ecosystem functions and enhancing habitat.	Objective:	Protect people and property from flooding by applying a comprehensive, integrated watershed management approach that balances environmental quality, sustainability, and cost.
Challenge / Opportunity:	Valley Water has the opportunity, as well as the responsibility, to sustain ecosystem health while managing local water resources for flood protection and water supply. Valley Water must operate its facilities and implement projects by taking a multi-beneficial approach that balances providing a safe, clean water supply, and improving flood protection for the community, while creating a sustainable ecosystem.	Challenge / Opportunity:	Valley Water is challenged to sustain ecosystem health while managing local water resources for flood protection and water supply. By using an integrated approach to planning and designing flood protection planning, there is an opportunity to create projects with multiple benefits.
Focus:	<ul style="list-style-type: none">• Continue to advance Shoreline EIA 11 levee construction.• Finalize the One Water Coyote Creek Watershed plan and make significant progress on the Guadalupe and Pajaro watershed plans.• Use a holistic approach to maintaining streams for flow conveyance and habitat enhancement.• Complete construction of Phase I of the Upper Llagas Flood Protection Project, a multi-benefit project providing flood protection while restoring habitat and benefiting the environmental ecosystem.	FY23 Tactics:	<ul style="list-style-type: none">• Make significant progress on One Water plans for the Guadalupe and Pajaro watersheds.• Complete construction of Reaches 1-3 of the Shoreline Phase I Project and pursue funding alternatives for Reaches 4-5.• Complete construction of Phase 2A of the Upper Llagas Flood Protection Project.• Advance the Palo Alto Flood Basin Project into construction.• Advance the Sunnyvale East/West Channels Project into construction.• Compete the USACE Upper Guadalupe River Project General Reevaluation Study.• Advance the San Francisquito Creek upstream 101 Project into construction.• Advance the Coyote Creek Flood Mitigation and Flood Protection Projects into construction.
Monitoring:	Capital Improvement Program Committee Board Policy and Planning Committee	Monitoring:	Capital Improvement Program Committee Board Policy and Planning Committee
Related Staff Plans:	One Water Plan Safe, Clean Water and Natural Flood Protection Program	Related Staff Plans:	One Water Plan Safe, Clean Water and Natural Flood Protection Program

Natural Flood Protection: Objective 2

- No proposed changes

CURRENT LANGUAGE		FY23 STAFF RECOMMENDATION	
Strategy 2:	Provide flood protection equitably in all regions of the County, prioritizing disadvantaged communities.	Objective:	Provide flood protection equitably in all regions of the County, prioritizing disadvantaged communities.
Challenge / Opportunity:	As Valley Water continues to advance flood protection projects, the Board has an opportunity to strengthen relationships and improve coordination with conservation and environmental justice groups, as well as other local jurisdictions, with a specific focus on ensuring the voices of disadvantaged communities are equitably represented.	Challenge / Opportunity:	As Valley Water continues to advance flood protection projects, the Board has an opportunity to strengthen relationships and improve coordination with conservation and environmental justice groups, as well as other local jurisdictions, with a specific focus on ensuring the voices of disadvantaged communities are equitably represented.
Focus:	<ul style="list-style-type: none">• Advance One Water Countywide Framework in a comprehensive manner that includes diverse community-wide stakeholders and the incorporation of environmental justice policies in all planning efforts.• Continue progress on flood protection capital projects consistent with Valley Water’s commitment to the Safe, Clean Water Program and equitability in all regions.	FY23 Tactics:	<ul style="list-style-type: none">• Advance One Water Countywide Framework in a comprehensive manner that includes diverse community-wide stakeholders and the incorporation of environmental justice policies in all planning efforts.• Continue progress on flood protection capital projects consistent with Valley Water’s commitment to the Safe, Clean Water Program and equitability in all regions.
Monitoring:	Capital Improvement Program Committee Board Policy and Planning Committee	Monitoring:	Capital Improvement Program Committee Board Policy and Planning Committee
Related Staff Plans:	One Water Plan Safe, Clean Water and Natural Flood Protection Program	Related Staff Plans:	One Water Plan Safe, Clean Water and Natural Flood Protection Program
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Environmental Stewardship: Objective 1

- Re-frames objective: focusing on multiple benefits for projects including ecosystem, habitat, connectivity, equity
- Proposes new tactics to implement Climate Action Plan
- Proposes specific tactics related to projects: San Tomas Aquino Calabazas Creek, Bolsa Creek, Hale Creek, Almaden Lake

CURRENT LANGUAGE		FY23 STAFF RECOMMENDATION	
GOAL	ENVIRONMENTAL STEWARDSHIP	Section: ENVIRONMENTAL STEWARDSHIP GOAL: Sustain ecosystem health while managing local water resources for flood protection and water supply.	
Strategy 1:	Attain net positive impact on the environment when implementing flood protection and water supply projects.	Objective:	Plan and design projects with multiple benefits, including protecting ecosystem functions, enhancing habitat, and improving connectivity, equitably in all regions of the county.
Challenge / Opportunity:	Valley Water's projects and programs encourage integrated planning to ensure capital improvements, operations, and maintenance activities are balanced with environmental stewardship goals. Valley Water strives to protect and restore habitats to support native species throughout Santa Clara County.	Challenge / Opportunity:	Valley Water's projects and programs require integrated planning to ensure capital improvements, operations, and maintenance activities are balanced with environmental stewardship goals. Valley Water strives to protect and restore habitats to support native species throughout Santa Clara County.
Focus:	<ul style="list-style-type: none"> As part of the One Water Countywide Framework planning process, continue to develop an integrated water resource plan for each watershed, including appropriate metrics to monitor Valley Water's impacts on and benefit to the environment. Ensure that stewardship efforts are integrated and not focused primarily on mitigation. 	FY23 Tactics:	<ul style="list-style-type: none"> Continue to develop an integrated water resource plan for each watershed, including appropriate metrics to monitor Valley Water's impacts on and benefit to the environment. Implement high priority actions included in the Climate Change Action Plan. Make significant progress on the grant-funded planning study for the San Tomas Aquino Calabazas Creek Realignment Project. Advance construction for the Bolsa Creek and Hale Creek projects to begin in Summer 2022. Advance Almaden Lake Improvement Project to begin construction in 2023.
Monitoring:	Board Policy and Planning Committee	Monitoring:	Board Policy and Planning Committee
Related Staff Plans:	One Water Plan Climate Change Action Plan	Related Staff Plans:	One Water Plan Climate Change Action Plan

Environmental Stewardship: Objective 2

- Re-frames objective: from promoting protection of creeks, to protecting creeks

CURRENT LANGUAGE		FY23 STAFF RECOMMENDATION	
Strategy 2:	Promote the protection of creeks, bay, and other aquatic ecosystems from threats of pollution and degradation.	Objective:	Protect creeks, bay, and other aquatic ecosystems from threats of pollution and degradation.
Challenge / Opportunity:	Valley Water continues to coordinate with local cities and agencies to improve the health of our local waterways, including pollution prevention and addressing threats to water quality. Opportunities exist to further collaborate with the county, cities and social services agencies on encampment abatement efforts and to develop long-term solutions for the homeless to keep our creeks clean.	Challenge / Opportunity:	Valley Water continues to coordinate with local cities and agencies to improve the health of our local waterways, including pollution prevention and addressing threats to water quality. Opportunities exist to further collaborate with the county, cities and social services agencies on encampment abatement efforts and to develop long-term solutions for the homeless to keep our creeks clean.
Focus:	<ul style="list-style-type: none">• Continue efforts to protect the ecosystem and water quality of our water bodies and the integrity of our infrastructure. Such efforts include preventing stormwater pollution, increased implementation of green stormwater infrastructure, addressing mercury pollution, and homeless encampment clean ups.• Continue partnerships and investments on a regional scale such as the South Bay Salt Pond Restoration and Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP).	FY23 Tactics:	<ul style="list-style-type: none">• Continue efforts to protect the ecosystem and water quality of our water bodies and the integrity of our infrastructure. Such efforts include preventing stormwater pollution, increased implementation of green stormwater infrastructure, addressing mercury pollution, and homeless encampment clean ups.• Continue partnerships and investments on a regional scale such as the South Bay Salt Pond Restoration and Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP).
Monitoring:	Homeless Encampment Committee Stream Planning and Operations Committee	Monitoring:	Homeless Encampment Committee Stream Planning and Operations Committee
Related Staff Plans:	One Water Plan Santa Clara Valley Urban Runoff Pollution Prevention Program Stormwater Resource Plan Safe, Clean Water and Natural Flood Protection Program	Related Staff Plans:	One Water Plan Santa Clara Valley Urban Runoff Pollution Prevention Program Stormwater Resource Plan Safe, Clean Water and Natural Flood Protection Program

Environmental Stewardship: Objective 3

- Proposes expansion of opportunity to include completion of environmental review process and coordination with other related projects
- Expands on tactics to include advancement of multiple projects, feasibility studies, and advancement of water rights change petitions
- Proposes expanding the set of relevant staff plans

CURRENT LANGUAGE		FY23 STAFF RECOMMENDATION	
Strategy 3:	Continue the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE)	Objective:	Complete and implement the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) agreement.
Challenge / Opportunity:	For nearly 20 years, Valley Water has been working to resolve a water rights complaint surrounding fish, wildlife, water quality, and other beneficial uses in Coyote Creek, the Guadalupe River, and Stevens Creek. Challenges include obtaining federal and state permits from multiple regulatory agencies, refining and processing water rights change petitions, the technical complexity of the fisheries impacts analysis, and managing stakeholder expectations.	Challenge / Opportunity:	For nearly 20 years, Valley Water has been working to resolve a water rights complaint surrounding fish, wildlife, water quality, and other beneficial uses in Coyote Creek, Guadalupe River, and Stevens Creek watershed areas . Challenges include completing the environmental review process , obtaining federal and state permits from multiple regulatory agencies, refining and processing water rights change petitions, the technical complexity of the fisheries impacts analysis, coordination with other ongoing related projects and managing stakeholder expectations.
Focus:	<ul style="list-style-type: none"> • Continue implementation of feasibility studies, monitoring activities, and planning and construction of various fish passage improvements. • Advance the Guadalupe River and Stevens Creek Environmental Impact Report (EIR) consistent with all stakeholder agreements. • Develop a programmatic approach to implementing FAHCE settlement. • Advance Adaptive Management Plan to encompass all three creeks. 	FY23 Tactics:	<ul style="list-style-type: none"> • Finalize the June 2021 the Guadalupe River and Stevens Creek Environmental Impact Report (EIR) consistent with existing stakeholder agreement. • Advance 10 water right change petitions for securing water right orders. • Continue to implement the pilot flow program in Guadalupe and Stevens Creek. • Continue to implement feasibility studies, monitoring activities, and planning and construction of various fish passage improvements as identified in existing stakeholder agreement. • Continue fisheries monitoring program. • Continue to support an adaptive management program that encompasses all three creeks.
Monitoring:	Stream Planning and Operations Committee	Monitoring:	Stream Planning and Operations Committee
Related Staff Plans:	Fish Habitat Restoration Plan One Water Plan Coyote Feasibility Study	Related Staff Plans:	Fish Habitat Restoration Plan for Coyote Creek, Guadalupe River, and Stevens Creek Watersheds Seismic Retrofit Programs for Dam Safety Aquatic habitat restoration plans/feasibility studies/site-specific improvements affecting all three watersheds (e.g., Countywide Large Woody Debris Program) Collaborative agreements for in-stream habitat improvements (e.g., Singleton Fish Barrier Removal with City of San Jose, Ogier Pond Feasibility Study in collaboration with the County) One Water Plan

Climate Change: Objective 1

- Re-frames opportunity to focus on the greater impact possible with the Climate Action Plan
- Proposes expansion of tactics to include carbon accounting, setting new emission reduction goals if needed, and making progress on development of agency-wide GHG reduction plans

	CURRENT LANGUAGE	FY23 STAFF RECOMMENDATION	
GOAL	CLIMATE CHANGE	Section: CLIMATE CHANGE GOAL: Mitigate Carbon Emissions and Adapt Valley Water Operations to Climate Change Impacts	
Strategy 1:	Address future impacts of climate change to Valley Water's mission and operations.	Objective:	Address future impacts of climate change to Valley Water's mission and operations.
Challenge / Opportunity:	Valley Water's ability to fulfill its missions may be challenged in the future by the potential of warmer temperatures, changing weather patterns, reduced snowpack and rising sea levels. Valley Water has been working on greenhouse reduction efforts since 2008, but seeks to do more to understand, mitigate and adapt to the future impacts of climate change.	Challenge / Opportunity:	Valley Water's ability to fulfill its mission will be challenged in the future by warmer temperatures, changing precipitation patterns, reduced snowpack, and rising sea levels. Valley Water has been working on greenhouse reduction efforts since 2008 and many adaptation actions over the past decade; however, with adoption of the Climate Change Action Plan there is an opportunity for greater impact.
Focus:	<ul style="list-style-type: none"> • Begin implementation of Climate Change Action Plan. 	FY23 Tactics:	<ul style="list-style-type: none"> • Update carbon accounting and establish new emissions reduction goal if needed. • Make significant progress on development of an agency-wide greenhouse gas reduction plan.
Monitoring:	Board Policy and Planning Committee	Monitoring:	Board Policy and Planning Committee
Related Staff Plans:	Climate Change Action Plan	Related Staff Plans:	Climate Change Action Plan

Business Management: Objective 1

- Re-frames objective: incorporation of REDI as an agency-wide core value
- Proposes a tactic to develop and implement a REDI master plan

CURRENT LANGUAGE		FY23 STAFF RECOMMENDATION	
GOAL:	BUSINESS MANAGEMENT	Section: BUSINESS MANAGEMENT GOAL: Promote effective management of water supply, flood protection and environmental stewardship through responsive and socially responsible business services.	
Strategy 1:	Advance racial equity, diversity and inclusion.	Objective:	Incorporate racial equity, diversity and inclusion throughout Valley Water as a core value.
Challenge / Opportunity:	Valley Water is committed to providing a work environment that is diverse, inclusive, free of discrimination and harassment, and that provides equal opportunity employment. In addition, Valley Water aims to implement the same values around racial equity, diversity and inclusion in the community through its flood protection, water supply, and environmental stewardship projects.	Challenge / Opportunity:	Valley Water is committed to creating and maintaining a diverse, inclusive and equitable work environment that is devoid of discrimination and harassment and provides equal opportunity employment and advancement. Valley Water aims to implement the same values around racial equity, diversity and inclusion in the community through its flood protection, water supply, and environmental stewardship projects.
Focus:	<ul style="list-style-type: none"> Begin implementation of best practices to address internal and external disparities and build an organizational culture consistent with the Board's Resolution addressing racial equity, diversity and inclusion. Remain committed to environmental justice and the fair treatment and meaningful engagement of all people regardless of race, color, gender identity, disability status, national origin, tribe, culture, income, immigration status, or English language proficiency, with respect to the planning, projects, policies, services and operations of Valley Water. 	FY23 Tactics:	<ul style="list-style-type: none"> Develop and implement a Diversity, Equity and Inclusion Master Plan that institutes best practices to address internal and external disparities and builds an organizational culture that is consistent with the Board's Resolution addressing racial equity, diversity and inclusion. Remain committed to environmental justice and the fair treatment and meaningful engagement of all people regardless of race, color, gender identity, disability status, national origin, tribe, culture, income, immigration status, or English language proficiency, with respect to the planning, projects, policies, services and operations of Valley Water.
Monitoring:	Diversity & Inclusion Ad Hoc Committee	Monitoring:	Diversity & Inclusion Ad Hoc Committee
Related Staff Plans:	Racial Equity, Diversity & Inclusion Master Plan (under development)	Related Staff Plans:	Racial Equity, Diversity & Inclusion Master Plan

Business Management: Objective 2

- Re-frames objective and opportunity to prioritize staff safety

CURRENT LANGUAGE		FY23 STAFF RECOMMENDATION	
Strategy 2:	Maintain appropriate staffing levels and expertise and ensure the safety of our staff.	Objective:	Maintain appropriate staffing levels and expertise while prioritizing the safety of our staff.
Challenge / Opportunity:	The Board recognizes that Valley Water's workforce is the critical component to accomplishing its mission and all the goals and strategies in this work plan. As such, the Board remains committed to supporting the recruitment of capable employees with knowledge and subject matter expertise, investing in staff training to meet changing skills and capacity needs, and establishing the necessary policies and guidance that ensure employee safety.	Challenge / Opportunity:	The Board recognizes that Valley Water's workforce is the critical component to providing clean, safe drinking water, effective flood protection, and environmental stewardship. The Board therefore remains committed to supporting the recruitment of capable employees with knowledge and subject matter expertise, investing in staff training to meet changing skills and capacity needs, and establishing the necessary policies and guidance that strengthen employee safety.
Focus:	<ul style="list-style-type: none">• Develop and finalize a long-term staffing strategy that aligns with future capital and operational needs.• Develop classification career ladders to provide understanding of requirements for professional growth.• Advance the development of a skilled trades apprenticeship program.• Maximize the safety of staff working in creeks, homeless encampments and Valley Water facilities, and continue to promote health & safety guidance to protect staff from public health emergencies and environmental impacts.	FY23 Tactics:	<ul style="list-style-type: none">• Develop and finalize a long-term staffing strategy that aligns with future capital and operational needs.• Develop classification career ladders to provide understanding of requirements for professional growth.• Advance the development of a skilled trades apprenticeship program.• Maximize the safety of staff working in creeks, homeless encampments and Valley Water facilities, and continue to promote health & safety guidance to protect staff from public health emergencies and environmental impacts.
Monitoring:	Diversity & Inclusion Ad Hoc Committee	Monitoring:	Board of Directors Diversity & Inclusion Ad Hoc Committee
Related Staff Plans:	Long-term Staffing Master Plan (under development)	Related Staff Plans:	Long-term Staffing Master Plan (under development)

Business Management: Objective 3

- Proposes expanding the challenge to include the role of continual improvement
- Proposes new tactics including performance audits, evaluation of the effectiveness of Low-income WRAP in partnership with Sacred Heart Community Service
- Proposes implementation of Biennial Budget for FY23 budget setting cycle

CURRENT LANGUAGE		FY23 STAFF RECOMMENDATION	
Strategy 3:	Provide affordable and cost-effective level of services.	Objective:	Provide affordable and cost-effective level of services.
Challenge / Opportunity:	The Board understands that it needs to regularly evaluate the financial status of the organization to ensure the level of services provided are reasonable and cost effective. As such, continued research is necessary to pursue feasible revenue sources allowed by the District Act in order to deliver affordable and effective services while controlling expectations with regard to what Valley Water can achieve and what it can afford to do. In addition, the affordability of water continues to be a major issue faced by communities across the nation, particularly disadvantaged communities. The Board has an opportunity to raise issues around water affordability at local and statewide levels and advocate for changes that benefit disadvantaged communities.	Challenge / Opportunity:	The Board understands its responsibility to regularly evaluate and monitor Valley Water’s financial status to ensure the level of services provided are reasonable and cost effective. As such, driving continual improvement efforts are key to delivering affordable and effective services while controlling expectations regarding what Valley Water can achieve and what it can afford to do. In addition, the affordability of water continues to be a major issue faced by communities across the nation, particularly disadvantaged communities. The Board has an opportunity to raise issues around water affordability at local and statewide levels and advocate for changes that benefit disadvantaged communities.
Focus:	<ul style="list-style-type: none">• Continue to establish benchmarking with other agencies, particularly water agencies, in order to understand areas for improvement.• Research and identify best practices from other agencies around water affordability, particularly with disadvantaged communities.• Establish Valley Water as a statewide leader in conversations around water affordability.	FY23 Tactics:	<ul style="list-style-type: none">• Board auditor to complete 3-4 performance audits per year.• Evaluate effectiveness of Low-income Residential Water Rate Assistance Program (WRAP) in partnership with Sacred Heart Community Service (SHCS).• Establish Valley Water as a statewide leader in conversations around water affordability.• Implement Biennial Budget for FY23 budget setting cycle.
Monitoring:	Financial Sustainability Working Group Board Audit Committee	Monitoring:	Financial Sustainability Working Group Board Audit Committee
Related Staff Plans:	Operating and Capital Budget Board and Management Audit Reports	Related Staff Plans:	Operating and Capital Budget Board and Management Audit Reports

Actions Needed & Next Steps

QUESTIONS





Valley Water

Clean Water • Healthy Environment • Flood Protection

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