

**State of the District
Draft Speaking Points – Chair Varela
February 14, 2017**

1. We are at a unique point in time which always occurs when it appears that a drought may be ending. It's the point where everyone is still very sensitive and doing their part to conserve their personal water use, and at the same time are sensitive to increased water rates.
2. We are at the point in which a multi-year drought transitions into floods.
3. It's the point where both water supply and flood protection agencies are the focus of the residents.
4. I know from living in Morgan Hill for the past 40 years that going from drought to flood is one of the toughest switches to make. No community has flooded as often as Morgan Hill over the past decade – it is indeed a very tough switch to make. I truly recognize and understand the point in time where we currently are.
5. It's the point where everyone knows that no matter how much rain we get - we won't be able to capture and store enough water to meet current and future demands unless we address our water delivery and storage systems, and at the same time realize that we have to complete our flood protection projects to protect our homes, schools and businesses.
6. I am truly honored to be Chair and to lead the board during this point in time.
7. I'm John Varela, 2017 Chair of the Santa Clara Valley Water District Board of Directors.
8. There is no better agency than the Santa Clara Valley Water District to provide for the balance of water supply and flood protection. The District is the largest multi-purpose water supply, watershed stewardship and flood risk reduction special district in California.

9. We have the privilege of serving nearly 2 million Santa Clara County residents by providing flood protection, operating 10 dams, and taking responsible care of our watershed lands, creeks and streams to the benefit of our residents and our environment.
10. We also have the task of balancing the needs of the community with the constraints we face such as our aging infrastructure, our need for storage capacity, federal funding for both our water supply and flood protection projects, and the need to obtain regulatory permits - all of which hold uncertainty.
11. Tonight I want to talk about several areas I intend to focus on in the coming year to address these challenges and meet the expectations of the community we serve.
 - a. Continuing to provide flood protection by pushing for the completion of major flood protection projects and the needed permits;
 - b. Improving our water supply through continued conservation, finding alternate sources of water storage and looking at other supply solutions;
 - c. And collaborating with partners and external agencies with whom we share common goals.
12. We were fortunate enough to experience a healthy dose of storms in January, which reminded us that even during a drought, flooding might occur.
13. During those storms, 4 of our reservoirs spilled including Uvas, Coyote, Lexington and Almaden. In my district, when Uvas overtopped its banks, it flooded portions of Highway 101 which closed for several hours to allow the floodwaters to recede.
14. I want to thank all of the staff that prepared for and provided communications to residents with updates on the storm including creek levels, storm preparedness tips and sandbag locations.

15. I look forward to actively leading our lobbying efforts at the state and federal levels to ensure that we are bringing home dollars to complete our flood protection efforts. I have already started by requesting a meeting with the newly elected President to discuss how Silicon Valley infrastructure projects could benefit from his infrastructure proposal.
16. I want to make sure we keep our promises to the community and keep our Safe Clean Water Projects on time, the recent storms and the close calls demonstrate the importance of keeping our promises.
17. Improving our ability to obtain permits from the regulatory permitting agencies is a priority for me this year. In order to complete our flood protection projects, we have to find a path for success.
18. Since the January storms, we estimate that our reservoirs received nearly 108,000 acre-feet, increasing our total local reservoir storage to 83% capacity.
19. Even though the recent storms improved our water supply significantly, we still don't know whether the rest of the rainy season will or won't help improve our water supply conditions and dry conditions could return.
20. Last year in the midst of our drought we launched a campaign using the slogan "VOW" which stand for "Value Our Water". I want to personally thank everyone who did their part to reduce water use by 27%.
21. Our board plans to continue to "Value our Water" which is why on January 31, we unanimously voted to continue the call for the 20% water reductions and watering restrictions. However, we did remove the request that our retailers, implement "mandatory" measures to meet that target.
22. We also have incorporated State practices such as prohibiting hosing off of sidewalks, driveways and other hardscapes.

23. In addition to conservation efforts, I plan to focus on the District's role in the WaterFix, a statewide effort to modernize California's aging water infrastructure.
24. This year our board will likely be making key decisions relative to the WaterFix such as design construction oversight agreements and a potential Joint Powers Authority agreement.
25. We will be evaluating the "business case" for the District to understand costs that may be incurred and the benefits of our participation
26. I hope that during our budget discussion that we will direct staff to include all resources necessary to ensure that we are equipped to make the best decisions for Silicon Valley if we chose to participate in the WaterFix.
27. Pertaining to our own infrastructure and water storage, our largest reservoir, Anderson Dam is in immediate need of a seismic retrofit. Anderson Dam is a critical District facility which supports our mission.
28. This dam has not been able to fulfill mission critical functions due to seismic restrictions that must remain in place until the dam is repaired.
29. Given this dam's critical importance, it is imperative that we continue to be proactive in moving this project to construction.
30. I want to take a minute here to mention Oroville Dam.
31. We are deeply concerned for the safety of the Oroville Dam and the people affected by the evacuation order.
32. The situation is continuing to evolve, and we trust that the experts there will stabilize the emergency spillway and expedite repairs to it as well as to the main spillway.
33. Lake Oroville, along with San Luis Reservoir, are the most important reservoirs in the State Water Project, and we depend on the State Water Project for much of our water.

34. As more storms are coming through California, our flood concerns are not over. We have not had any problems with the spillways in our dams and we remain vigilant.
35. In addition to Anderson Dam, we will be evaluating other potential storage options to increase the reliability of our water supply. Sufficient storage capacity is crucial to capturing water now for use later.
36. Additionally, storage capacity aids flood protection, has recreational benefits, and helps regulate water flows for fish.
37. This year, we will be exploring ways to increase our storage and to find ways to secure opportunities in the coming year.
38. For example the Pacheco Reservoir Exploratory Ad Hoc Committee has been requested to work with the Pacheco Pass Water District and the San Benito County Water Agency to discuss partnering on the expansion of the Pacheco Reservoir.
39. Given our water supply and our infrastructure issues, we know that any solution involves collaboration with partner and stakeholders.
40. My goal is to build upon existing relationships that are mutually beneficial.
41. One area of collaboration is homelessness – a countywide issue.
42. The past spring our board established the Homeless Encampment Ad Hoc Committee to collaborate with other service providers and government agencies to identify solutions to homelessness in the County.
43. Based on the committee's recommendation, our board took significant action including a cost-share agreement with the City of San Jose and Downtown Streets team to do creek clean up and job training.in

44. We declared 60 acres of land as surplus giving housing authorities the first right to purchase and develop housing potentially for homeless individuals and families.
45. This year I plan to continue to push for solutions such as public safety partnerships in Gilroy and Morgan Hill.
46. I plan to look for more opportunities for collaborative efforts with other governmental bodies and social services organization to find solutions to the problems of homeless encampments specifically in our creeks.
47. In other areas of collaboration, I want to look outside our California walls for opportunities overseas. I believe we can learn from one another and share best practices particularly with nations that are experiencing severe water issues such as India.
48. This year I would like the District to host an International Water Summit that will bring together leaders, academics, and business innovators to share expertise and insights on new sustainable water strategies and technologies.
49. I would be remiss if I didn't mention our excellent staff that supports the board and me. I know we can't accomplish anything without their support.
50. My goal for our staff is to continue to focus efforts on diversity and inclusion and ensuring each and every one of our staff feels valued for who they are and their contributions to the District.
51. I want to continue our succession planning efforts and knowledge transfer so that those who choose to retire don't walk away without sharing their expertise and we can promote from within our current talent pool.
52. I also want to focus on our future and making sure we have trained and capable staff waiting in our pipeline when we have positions.

53. This means engaging in education programs such as Science, Technology and Engineering and Math or STEM Programs. It means supporting programs specifically towards girls and underrepresented groups and getting them interested in water related fields early on.
54. In closing, I think we have a challenging year ahead and I am excited and honored to lead the board this year.
55. Thank you.