

MEMORANDUM

FC 14 (01-02-07)

TO: Board of Directors FROM: Agricultural Water Advisory

Committee

SUBJECT: Agricultural Water Advisory Committee DATE: April 24, 2018

Special Meeting Summary for April 2, 2018

This memorandum summarizes agenda items from the special meeting of the Agricultural Water Advisory Committee held on April 2, 2018.

ACTION ITEMS

4.1 REVIEW AND COMMENT TO THE BOARD ON THE FISCAL YEAR 2018 - 2019 PROPOSE GROUNDWATER PRODUCTION CHARGES

Mr. Darin Taylor reviewed the following:

SUMMARY:

Staff recommends up to a 22.0% increase in the Agricultural groundwater production charge for FY 2018–19, which would translate to an increase of \$0.92 per month per acre assuming 2 acre-feet of water usage per acre per year. The proposed maximum groundwater production charge increase for FY 2018-19 will help drive progress on the Anderson Dam Seismic Retrofit project, which will help ensure public safety and bolster future water supply reliability. The cost projection for the Anderson Dam Seismic Retrofit project has increased since last year due to the discovery of additional vulnerabilities, which will require a near complete removal of the existing dam, and the determination that the dam's spillway needs to be fully replaced as it has some of the same weaknesses that Oroville Dam's spillway had. The proposed maximum increase would cause the Agricultural groundwater charge to increase as a percentage of the Municipal and Industrial (M&I) charge from 6% to 6.8%, which would decrease the open space credit by \$99,000. The Board is seeking input with regard to staff's groundwater production charge recommendation for FY 2018–19.

BACKGROUND:

Executive Limitation 7.4: A BAO shall "marshal for the Board as many staff and external points of view, issues and options as needed for fully informed Board choices."

Special Notes:

Mr. Dhruv Khanna asked for background information on the one percent ad valorem property tax received by the District, and whether it was possible for the District to receive a larger share of the tax. Mr. Darin Taylor explained that prior to the passage of Proposition 13 in 1978, the District levied several specific taxes to pay for specific activities. However, the District no longer receives those taxes as originally established, but instead receives a portion of the one percent county-wide tax based on pre-1978 District tax levies. The District's share of the post-Proposition 13 one percent ad valorem tax is a general tax which is not earmarked but is available for any lawful District purpose. The Board does not control the amount of one percent ad valorem tax received as the amount is based on assessed property values in the county which typically ebb and flow as a function of the local economy.

The District does have taxes and assessments, which are not part of its share of the one percent ad valorem tax, that are identified separately on a property tax bill as follows:

- 1. State Water Project Override Tax The State Water Project override tax is restricted to paying for costs associated with the State Water Project contractual obligations. The State Water Project override tax was approved in a statewide election with the passage of the Burns Porter Act in 1960. The District began collecting the State Water Project override tax in 1980 after the passage of Proposition 13 curtailed the District's tax revenues.
- 2. Benefit Assessments The benefit assessment varies by flood control zone and pays for debt service associated with past debt issuances for flood protection projects. Benefit assessments will sunset in 2030 with the exception of the Uvas Llagas flood control zone which already sunset in 2013. The amount charged to a residence is based on the area of the parcel and the land use category of the parcel (i.e. single family residence, commercial and industrial, rural...).

3. Safe Clean Water special tax – This is the special tax passed by the voters in November, 2012. This tax pays for a 15-year program for the purpose of addressing several community priorities including: securing a safe, reliable water supply; protecting our water system from earthquakes and natural disasters; preventing contaminants from entering the water supply; restoring habitat for fish, birds and wildlife and increasing open space; and enhancing flood protection.

The Agricultural Water Advisory Committee took the following action and this information will be presented for Board consideration on April 24, 2018:

Unanimously approved the Committee's recommendation of limiting the increase of the Agricultural Groundwater Production charge not to exceed 7%.

4.2 CIVIC ENGAGEMENT

Ms. Sherilyn Tran reviewed the following:

SUMMARY:

This is an update to the committee regarding the programs and projects in the Office of Civic Engagement

BACKGROUND:

The Office of Civic Engagement (OCE) was officially formalized on August 28, 2017. The purpose of the new unit is to advance and build positive and proactive relationships with the community through engagement, education, and partnerships. The programs and projects in the unit are designed to provide the community with access to resources and opportunities that will help build understanding, trust, and support for the District's goals and mission.

The OCE is organized into two (2) program areas:

Community Benefits Program

- 1. Safe, Clean Water Grants & Partnerships Program
- 2. Creek Stewardship
- 3. Public Arts & Signage

Water Education & Volunteer Program

- 1. District Volunteer Project
- 2. Water Education Outreach
- 3. Recycled Water Outreach

Water Education & Volunteer Program

The Office of Civic Engagement is in the process of expanding the Water Education and Volunteer Program in a way that will help further the District's goals in water education and diversity engagement. Currently, the Program includes the following project areas: Recycled Water Outreach, Water Education Outreach, and a new District Volunteer pilot project.

A. District Volunteer Project. The goal of this new project is to develop an integrated and robust volunteer experience that engages a diverse group of volunteers to expand opportunities beyond just creek cleanups to other functions and areas within the District that could benefit from volunteer support. The first two project areas that will be expanded by volunteer support include the Water Education and Recycled Water Outreach projects to add bilingual teachers and tour docents to not only support those projects areas with trained volunteer resources, but to also further the OCE Unit's goal of diversity engagement. Having bilingual volunteers will allow the District to engage diverse communities that might not be accomplished otherwise.

Staff is currently working on developing a project plan to launch a new District Volunteer project in early 2018. Staff is gathering information from similar volunteer programs throughout the County to better understand structure, training programs, HR compliance and regulatory issues, background clearance and projected costs among other items, to build out our own program.

The volunteer project will include the following components and elements that are still under development for an early spring 2018 launch:

- Volunteer Staff Advisory Group Form staff advisory group of influential volunteer leaders to help build and recruit other interested volunteers and provide input on volunteer opportunities.
- b. Bilingual Volunteers Recruit and train a cadre of 5 -10 bilingual volunteers initially to serve as either education teacher aids, and/or tour docents for facility tours at the Silicon Valley Advanced Water Purification Center and/or other facilities, open house events, or special projects.
- Adopt-A-Creek Volunteers Continue to grow and expand Adopt-a-Creek volunteers for creek cleanups and other potential volunteer opportunities.
- d. Ambassador program Develop District ambassadors in which volunteers get specific training on local water issues and messaging. Ambassadors will then and serve as neighborhood leads in distributing messages when needed.

B. Water Education Outreach Project Area. The goal of the Water Education Outreach project area is to provide educational programming and outreach to students and youth about important water issues but also District projects and initiatives, as well as to showcase the type of careers possible with the District. Project staff have been busy presenting at libraries and in classrooms, leading field trips at the District's five outdoor classrooms and fielding many other requests for educational programming.

Silicon Valley Boys and Girls Clubs - Staff visited all the first and second graders at the local clubs over the Spring and repeated the visits again over the Summer to the third and fourth graders. Staff presented activities focused on watersheds, water pollution, the water cycle, and salmon survival.

Public Library outreach - Staff reached out to both Santa Clara County Libraries as well as City of San Jose Libraries to begin programming during pre-school story times, as well as Summer "lunch and learn" family programming. Through this outreach, staff has been communicating flood safety and awareness, promoting conservation rebates, education outreach, and overall district awareness in the community to build and foster positive relations. In total, staff conducted 28 visits, amounting to over 1,250 contacts with attendees between July - December 2017.

Summer camps - Working with the City of San Jose, staff visited 5 summer camps and presented outdoor obstacle courses for participants to rotate through in smaller age groups. Camp attendees participated in lessons about salmon survival and the water cycle. 250 youths were introduced to our programming through these efforts.

Schools outreach - September kicked off a new 2017 school year in which Next Generation Science Standards (NGSS) are expected to now be implemented and begin to be integrated into curriculum. Staff launched two new lessons focused on global water awareness as well as plastic pollution for 5th grade and up. Staff is working in partnership with a collaboration network called Change Scale, to work with school districts to implement environmental education opportunities by grade level that include external providers, including the District, to provide programming on an on-going basis. The goal set for our school outreach is to connect with 15,000 students annually; by the end of December, staff expects to have reached close to 6,000 students through our lessons and outreach.

First Lego League Hydrodynamics Competition - Beginning in July 2017, staff started receiving calls from many First Lego League teams throughout the County informing staff that their theme and Annual Challenge this year was on hydrodynamics. Staff fielded and responded to over 100 separate team requests, and worked closely with other District project teams, including the Recycled Water Outreach team to provide tours at the Silicon Valley Advanced Water Purification Center. Overall, staff provided over 15 tours/presentations, and saw over 500 students and coaches before the competition began.

Looking ahead, staff will look to expand the project area by providing bilingual volunteer teachers and docents to support project goals, and provide engagement opportunities to community members interested in enrichment and volunteering opportunities. Staff will also be targeting outreach to Middle Schools, South County & underserved communities, and ensuring that curriculum is aligned with the Next Generation Science Standards, and furthering school partnerships. Staff will also be furthering the District Flood Awareness campaign & outreach by incorporating a flood awareness coloring contest and furthering school partnerships

<u>C. Recycled Water Outreach Project.</u> Since the reorganization, staff has focused further on expanding potable reuse education and outreach, specifically under stakeholder engagement and multi-cultural outreach efforts where several key milestones were met.

Multi-cultural outreach - Efforts have included extensive outreach to the Asian community this summer to promote the recycled and purified water program and tours, as well as a hosting a hugely successful Asian Community Tour Day event that was part of staff's strategy to increase the District's visibility in the Asian community. The Asian Community Tour Day was held on July 15, 2017 at the Silicon Valley Advanced Water Purification Center. The event was well-attended with 250 community members attending, well above the projected number of 100 people. Directors Nai Hsueh and Richard P. Santos met guests with welcome remarks, and tours were offered in multiple languages of English, Chinese, and Vietnamese.

Youth Tours - Staff collaborated and worked closely with the water education outreach staff to accommodate requests to lead tours at the Silicon Valley Advanced Water Purification Center for the First Lego League Competition this year. Two large special event tours were held on September 23 and October 21, 2017. In total over 230 students were reached.

Stakeholder engagement -During this new fiscal year, staff coordinated three speaking engagements for our Board members. In July, Chair Varela made a presentation to the Saratoga Rotary on District and recycled purified water efforts. In August, Chair Varela and Director Kremen addressed the San Jose and Palo Alto Kiwanis, respectively, about the importance and future of recycled water in Santa Clara County. Future engagements are being coordinated for Directors to go out to the San Jose Rotary Club, and Almaden Kiwanis. Other stakeholder engagement efforts have included employee education and outreach through both planned brown bag events and employee tours.

Currently, staff is wrapping up a potable reuse opinion survey and working on securing a Social Marketing/ Media contractor within the next few months to develop a Potable Reuse social media plan that addresses Direct Potable Reuse. Looking ahead, staff will also plan for ways to incorporate volunteer support in the form of bilingual tour docents and provide training to volunteers to assist in this effort to engage with diverse and multi-ethnic communities.

Community Benefits Program

The development of the Community Benefits Program demonstrates the District's commitment to providing opportunities that will make positive and sustainable social impacts in the communities that we serve. The programs and projects under Community Benefits Program will provide access to resources, engage, and collaborate with community members through grants and partnerships, creek stewardship volunteerism, and public arts projects.

A. Safe Clean Water Grants & Partnerships. Reorganizing the Safe, Clean Water Grants & Partnerships Program (SCW Grants Program) under the Office of External Affairs allows the District to increase our engagement with the community as well as broaden the reach and impact of our grant and partnership dollars. With the SCW Grants Program closely connected to the other units under External Affairs, staff is able to coordinate broader outreach efforts with Communications and Government Relations and stay closely connected with the needs and concerns of the community through Community Engagement and the Education programs.

Below is the current status for each SCW priority:

SCW Program Priority	# Funded Projects	Total Funding Awarded	FY2018 Status
A2 - Hydration Stations	50	\$250,000	5 additional schools to fund
B3 - Pollution Prevention	12	\$1.8 M	Funding released Nov 1; due Jan 12, 2018
B7 - Volunteer Cleanup &	7	\$350,000	Funding released Aug 4 - Oct 27; funding
Education			decisions Mar 2018
D3 - Trails & Open Space	3	\$570,000	Funding released Aug 4 - Oct 27; funding decisions Mar 2018
D3 - Restoration	22	\$4 M	Anticipated release Jan 2018
D3 - Mini-grants	0	\$0	Funding released Jul 31; apps accepted ongoing until all funding is awarded

Moving forward, staff will prioritize three areas for the SCW Grants Program: *Engagement, Outreach, and Efficiency*. Staff intends to get more engaged with grantees and their projects by conducting more site visits, providing timely technical assistance, and staying engaged with project status. Grantees' projects are intended to be an extension of the District's positive impacts to the community, therefore, establishing strong relationships with grantees allows staff to not only stay connected but also have a stronger presence as the project moves along to completion. Staff is also committed to expanding our outreach efforts. In order for projects to be more diverse and have a broader community impact, the outreach efforts to ensure a more diverse pool of applicants is critical. For FY2018's grant cycle, Staff has conducted outreach in communities that have not submitted project proposals in the past and hopes to build more relationships in the community to encourage more active participation in our grants & partnerships program. Staff is also seeking to utilize partnership funding to expand the District's impact in underserved communities.

For the grant cycles in FY2018, the District piloted an online grants application system to streamline the application process. All applications were submitted online and are also currently being reviewed and evaluated through the online system. Staff is seeking to expand the grants system to also include the management of the grant-funded projects once awarded. Grantees will be able to submit invoices, project status reports, and other supporting documents all through the online system with built in forms and templates to make the process easier and more efficient for the grantees and staff. Staff is working with Procurement to solicit bids for a vendor that will be able to implement the expansive grants management system to provide greater efficiency for the program. Staff anticipates implementing the full grants management system in FY2019.

B. Creek Stewardship. The District continues to receive active and increasing participation from the community for our various cleanup efforts. Through all our cleanup projects, volunteers contribute thousands of in-kind service hours and remove hundreds of thousands of pounds of trash throughout Santa Clara County (County). There are currently 139 Adopt-A-Creek (AAC) partners that actively coordinate bi-annual cleanups at their adopted sites. The District also coordinates the One-Day Use Permits project and have already provided 36 one-day permits this calendar year for cleanups. Additionally, the District continues to host annually the National River Cleanup Day (NRCD) and Coastal Cleanup Day (CCD). This year, 1,251 volunteers for NRCD cleaned 48 sites (65 miles of creek) and collected 36,494lbs of trash. For CCD, 1,892 volunteers cleaned 50 sites (68 miles) and picked up 50,838lbs of trash. On September 30th, the District worked with the Board to host the Coyote Creek Cleanup, where 136 volunteers gathered at two sites and collected a total of 5.25 tons of trash.

Creek Stewardship Cleanup Efforts Achievements 2017 (to date) National River Cleanup				
Day (May) Coastal Cleanup Day (Sept) Coyote Creek Cleanup (Sept)				
# of Volunteers	3,279			
# of Volunteer Hours	13,116			
# of Creek Miles Cleaned	133.37			
# lbs of trash removed	101,092			
Total of Hours In-Kind Value	\$367,248			

Staff is working to continually improve how we coordinate our cleanup efforts, collect data, and support the volunteerism for the projects. For the AAC project, staff is developing an interactive GIS map that will allow the public to locate all the creeks on District property. The map would identify adoptable creek sections as well as the ones that are currently adopted. The map would allow the public to submit the adoption form directly online to streamline the process and allow for residents to research areas of interest and easily register as AAC partners. Staff established an online reporting form to capture the number of volunteers, pounds of trash collected, miles of creek cleaned, and pictures of the trash that was collected via Access Valley Water. This will allow the District to start collecting more data for AAC and the One-Day Use Permit projects.

<u>C. Public Arts & Signage</u>. Staff is in the process of developing the Public Arts & Signage program that will utilize art to convey messages about water conservation, environmental protection and stewardship, pollution prevention, and other District values. Creating art projects throughout the County will allow the District to have a presence and be a part of the culture and fabric of the various communities we serve. Additionally, the public art projects will further educate, bring awareness, and build community support around stream stewardship, environmental protection, water conservation, among other District efforts and initiatives. Staff has developed an outline of the program which will initially consist of the following two components:

- 1. Adopt-A-Bench Project Revitalize interpretive signs & benches by allowing the public to "adopt" a bench and propose an artistic design for the bench.
- 2. Art Grants Award grants to the community to collaborate on public arts projects (i.e. murals, art installation)

In FY2018, staff will continue to research and gather information to build out the components of the program. Staff is working to reach out to all the cities in the County to understand the procedures for commissioning public arts within each respective jurisdiction. Staff is also working to identify the locations of all the District's interpretive signs and benches to develop an interactive GIS map, similar to the Adopt-A-Creek project. The map will allow the public to view information about the benches & signage and, if interested, submit a form to "adopt" the bench and propose an art design. Staff anticipates piloting the program with 7 adoptable benches in FY2018, with one bench in each Board Member's district. Staff intends to request resources through the FY2019 budget process to carry out the program.

The Committee took no action.

4.3 ZONE OF BENEFIT STUDY

Ms. Vanessa De La Piedra introduced the subject and the presenter Mr. George Cook reviewed the following:

SUMMARY:

The Santa Clara Valley Water District (District) Act authorizes the District Board of Directors (Board) to establish and revise zones of benefit, and to collect groundwater charges within zones that benefit from District activities to protect and augment water supplies. The purpose of the Zone of Benefit Study is to review the mapped extent of the zones and recommend changes to ensure they reflect areas where groundwater users receive similar benefit from District activities. This study is not evaluating the rates applied to groundwater production within any zone.

The preliminary technical study is complete, and the District is seeking input from private well users, water retailers, and other interested stakeholders. The technical analysis relies on measured data, groundwater modeling, and geological mapping to demonstrate areas benefitting from District activities. The preliminary study report, which was reviewed by an independent panel of experts, recommends six zones of benefit as compared to the two existing zones. Staff expects to present the study report to the Board in May 2018 with recommendations for changes to the zones of benefit. If the Board approves changes, additional actions needed include the development and Board adoption of the legal survey description for new zones, and analysis of the rates to be applied within each zone.

BACKGROUND:

In accordance with the District Act and the Sustainable Groundwater Management Act (SGMA), the District works to protect the beneficial uses of groundwater in Santa Clara County. This includes managed recharge of local and imported water, and "in-lieu" recharge programs that increase groundwater storage by reducing the need for pumping. Managed recharge facilities (percolation ponds and creeks) are located in alluvium, the unconsolidated water-bearing sediments along the valley floor. In-lieu recharge includes treated and raw surface water deliveries, long-term water conservation programs, and programs to expand the use of recycled water. The District also works to protect groundwater quality by implementing the well ordinance program, monitoring groundwater, and engaging with regulatory and land use agencies. These programs are primarily funded by revenue received from groundwater production charges assessed within the zones of benefit.

The District Act authorizes the Board to establish zones where groundwater pumpers benefit directly and indirectly from District activities to protect and augment water supplies. The District has two active Zones, W-2 and W-5, which were established in 1963 and 1977, respectively. In general, Zone W-2 extends from Metcalf Road to the county's northern boundary, and largely coincides with the northern portion of the Santa Clara Subbasin (Santa Clara Plain). Zone W-5 generally extends from Metcalf Road to the county's southern boundary, and largely coincides with the Coyote Valley and the Llagas Subbasin. The District last modified Zone W-2 in 1971 and Zone W-5 in 2008.

Study Approach

Both District activities and the understanding of the basins have changed since the existing zones were established many decades ago. To ensure the zones accurately reflect areas receiving benefit, the District initiated this study to evaluate the zones holistically rather than through individual requests for exemption.

The District executed an agreement with Hydrometrics Water Resources Inc. (a consulting firm specializing in developing, protecting, and managing groundwater and surface water resources) to conduct the study. Prior to conducting any analysis, stakeholder feedback on the study methodology was solicited from interested stakeholders through a Community Open House in March 2015, Water Retailer's Groundwater Subcommittee meetings in March and October 2015, and the Agricultural Water Advisory Committee in July 2015. The draft methodology was also reviewed by an independent Technical Review Committee in November 2015.

The study methodology included the following:

- Mapping features that affect groundwater occurrence and flow, such as water-bearing geologic formations, groundwater divides, and faults
- Mapping District groundwater management activities
- Using groundwater level data and groundwater models to determine areas benefitting from major District activities while accounting for climate or other influencing factors

Major groundwater management activities analyzed included treated water deliveries, managed recharge, and recycled water programs. Due to the relatively higher costs associated with imported water, the study differentiated between managed recharge systems that use imported water and those that use only local runoff. The District's long-term water conservation programs and groundwater protection efforts were not used to distinguish zones because they are distributed widely throughout the District's service area and benefit all groundwater users. Areas were included in a zone of benefit if any of the following criteria were met:

- Water supply is provided by a District activity
- Groundwater supply reliability is improved due to District activities
- Land subsidence is prevented or limited due to District activities
- Salt water intrusion is reversed or controlled due to District activities
- Groundwater quality is improved or maintained due to District activities
- Groundwater levels are improved due to District activities

Preliminary Study Findings

The technical analysis presented in the Preliminary Zone of Benefit Study Report supports the following key conclusions:

- 1. Benefits from District managed and in-lieu recharge extend throughout hydrogeologically-connected alluvium under the valley floor. Because these water-bearing deposits are interconnected, benefits are not limited to the immediate vicinity of District activities.
- 2. District recharge activities have improved the water balance in hydrogeologically-connected areas over time.
- 3. Groundwater data do not clearly demonstrate that benefits from District treated water deliveries in the Santa Clara Plain extend south into Coyote Valley.
- 4. Groundwater data are not available to evaluate whether recharge activities in the valley floor alluvium benefit the Santa Clara Formation on the west side of the Santa Clara Plain, including the Los Altos Hills area. However, treated water deliveries in the Santa Clara Formation benefit connected areas within that formation.
- 5. Groundwater data are not available to evaluate whether benefits from District activities in alluvium extend into bedrock. However, bedrock areas receiving District treated water benefit from in-lieu recharge to those areas.

6. Groundwater data are not available to evaluate whether the managed recharge of imported water in the Llagas Subbasin valley floor benefits the narrow alluvium along Llagas and Uvas Creeks that is downstream of District reservoirs but upstream of the valley floor. However, the alluvium in this area does benefit from District releases of local runoff for managed recharge.

Based on these conclusions, Hydrometrics proposes modifications to align the zone boundaries with the major District activities benefitting groundwater users within those areas. Specifically, the Preliminary Zone of Benefit Report proposes the following six zones of benefit (Attachment 1):

Proposed Zone	Location		Major District Activities Benefitting the Zone	
А	North County Valley Floor (Santa Clara Plain Alluvium)	•	Managed Aquifer Recharge Treated Water Deliveries Recycled Water Programs	
B1	Western Margin of North County Valley Floor (Santa Clara Formation in the Santa Clara Plain including Los Altos Hills Area)	•	Treated Water Deliveries	
B2	Margins of North County Valley Floor (Bedrock Adjacent to the Santa Clara Plain)	•	Treated Water Deliveries	
С	Coyote Valley (Alluvium)	•	Managed Aquifer Recharge	
D	South County Valley Floor (Llagas Subbasin Alluvium)	•	Managed Aquifer Recharge Recycled Water Programs	
E	South County Western Foothills (Llagas Subbasin Alluvium)	•	Managed Aquifer Recharge (Local Runoff Only)	

As noted previously, all zones benefit from the District's long-term water conservation and groundwater protection programs.

Next Steps

The next step is continuing to engage interested stakeholders and solicit their feedback on the preliminary study, which is posted on the District website at www.valleywater.org/zone-of-benefit-study. Opportunities for input from interested stakeholders prior to any Board action include various meetings to discuss the findings, and direct input to staff. Based on stakeholder input, Hydrometrics will consider any revisions needed to the study report.

Staff expects to present the study report to the Board in May 2018 with recommendations for changes to the zones of benefit. If the Board approves zone modifications, a legal survey description of the new zones (metes and bounds) will be developed for Board consideration in accordance with District Act requirements. It is expected that the metes and bounds would be brought to the Board in November 2018, if needed. If new or modified zones are established, the rate to be applied within each modified zone would then need to be evaluated in accordance with the District Act

The Committee took no action.

If you have any questions or concerns, you may contact me at, gbrambill@valleywater.org or 1.408.630.2408.

Thank you.

Glenna Brambill, Management Analyst II, Board Committee Liaison Office of the Clerk of the Board