

September xx, 2019

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Sacramento, CA 95814

**Submitted electronically to:** [input@waterresilience.ca.gov](mailto:input@waterresilience.ca.gov)

Re: California Water Resilience Portfolio Initiative

Dear Ms. Vogel:

On behalf of the Santa Clara Valley Water District (Valley Water), I would like to provide you with the following responses to your invitation for recommendations for the Water Resiliency Portfolio (Portfolio) being developed pursuant to Governor Newsom's Executive Order N-10-19.

Valley Water undertakes broad responsibilities of wholesale water supply, groundwater management, flood protection, and environmental stewardship for Santa Clara County. Our special district serves 1.9 million residents and thousands of job-creating Silicon Valley businesses, managing a 359-square mile area that includes nearly 275 miles of creeks, 10 reservoirs and dams, three water treatment plants, the largest advanced purified water facility in Northern California, 400 acres of groundwater recharge ponds, and two large groundwater basins.

Valley Water staff has participated in multiple stakeholder efforts to provide input to the Portfolio including, the Association of California Water Agencies (ACWA), California Urban Water Agencies (CUWA), California Municipal Utilities Association (CMUA), State Water Contractors (SWC), and WaterReuse California. As such, Valley Water supports the comments provided by ACWA, CUWA, CMUA, SWC, and WaterReuse California. We provide the following additional recommendations for your consideration in implementing the policies and programs needed to adapt to climate change and increase California's water resiliency over the next century.

### **Water Security and Environmental Stewardship**

**Construct New Delta Conveyance for Climate Change Adaptation and Species Protection** – For decades, California has struggled with the water reliability challenges of the existing Delta water conveyance and with continuing declines in native fish species. Climate change is reducing snowpack, delivering more precipitation as rain, increasing the intensity of storms, and pushing salinity deeper into the Delta. A new Delta conveyance is needed to adapt our water systems for capturing more water during the high, rain-driven flows, in order to compensate for the reduced flows from



snowmelt. A new Delta conveyance would divert water from locations with less impact to fish species, allow for diversions timed to coincide with high flows, and better protect flows needed for fish and other species. California needs a Delta conveyance with the capacity to respond to the impacts of climate change while also employing adaptive management practices to protect Delta species.

**Implement and Fund Voluntary Agreements Vital to Restoring Delta Species and Water Reliability** – The decline of native species in the Delta and its tributaries is the result of many factors, including water diversion, habitat loss, invasive species, pollution, and predation. These issues must be addressed if we are going to reverse species decline and also provide water reliability. The Voluntary Agreements now being negotiated by water agencies, regulatory agencies, and environmental advocates hold the promise of being better for the environment and species than flow-only modifications that may be imposed under the Bay Delta Water Quality Plan. Voluntary Agreements offer a superior path forward for adaptively managing flows, substantially increasing the flood plain and other physical habitat needed for the success of fish species, and driving decisions based on the best available, and continually evolving, scientific understanding. Resiliency is born from adaptability and not the inflexible regulatory models of the past. Continued state leadership is needed to push these agreements across the finish line. In addition, while water agencies are committing to a significant amount of funding for water purchases, infrastructure improvements, and scientific investigations, and given the statewide benefits of restoring a healthy ecosystem, it will be critical for the state to also commit sustained funding for these efforts.

**Increase Water Storage** – With the increasing volatility of the state hydrological conditions, more surface water storage and groundwater storage are necessary to maintain current levels of supply and protect communities from severe shortage during drought. Proposition 1's Water Storage Investment Program (WSIP) is off to a good start. The Pacheco Reservoir Expansion Project, the Los Vaqueros Reservoir Expansion Project, and the Sites Reservoir Project will provide more flexibility in our water supply system to capture water when it's available and supply water for human and environmental needs when it's not. However, these projects now have to be built, and additional projects must be designed and funded, expanding upon the innovative grant funding model of WSIP that considers the benefits of water supply, environmental restoration, flood protection, and other public benefits.

**Optimize and Sustain the State Water Project** - The SWP is a major piece of water supply and electrical generation infrastructure and Californians have invested billions of dollars to operate and maintain it over the last 50 years. One of the most cost-effective ways to continue to provide fresh water to Californians, including millions in disadvantaged communities, is to optimize and sustain the SWP. Valley Water supports the concepts described in the State Water Contractors (SWC) comment letter, including the importance of operations that respond to climate change, the need to repair and modernize aging SWP infrastructure, and implementation of cost effective contractual provisions to support effective financial management of the SWP.

## **Water Conservation**

**Replacing Inefficient Plumbing Fixtures** – Current state law approved by SB 407 (Padilla) in 2009, requires the replacement of plumbing fixtures by January 1, 2017, or 2019, dependent on whether the property is commercial, multifamily or single family residential. While the law has expedited the replacement of non-water conserving plumbing fixtures and has led to water conservation increases, there is additional room for improvement. The state should assess potential opportunities to expedite the replacement of old plumbing fixtures, and needs for enforcement of current law which may lead to additional increases in water conservation.

## **Recycled Water**

**Remove Barriers to the Expansion of Recycled Water** - Currently, when a publicly owned treatment works (POTW) is approached by a public agency water supplier to partner on a recycled water project, there is no requirement that the POTW engage in that partnership or make available a supply of treated wastewater for recycling. As such, some water suppliers have experienced POTWs unwilling to finalize plans for the recycling of treated wastewater. The existence of a funded plan for water recycling should be a trigger for mandated engagement by POTWs.

**Accelerate Recycled Water Regulations** – Accelerate the establishment of State Water Resources Control Board regulations for raw water augmentation and treated water augmentation to allow agencies to further diversify local drought resistant water supplies. Raw water augmentation regulations would allow for the placement of recycled water into pipelines and aqueducts delivering raw water to water treatment facilities treated water augmentation would allow for the use of advanced purified water to augment treated drinking water supplies.

**Research and Science** - Encourage and fund scientific research and pilot projects to facilitate the development of practicable regulations as well as the demonstrated capability to provide clean and safe water in an uncertain future.

## **Climate Change Analysis**

**Expand Climate Change Analysis** - The California Department of Water Resources should expand its research and collaboration with California universities on climate change data analysis with a goal of downscaling hydrologic predictive information to a more local level to assist water supply and flood protection activities statewide.

## **Permitting**

**Streamline Environmental and Water Rights Permitting** – State regulatory agencies often miss statutory deadlines for permitting, particularly for large projects where a one-year delay may cost tens of millions of dollars, both in added construction costs as well as continued exposure to risk. State permitting agencies should be appropriately staffed through realistic fees and state salaries set to current economic conditions, to provide expeditious permitting for public projects. Vacancies must be filled, new positions created, and agency performance on permit issuance should be transparently tracked and reported. Agencies should prioritize project permits that address the life safety impacts, such as those focused on flood protection, dam safety, and climate change adaptation. That prioritization should include an integrated permitting approach by state and federal regulatory agencies for the large life safety projects wherein all agencies provide a coordinated review to ensure timeliness and accuracy.

**Maintenance and Mitigation** – Local agencies are facing mitigation obligations for repeat maintenance on stream reaches of completed flood protection projects, causing undue financial burden when the goal is to maintain facilities for public safety (e.g. maintaining creek capacity for flood protection). State regulatory agencies should work with local agencies to clarify expectations and improve stream maintenance programs to minimize duplicative mitigation penalties for such work.

**Mitigation of Environmental Restoration** - Flood protection projects comprised primarily of environmental restoration should not be required to provide additional mitigation for temporary impacts. Funding for environmental restoration projects is limited, and adding mitigation costs reduces projects' chances for implementation. Environmental restoration projects, by their very nature, are intended to protect, restore, and enhance the environment, and should be exempt from mitigation.

**Mitigation Credit for Homeless Encampment Cleanups** - Currently, flood protection agencies engage in cleanups and address embankment damage caused by homeless encampments in creeks and streams throughout the state. Homeless encampments located in waterways create a life safety concern due to bacterial contamination of creeks and streams, and the interference with flood protection infrastructure from the erosion of levees and the structures, tents, belongings, and debris that may block culverts and other conveyances. This life safety concern applies to those individuals living in these encampments, other members of the public, and flood protection agencies' staff tasked with conducting inspections of creeks and flood protection facilities. The administration should assess the benefits of these efforts and require state permitting agencies provide mitigation credit towards recurrent operational and maintenance activities on completed flood protection projects.

**Financing of Long-Term Compensatory Mitigation** - The administration should clarify state policy regarding the use of endowments for the financing of long-term management of compensatory mitigation. Government code section 65966 (b) and

65967 (a) & (b) indicate there is flexibility in methods of funding for the long-term stewardship of mitigation property, endowments providing one of the available options. State permitting agencies are increasingly proposing as the first option presented to permit applicants the establishment of an endowment. An endowment requires the project sponsor to set aside a large sum to fund the ongoing management of a mitigation site, when the project sponsor is a public agency, the funding would be from public dollars that would no longer be made available for other public needs.

### **Flood Management Funding**

**Equitably Fund Flood Protection Based on Life Safety** - While the state's flood liabilities should be taken into consideration, decisions on where to direct funding should be based on a broader consideration of the protection of life, property, and jobs. While the flood management needs of the Central Valley are well documented, significant, and should continue to be supported, coastal watersheds also have a large unmet need for investment. There is an expansive need for urban coastal watershed flood protection projects to help protect Bay Area, Southern California, and other coastal urban communities from the increased intensity of storms and rising sea levels brought on by climate change. The state should ensure an appropriate level of investment throughout California to address the growing risk of floods in all communities.

**State Flood Subventions Program** – In the past, the State Flood Control Subvention Program (Subventions Program) was funded through the state budget general fund. In the last twenty years, the Subventions Program has been funded through state voter approved bonds. While voter approved bonds have fulfilled the current needs adequately, such funding is sporadic and uncertain. The current projected needs in the Subventions Program are expected to exceed the funding balance available in the next three years. The state should have a more predictable process of appropriation that avoids the uncertainties of voter approved bonds.

**Improve State Funding Guidelines for Flood Protection** – Funding guidelines both in statute and in regulation need to be better informed about how rising sea level results in increased storm flooding inland, not just directly adjacent to the coast.

**State Support for Multi-Benefit Planning** – The state should consider funding multi-benefit watershed planning efforts, consistent with California Water Plan Action 3.2 (Facilitate multi-benefit water management projects). Multi-benefit integrated planning accounts for actions across regional watersheds, a plan can consider how work performed upstream effects locations downstream. Identifying a suite or portfolio of priority projects across a watershed can highlight the cumulative, measurable benefits of watershed planning compared to individual project impacts and benefits. Such planning could lead to improved permit flexibility and may improve the understanding of actions considered enhancements vs mitigation.

**Sea Level Rise Coordination in the San Francisco Bay**

**Coordinate Response to Sea Level Rise** - The state should organize and fund a coordination effort with flood protection agencies at a regional level. The Bay Area differs from the open coast, with interrelationship of sea levels in the Bay Area requiring a specific coordination effort. Sea level is especially critical in how coastal and riverine flood protection is implemented and the participation of flood protection agencies is crucial to successfully developing practical solutions. Current planning efforts are fragmented and lack the clear leadership needed to properly address sea level rise in a manner which provides protection of all the communities in the Bay Area.

Thank you for this opportunity to comment on development of the Water Resilience Portfolio. If you have any questions or wish to discuss these ideas further, please contact Rick Callender, Chief of External Affairs at [rcallender@valleywater.org](mailto:rcallender@valleywater.org) or by phone at (408) 630-2017.

Respectfully,

Norma Camacho,  
Chief Executive Officer, Santa Clara Valley Water District