

CEO BULLETIN



To: Board of Directors
From: Norma J. Camacho, CEO

Weeks of June 5 – June 18, 2020

Board Executive Limitation Policy EL-7:

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

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1. Coyote Creek Flood Protection Project Virtual Public Meetings Update

Valley Water held two of three planned virtual public meetings on the Coyote Creek Flood Protection Project last week. The Wednesday, June 10, 2020 Zoom event focused on project details relevant to communities in District 3 and the Thursday, June 11, 2020 Zoom event focused on project details relevant to communities in District 6. Director Richard Santos and Vice-Chair Tony Estremera provided welcome and closing remarks at their respective meetings. Directors Linda LeZotte and Barbara Keegan also joined both Zoom events.

Approximately 70 community members participated in the two virtual public meetings via Zoom and Facebook Live. Video recordings of the meetings are available on Valley Water's YouTube channel and via Facebook and have garnered more than 6,300 views. The video links, along with meeting materials are also available on the Coyote Creek Flood Protection Project webpage. Spanish and Vietnamese interpreters were available during the virtual public meetings.

In addition to receiving an update as to the recommended alternative among various Coyote Creek Flood Protection Project alternatives, community members also received a briefing on the full scope of Valley Water's proposed Federal Energy Regulatory Commission (FERC) Order Compliance Project (or FOCP). The FOCP includes drawing down the Anderson reservoir to deadpool,

construction of a new outlet tunnel and various environmental mitigation measures, including flood mitigation. Some, but not all, elements of the Coyote Creek Flood Protection project are part of the FOCF -- namely those measures needed to protect properties against the larger flows that will be released from the new outlet tunnel. Participants were also informed about an upcoming presentation on the Engineer's Report for the Anderson Dam FOCF that will be provided during the Valley Water Board of Directors Meeting on June 23, 2020.

Throughout the Zoom events, Valley Water staff from various divisions participated in answering questions on multiple topics ranging from creek maintenance, to the Federal Energy Regulatory Commission Order and the drawdown of Anderson Reservoir.

The third virtual public meeting on the Coyote Creek Flood Protection Project is scheduled on Wednesday, June 17, 2020 at 6:00 p.m. and will be focused on project details and alternatives relevant to communities in District 2, represented by Director Keegan. Another series of public project meetings will be scheduled later this year to update the community and gather their input on the design of the Coyote Creek Flood Protection Project.

For further information, please contact Marta Lugo at (408) 646-7441.

2. FY 2021-2025 Watersheds Operations and Maintenance Plan

Valley Water's FY21-25 Watersheds Operations and Maintenance (O&M) Plan (Plan) details the maintenance activities performed by O&M staff to ensure flood protection projects and associated facilities continue to function as designed, and provides details on projected funding allocations needed to support planned activities over the next five fiscal years. The five-year rolling Plan is developed in alignment with the annual budget process and in parallel with Valley Water's Water Utility Five Year Operations and Maintenance Plan. The Plan is refined and updated as conditions evolve and O&M efforts are further evaluated.

The Draft Plan was presented to the Board during the December 17, 2019 Special Board Meeting, and the finalized Plan is included in the June 19, 2020 Board Non-Agenda Packet.

For further information, please contact Melanie Richardson at (408) 630-2035.

3. FY 2021-2025 Water Utility Operations and Maintenance Plan

Valley Water's FY21-25 Water Utility Operations and Maintenance Plan (Plan) provides an overview of Valley Water operations and maintenance activities conducted by the Water Utility Enterprise in support of Ends Policy E-2: There is a reliable, clean water supply for current and future generations; and the expected operations expenditures related to those activities for the next five fiscal years. The five-year rolling Plan is developed in alignment with the annual budget process and in parallel with Valley Water's Watersheds Five Year Operations and Maintenance Plan and will be updated annually to reflect current operating conditions. The finalized Plan is included in the June 19, 2020 Board Non-Agenda Packet.

For further information, please contact Erin Baker at (408) 630-2608.

4. Scientific Review Panel Findings for City of Santa Clara's Appeal to FEMA Coastal Floodplain Update

INTRODUCTION

This is to inform Valley Water's Board of Directors about Federal Emergency Management Agency (FEMA) Scientific Resolution Panel's (SRP) findings on the City of Santa Clara's appeal to a FEMA proposed coastal floodplain update. While the City of Santa Clara (City) is the official local floodplain administrator, Valley Water has the engineering and floodplain expertise and has been acting as a technical advisor to the City on the FEMA appeal and SRP process. The SRP is a formal panel of five professionals who commented on the appeal; their decision is not binding, but FEMA is expected to provide a response. The SRP evaluated two of the three elements of the appeal: 1) acknowledgment of the flood protection provided by the Highway 237 embankment between Calabazas and San Tomas Aquino Creeks (237 Embankment) and 2) use of alternative mapping methodology which accounts for flood reduction benefits from the salt ponds (Alternative Methodology). Valley Water, on behalf of the City, is submitting a Letter of Map Revision (LOMR) to handle the third appeal element – accreditation of the short reach of levee on the East bank of San Tomas Aquino Creek (STA Levee) extending north of Highway 237.

SRP FINDINGS

For the Highway 237 Embankment, the SRP found that it would need to be treated as a FEMA levee, and not as a land mass per Valley Water's and the City's request, which would require multiple agreements with Caltrans, additional geotechnical studies, and a long term levee maintenance plan.

Regarding the Alternative Methodology, the SRP findings are partly in our favor. FEMA's methodology was not favored for 1) using inconsistent methods for determining the 1% still water level in the salt pond areas and 2) not including any creek flows in their 1% coastal still water level.

MAIN IMPACTS OF SRP FINDINGS & NEXT STEPS

The potential impacts of the SRP findings depend on how FEMA chooses to respond. They include: a possible delay in the publishing of FEMA's floodplain maps (currently scheduled for approximately April 2021); up to 103 extra parcels mapped in FEMA's 1% coastal floodplain; and increased regulatory 1% coastal floodplain elevations of about one foot. Also, the SRP findings could potentially impact FEMA's mapping of the 1% coastal floodplain for other communities lined with ponds, such as Alameda County.

The next steps are as follows: Valley Water is still working with the City of Santa Clara to pursue FEMA accreditation of the Highway 237 Embankment. Valley Water and the City are waiting for FEMA to respond to the SRP's Alternative Methodology before taking any further steps. Lastly, Valley Water is continuing to work with FEMA to obtain accreditation for the STA Levee to prevent 161 parcels to the East of San Tomas Aquino Creek from being mapped on the 1% FEMA floodplain. The goal is to have the LOMR submitted in time (Summer 2020) so that those parcels are not mapped as part of FEMA's coastal floodplain update.

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

5. Stevens Creek Reservoir Study

Since 2015, Valley Water has operated an oxygenation system in Stevens Creek Reservoir to improve water quality by injecting oxygen into the bottom layer of the reservoir during the summer, when low oxygen conditions occur. The Stevens Creek Reservoir oxygenation system improves the oxygen levels in the reservoir discharge and helps interrupt the formation of toxic methylmercury, which bioaccumulates in the food chain. To better understand the water quality effects of the oxygenation system on reservoir discharge, including downstream dissolved oxygen, turbidity, and temperature, Valley Water's Watershed Stewardship and Planning Division is conducting a one-year study starting in June 2020. Results of the study will allow Valley Water to better calibrate or otherwise improve operation of the oxygenation system, if necessary. The work is being conducted as part of Safe Clean Water Project B1: Impaired Water Bodies Improvement.

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

6. Tule Red Restoration Site Credited to Longfin Smelt Habitat Obligation

The Department of Water Resources (DWR) recently received approval from the California Department of Fish and Wildlife (CDFW) to count the Tule Red Tidal Habitat Restoration Project against the acreage needed in the mitigation obligation for longfin smelt in the Incidental Take Permit (ITP).

Valley Water played a key role in Tule Red restoration by providing one third of the cost, \$413,167, to purchase the property in 2011. These funds have since been reimbursed. This restoration site is on the border of Grizzly Bay in Suisun Marsh. It reconnects channels and restores daily tides needed to create more suitable habitat for delta smelt, longfin smelt, and other native species. The project was completed in October 2019 and saw the first record of longfin smelt in the restoration site in May 2020.

Longfin smelt are a California listed species protected by the California Endangered Species Act (CESA). Some estimate these small fish have experienced a population decline of over 95%, from one of the most abundant fish species in the Delta to record low numbers. The CESA ITP for the operation of the State Water Project includes regulations intended to protect longfin smelt, such as limitations on Delta exports and habitat restoration requirements.

Under the CESA ITP and federal biological opinions, DWR must meet restoration acreage requirements for longfin smelt, delta smelt, and salmonids. On May 12, 2020, CDFW granted 590.54 acres of restoration credit for the project toward the longfin smelt portion of this obligation. This covers nearly 50% of the total obligation for longfin smelt habitat restoration in the ITP (1,196.3 acres). DWR is still awaiting final approval for credits from the U.S. Fish and Wildlife Service and National Marine Fisheries Service towards delta smelt and salmon obligations.

For further information, please contact Jerry De La Piedra at (408) 630-2257.

7. Water 101 Academy Graduation Ceremony

On June 3, 2020, Valley Water hosted a virtual graduation ceremony honoring the 2020 Water 101 Academy cohort. Designed to engage community leaders to become Water Ambassadors, the Water 101 Academy provided a series of sessions and networking opportunities for participants to understand local water challenges and learn about the mission and goals of Valley Water. After the first session in February 2020, the Academy sessions were hosted virtually on the Zoom platform due to the COVID-19 pandemic and the shelter-in-place mandate. The graduating cohort was composed of 20 Santa Clara County residents who completed the six-session program and now serve as official Water Ambassadors. This graduating class marks the second cohort that has completed the Water 101 Academy.

Both Chair Nai Hsueh and Director Linda LeZotte joined the ceremony to congratulate and express their appreciation for the role the graduates will serve as influencers in their communities. In addition, Chair Hsueh reinforced Valley Water's commitment to engage and inform communities of current and future Valley Water projects, reminding the cohort that they serve as advocates for their respective communities. The ambassadors had an opportunity to highlight the academy's impact and how they will engage their communities with the information they have acquired throughout the academy. Valley Water was able to gather feedback to improve the academy in the coming years and captured major takeaways from each participant.

Staff is developing activities to stay engaged with the Water Ambassadors beyond graduation. Two upcoming activities include the launch of a quarterly newsletter this summer and hosting small group discussions to learn more about individuals' interests to help develop involvement opportunities within each Director's district and interest areas. Recruitment for the third cohort is scheduled to start in Fall 2020.

For further information, please contact Marta Lugo at (408) 646-7441 (Cell).

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