



MEMORANDUM
FC 14 (01-02-07)

TO: Board of Directors

FRO Agricultural Water
Advisory Committee

SUBJECT: Agricultural Water Advisory Committee
Meeting Summary for October 5, 2020

DATE October 27, 2020

This memorandum summarizes agenda items from the regular meeting of the Agricultural Water Advisory Committee held on October 5, 2020.

Attendees:

Committee members in attendance were: Mitchell Mariani, James Provenzano, William Cilker, David Vanni, Jan Garrod, Tim Chiala, Robert Long, and George Fohner.

Board members in attendance were: Director Nai Hsueh, Board Alternate, Director Richard P. Santos, and Director John L. Varela, Board Representatives.

Staff members in attendance were: Glenna Brambill, Keila Cisneros, Enrique De Anda, Vanessa De La Piedra, Vincent Gin, and Carmen Narayanan.

Guests in attendance were: Marcus Buchanan, Ph.D. (Buchanan Associates), Lena Eyen (SCVOSA), and Hon. John McKay (City of Morgan Hill Council Member).

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PUBLIC COMMENT: Mr. Marcus Buchanan spoke on Valley Water's Agricultural Water Use Baseline Study his firm is conducting in conjunction with Sherwood Design Engineers. He wanted to make sure the Agricultural Water Advisory Committee is engaged in the process.

AGENDA ITEM:

**4.1 FY20020-21 GROUNDWATER PRODUCTION CHARGES AND VALLEY WATER
BUGET UPDATE**

Ms. Carmen Naravayan gave an overview of the following:

Summary from Meeting Agenda Memo:

On May 26, 2020, the Board adopted groundwater production and other water charges for Fiscal Year 2020-21. In response to the ongoing pandemic the Board adopted no increase in the groundwater production charge for Groundwater Benefit Zones W-2 (encompassing the area north of Metcalf Road often referred to as North County), and W-7 (overlying the Coyote Valley south of Metcalf Road). The Board adopted decreases in the groundwater production charge for Groundwater Benefit Zones W-5 (overlying Gilroy, San Martin and most of Morgan Hill) and W-8 (includes areas below Uvas and Chesbro Reservoirs). Note that the Board approved a staff proposal to parse the original Zone W-5 in the South County into the three zones mentioned above to ensure that ratepayers are grouped in a way that reflects the most recent and relevant

data regarding the services and benefits received by well users. The Board adopted no increase to the agricultural groundwater production charge, maintaining it at \$28.86/AF for all zones.

The Board requested that staff bring back information on the financial impacts of the COVID-19 Pandemic on the community and on Valley Water so that the Board could consider whether or not a mid-year rate increase for FY 2020-21 should be pursued for Zones W-2 and W-7, and whether or not any adjustments should be made to the FY 2020-21 budget. As of the writing of this memo, staff is planning to go to the Board on September 22, with a recommendation from the Budget Review Working Group (an ad hoc working group made up of three Board members) to not pursue a mid-year rate increase. This recommendation will result in the need for higher water rate increases in future years in the absence of offsetting cost cutting actions.

Also, on May 26, 2020 the Board adopted a \$610 million budget for FY 2020-21, as shown in the attached Budget in Brief document (Attachment 1). As of the writing of this memo, staff is not planning to recommend any changes to the budget to the Board on September 22.

The Agricultural Water Advisory Committee (Mr. George Fohner) discussed the following: cost of providing healthy water-flood protection mitigation, developmental impacts,

Director Huseh explained the broader picture and the Financial Sustainability Working Group that addresses the potential of development impact fees.

Ms. Vanessa De La Piedra and Mr. Vincent Gin were available to answer questions.

Director Varela gave the historical perspective of City of Morgan Hill's Planning Commission working with City Council.

The Agricultural Water Advisory Committee took no action.

4.2 REVIEW FY2020-21 BOARD WORK PLAN

Ms. Glenna Brambill gave an overview of the following.

Summary from Meeting Agenda Memo:

The attached Work Plan outlines the Board-approved topics for discussion to be able to prepare policy alternatives and implications for Board deliberation.

As part of the Board's annual strategic planning process, board members and the Chair identify specific areas that they will monitor closely and engage as necessary. The specific areas identified during the strategic planning process are outlined in the FY21 Board Work Plan. In FY21 the Board will focus on new water storage opportunities as well as advancing major water supply facilities such as Anderson Dam and leading efforts in recycled and purified water. We will prioritize funding to protect and maintain our flood protection assets. In all focus areas we will continue to engage the community and not lose sight of our environmental stewardship goals such as a net positive impact on the environment. They will also address impacts of climate change on their work. As policy makers for Valley Water the Board will engage through board committees and full board discussion to monitor progress in the focus areas highlighted in this plan.

10/27/2020

Early 2020 has brought about unprecedented and challenging times for everyone. The Board wants to assure the community that all board members remain committed through policymaking to ensuring Valley Water remains a high performing organization.

The Agricultural Water Advisory Committee (Mr. Jan Garrod and Mr. Tim Chiala) discussed the following: developmental concerns/cost of services, Anderson Dam materials reusable, Climate change and riparian repairs.

Director Hsueh was available to answer questions.

The Agricultural Water Advisory Committee took no action.

The next regularly scheduled meeting is Monday, January 4, 2021, 1:30 p.m.

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

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