

11/10/2020


MEMORANDUM
 FC 14 (01-02-07)

TO: Board of Directors

FRO Santa Clara Valley Water
 Commission

SUBJECT: Santa Clara Valley Water Commission
 Meeting Summary for October 28, 2020

DATE November 10, 2020

This memorandum summarizes agenda items from the regular meeting of the Santa Clara Valley Water Commission held on October 28, 2020.

Attendees:

Commission members in attendance were: Hon. Jon Willey (City of Cupertino), Hon. Peter Leroe-Muñoz (City of Gilroy), Hon. Anita Enander (City of Los Altos), Hon. Courtenay Corrigan (Town of Los Altos Hills), Hon. Barbara Spector (Town of Los Gatos), Hon. Liz Lawler (City of Monte Sereno), Hon. Rich Constantine (City of Morgan Hill), Hon. Lucas Ramirez (City of Mountain View), Hon. Pam Foley (City of San José), Hon. Rishi Kumar (City of Saratoga), Hon. Nancy Smith (City of Sunnyvale), Hon. Mike Wasserman (Santa Clara County Board of Supervisors), Hon. Jed Cyr (Midpeninsula Regional Open Space District).

Board members in attendance were: Director Tony Estremera and Director Nai Hsueh, Board Representatives.

Staff members in attendance were: Jennifer Abadilla, Aaron Baker, Glenna Brambill, Jerry De La Piedra, Rachael Gibson, Vincent Gin, Andrew Gshwind, Michele King, Stacy Klopfer, Carmen Narayanan, Don Rocha, Darin Taylor, and Kristen Yasukawa.

Guests in attendance were: Mr. Brendan McCarthy (City of Santa Clara) and Mr. Mansour Nasser (City of Sunnyvale), Mr. Christopher Hoem (Santa Clara County Board of Supervisors), Mr. Jeff Provenzano (City of San José), and Mr. Gary Welling (City of Santa Clara).

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

Mr. Darin Taylor 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 (overlaying the Coyote Valley south of Metcalf Road). The Board adopted decreases in the groundwater production charge for Groundwater Benefit Zones W-5 (overlaying 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 Santa Clara Valley Water Commission (Hon. Rich Constantine and Hon. Mike Wasserman) discussed the following: Anderson Dam and not raising the rates for Agricultural Water users.

The Santa Clara Valley Water Commission took no action.

4.2 REVIEW FY2020-21 BOARD WORK PLAN

Ms. Glenna Brambill and Director Nai Hsueh 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.

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 Santa Clara Valley Water Commission (Hon. Lucas Ramirez, Hon. Nancy Smith, and Hon. Anita Enander) discussed the following: Anderson Dam/purchasing water, water supply goal, water agreements with agencies, homeless crises (identifying properties), recycled water partnering, raising wholesale water rates/retailers being engaged early on, census

information/impacts from data, building of more housing, capturing water, rechecking State projections for Santa Clara County with respect to overall modeling and Climate Change Action Plan.

Director Tony Estremera, Ms. Melanie Richardson and Mr. Aaron Baker were available to answer questions.

The Santa Clara Valley Water Commission took no action.

The next regularly scheduled meeting is Wednesday, January 27, 2021, 12:00 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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