MEMORANDUM

FC 14 (01-02-07)

TO:	Board of Directors	**FROM**:	Water Conservation and Demand Management Committee
SUBJECT:	Water Conservation and Demand Management Committee Meeting Summary for December 4, 2020	**DATE**:	January 12, 2021

This memorandum summarizes agenda items from the Zoom meeting of the Water Conservation and Demand Management Committee held on December 4, 2020.

Attendees:
Board Members in attendance were: Director Nai Hsueh-District 5, Committee Vice Chair, Director Linda J. LeZotte-District 4, and Committee Chair, Director Richard P. Santos-District 3.

Staff members in attendance were: Aaron Baker, Neeta Bijoor, Glenna Brambill, Justin Burks, Domingo Candelas, Keila Cisneros, Jerry De La Piedra, Vanessa De La Piedra, Vincent Gin, Samantha Greene, Karen Koppett, Michael Martin, Don Rocha, Ashley Shannon, Sunny Williams, and Jing Wu.

Guest Agencies in attendance were: Michael Bolzowski (California Water Service Company), Anthony Eulo (City of Morgan Hill), Tim Guster (Great Oaks) and David Siddique (Green Evolution).

Public in attendance were: Linda Grand, Kateline Lin, Julia Nussbaum, William (Bill) Sherman and Jake Walsh.

ACTION ITEMS

4.1 WATER CONSERVATION STRATEGIC PLAN UPDATES

Mr. Justin Burks reported on the following:

Summary from Meeting Agenda Memo
At the September 29, 2020, Water Conservation and Demand Management Committee Meeting, staff updated the committee on the status of the Water Conservation Strategic Plan (Strategic Plan), which will make specific recommendations about water conservation programs to help Valley Water achieve the long-term water conservation goal of saving nearly 100,000 acre-feet per year by 2030 (base year of 1992), and nearly 110,000 acre-feet per year by 2040, as specified in Valley Water's Water Supply Master Plan (WSMP) 2040. In Fiscal Year (FY) 20, Valley Water achieved approximately 74,000 acre-feet of water saved from long-term conservation programs. Currently, the consulting firm chosen for this project, EKI, is analyzing data and the Strategic Plan is still on target to be completed by Q4 of FY 21. The Strategic Plan will also be essential for the new programs identified in the WSMP to ensure Valley Water is as efficient as possible in meeting its long-term water conservation goals.
The current status of the WSMP water conservation-specific programs are as follows:

- Advanced Metering Infrastructure (AMI): There is now an active cost-share agreement with the City of Morgan Hill for their AMI meters (as well as associated home water use reports program), and several more agencies are in discussion to create cost-sharing agreements which include the AMI Program. Staff expects to be putting these in place by the end of FY21.

- Graywater Rebate Program Expansion: The Laundry to Landscape Graywater Direct Installation Pilot Program installed 71 laundry-to-landscape graywater systems in an 18-month period, converting over 31,000 sq. ft. of medium- and high-water use plants from potable water to

graywater. As this pilot program was less cost effective than expected, staff is now evaluating how to enhance the existing Graywater Laundry to Landscape Rebate Program, through better outreach and ease of customer use.

- Leak Repair Incentive: Staff is working in collaboration with the Bay Area Water Supply and Conservation Agency (BAWSCA) to create a Leak Detection and Repair Certification Program, a two-phase program which will consist of the following:
    - The first phase, currently underway, is to create a Leak Detection and Repair Certification Program. The certification would yield an objective list of certified leak detection and repair tradespeople to distribute and maintain regionally. This resource would expand a skilled workforce and help customers repair leaks who would otherwise struggle to repair them.
    - The second phase is a Leak Detection and Repair Incentive, which may either take the form of a direct installation service similar to the City of Sacramento's Leak Free Sacramento Program or a rebate for home flow sensors or a to-be-determined combination. Staff will provide the Committee updates as this is progressing.

- Model Water-Efficient New Development Ordinance: Stakeholder engagement is ongoing, and responses have been overall receptive to these efforts, although COVID has slowed these efforts, as cities direct resources in other areas. However, Valley Water expects progress to accelerate now that the November 3rd elections have been completed.

- Flood-Managed Aquifer Recharge: Valley Water is collaborating with researchers from the UC Water Security and Sustainability Research Initiative (UC Water) on evaluating Flood-Managed Aquifer Recharge (Flood-MAR) feasibility in Santa Clara County. UC Water is in a unique position to support Valley Water efforts to explore Flood-MAR due to their expertise, research, and involvement on these issues as they develop at both the local and statewide level.

  The initial two years of the collaboration would focus on Flood-MAR planning and implementation in Santa Clara County. DWR generally considers Flood-MAR to be use of "…high flows from, or in anticipation of, rainfall or snowmelt, for managed aquifer recharge on agricultural lands, working landscapes, and natural managed lands." Flood-MAR is a decentralized approach to groundwater recharge that would recharge local stormwater at sites distributed across Santa Clara County. Unlike our centralized managed aquifer recharge program, Flood-MAR sites may be located on private or public lands that would not be owned by Valley Water.

  Valley Water worked with UC Water researchers to develop a scope of work that will advance data, tools, and knowledge needed by Valley Water to implement a Flood-MAR pilot in Santa Clara County. Valley Water provided an update on the Flood-MAR project goals at the September 29, 2020 Water Conservation and Demand Management meeting. At that meeting, Valley Water outlined that the scope of work aims to:

  1) Evaluate options for implementing Flood-MAR projects in Santa Clara County, including assessing technical approaches, regulatory requirements, and incentive programs.

  2) Develop GIS-based tools to quantify Flood-MAR suitability for the Valley Water region, including allowing assessment of properties and processes that influence Flood-MAR performance.

Collaborating with UC Water on Flood-MAR will support Valley Water's efforts to better understand the opportunities and challenges associated with implementing a Flood-MAR program in Santa Clara County. Flood-MAR is a project within the Board-approved Water Supply Master Plan 2040 "No Regrets Package" of stormwater capture and water conservation project. The Flood-MAR work is expected to begin January 2021. Valley Water will continue to regularly update the Committee

and the Board on the progress and findings of the Flood-MAR project and will update the Board's Agricultural Advisory Committee in January 2021.

There have also been some updates and enhancements to Valley Water's baseline water conservation programs, including:

- Water Efficient Technology Rebate Program (WET): In order to increase participation in this very cost-effective program, staff is considering adjusting the WET Rebate Program's incentive structure to increase participation. After conducting a surveying of similar programs at other water agencies, adjustments include increasing the maximum rebate to $100,000 and increasing the proportion of equipment costs covered to 100 percent (does not include taxes or labor). Budget impacts from adjusting the program are expected to be negligible.
- NEW Fixture Replacement Program: A Request For Proposal (RFP) will be advertised soon for a Fixture Replacement Program, which will include a direct installation of efficient plumbing fixtures (such as toilets, aerators, and showerheads) in multi-family residential, commercial, industrial and institutional properties.
- Qualified Water Efficient Landscaper (QWEL) Training: Valley Water participates in a Bay Area regional program to offer this training and certification in English and Spanish to landscapers in Santa Clara County. Prior to March 2020, it was offered as a classroom-based training. It is now offered as a virtual training and has had a large number of landscapers participating.

As 2020 has been a year of uncertainty and record high temperatures, staff will be looking at ways to help the community continue to save water with new programs, technical assistance, and education. A list of water conservation programs is included as Attachment 1.

Voluntary Call for Conservation

In 2009, California adopted the Water Conservation Act (SB X7-7), which mandated the State achieve a 20 percent reduction in urban per capita water use by 2020. As the recent drought and effects of climate change became more apparent, it was clear that California needed to go farther to save water, moving away from percentage targets and moving towards actions that would make the state use water more wisely.

Therefore, in 2018, the State enacted AB 1668 and SB 606 – a new long-term water conservation framework for California. These programs and initiatives are organized around four primary goals: use water more wisely; eliminate water waste; strengthen local drought resilience; and improve agricultural water use efficiency and drought planning.

As these efforts to make water conservation a California way of life start coming into effect, this may be an opportunity to revisit Valley Water's June 2017 voluntary call for 20 percent reduction in water use, as well as how Valley Water meets its 2040 conservation savings goal. This topic was briefly discussed at the Board's October 27, 2020 meeting and was assigned to this Committee for further discussion.

The Water Conservation and Demand Management Committee discussed the following: current voluntary 20% water conservation, reduction, "new way of life", look at future ways to educate and outreach with communities to be consistent with state legislation, get the retailers thinking of conserving year-round, fixture program, reduction target for big businesses, and when reviewing the strategic plan that it includes a communications section on "way of life."

Mr. Anthony Eulo commented on the groundwater basin, drought potential and water storage portfolio looking good and agrees with conversation "way of life" concept.

Mr. Tim Guster commented on the way 30% water conservation during drought is calculated for Great Oak Water customers' bills.

Mr. Bill Sherman commented that he has been a long-time advocate of water conservation and getting people the necessary information is imperative for them to understand how

important conservation is.

The Water Conservation and Demand Management Committee took no action.

4.2 WATER DEMAND FORECASTING AND URBAN WATER MANAGEMENT PLAN

Ms. Jing Wu reported on the following:

Summary from Meeting Agenda Memo

The Santa Clara Valley Water District (Valley Water), as a wholesale urban water supplier, is required by State law to prepare an Urban Water Management Plan (UWMP) every five years. Valley Water's UWMP documents important information on water supply, water usage, water supply reliability, water conservation programs and water shortage contingency planning in Santa Clara County. It complements Valley Water's other water resource planning efforts and serves as a valuable resource for water supply planners and policymakers. The 2020 UWMP must be submitted to the California Department of Water Resources (DWR) by July 1, 2021.

Water Demand Forecast

The UWMP must include current and projected water use in five-year increments for a period of at least 20 years. Valley Water has recently completed a demand study to forecast county-wide demand through 2045 as part of its Water Supply Master Plan (Master Plan) Monitoring and Assessment Program (MAP). The projected new demand is approximately 335 thousand acre-feet (TAF) at 2040, approximately 14% lower than the demand projection in the Master Plan. By 2045, the projected new demand is approximately 340 TAF. The demand projections were presented at the September 2020 Committee meeting and more information can be found in Attachment 1.

Valley Water plans to use the new demand projection for developing its 2020 UMWP. In addition, to coordinate with the water retailers on UWMP development, Valley Water sent a data request on October 9, 2020 to each water retailer asking for their demand projections and is currently waiting for responses. Once we receive their demand projections and understand the methodologies they used, we will compare their projection to our updated demand projections and will work to reconcile the two if they vary significantly. This may lead to including both demand projections in Valley Water's UWMP.

Existing and Planned Water Supply

The UWMP will also identify and quantify the existing and planned sources of water available to Valley Water for the next 25 years to meet the projected county-wide demand. Valley Water as a wholeshale water supplier is required to provide water supply information to the water retailers for inclusion in their UWMPs. At present, Valley Water is planning to use the Master Plan portfolio as a defaulted option. However, with significantly lower demand projection, Valley Water's Board of Directors (Board) may decide to update the investment portfolio that is currently in the Master Plan. Based on the Board direction, the UWMP supply analysis will be updated as necessary.

Reduced Reliance on the Sacramento-San Joaquin Delta (Delta)

The 2020 UWMP includes many additional requirements passed by the State Legislature since 2015 UWMPs. Major new requirements include five consecutive dry-year water reliability assessment, Drought Risk Assessment, seismic risk, Water Shortage Contingency Plan, and reduced reliance on the Delta. The reduced Delta reliance requirement requires the suppliers that are receiving water from a proposed project (covered action) to demonstrate consistency with the Delta Plan's policy to reduce reliance on the Delta (WRP1). Valley Water is currently receiving Delta water from the State Water Project and Central Valley Project and therefore falls under this requirement. Following the draft 2020 UWMP guidebook, Valley Water will be able to fulfill this requirement using the DWR recommended methodology. However, it is very difficult for the water retailers to demonstrate their reduced Delta reliance because Valley Water manages its supplies (local surface water, imported water, and

groundwater) conjunctively. In anticipation of this challenge, Valley Water worked alongside other State Water contractors to develop an approach where Valley Water will provide the water retailers with county-wide numbers and each water retailer will include explanatory language that details their specific ways in reducing the reliance on the Delta. This approach has been presented to the Delta Stewardship Council (DSC) to receive feedback. Currently, Valley Water is waiting for the release of the final UWMP guidebook to work with the water retailers to provide information that is consistent with the preliminary approach.

UWMP Timeline and Next Steps
Valley Water has started preparing for the 2020 UMWP while waiting for the release of the final DWR guidebook. Below is the timeline for Valley Water's 2020 UWMP development:

- September – October 2020: reviewed DWR's draft guidebook, attended various workshops, and completed a draft work plan
- October – November 2020: identify data requirements, develop analysis methodologies, and coordinate with internal stakeholders
- December 2020 – February 2021: engage and coordinate with external stakeholders
- April 2021: public Notice to Cities & Counties
- End of May 2021: public hearing
- End of June 2021: plan adoption

Valley Water will continue to update this committee on the status of the UWMP and seek feedback from the Committee and the Board on any changes to the water supply analysis. Valley Water will also continue to coordinate with the water retailers on their UWMP development. In the coming months, Valley Water will continue to coordinate with the water retailers on demand projections, water supplies, and reduced Delta reliance.

The Water Conservation and Demand Management Committee discussed the following: reduced Delta reliance, water supply, reduced demands, water storage and recycling, other water resources, imported water, and including water conservation information would be beneficial.

The Water Conservation and Demand Management 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
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