



Santa Clara Valley Water District

File No.: 21-0511

Agenda Date: 4/27/2021

Item No.: *2.9.

SUPPLEMENTAL BOARD AGENDA MEMORANDUM

SUBJECT:

Conduct Public Hearing on February 2021 Annual Report on the Protection and Augmentation of Water Supplies and Recommended Increases to Groundwater Production and Other Water Charges for Fiscal Year 2021-2022 (continued from April 15, 2021).

REASON FOR SUPPLEMENTAL MEMORANDUM:

Provide additional information to the Board in response to the April 14, 2021 Special Board meeting, Item 2.1, Pacheco Reservoir Expansion Project Workshop Topics, Project No. 91954002.

RECOMMENDATION:

- A. Conduct a public hearing pursuant to Section 26.6 of the District Act to consider Valley Water's FY 2021-22 Annual Report on the Protection and Augmentation of Water Supplies (continued from April 15);
- B. Hear public comments from groundwater producers and any interested persons regarding such report; and
- C. At the close of the public hearing, count all written protests received, if any, regarding proposed surface water rates.

SUMMARY:

In response to Board direction given at the Special Board meeting held on April 14, 2021 regarding Pacheco Reservoir Expansion Project Workshop Topics and specifically, changes to the projected level of partnership participation, Staff has prepared additional scenarios for FY22 groundwater production and other water charges.

At the Special Board Meeting, the Board indicated they would like to see partner participation levels set at 35% of the total project cost. The staff recommendation for FY22 groundwater production and other water charges documented in the Annual Report on Protection and Water Supplies (PAWS Report), February 2021, assumes partner participation at 20%.

Two additional scenarios have been prepared for consideration:

1. Pacheco Reservoir Expansion Project partnership levels at 35% of total project cost, including the drawdown of the Supplemental Water Supply Reserve by \$8M in FY 2021-22 to help fund additional supplemental water purchases that were not included in the PAWS Report; and,

-
2. Pacheco Reservoir Expansion Project partnership levels at 35% of total project cost inclusive of a \$13 million proposed budget adjustment to the Anderson Dam Seismic Retrofit project in FY2020-21, and the replenishment of the \$8 million Supplemental Water Supply reserve funds in FY 2022-23.

Both scenarios reflect an additional \$11 million in supplemental water purchases in FY2021-22 versus what was assumed in the February 2021 PAWS Report.

For additional details, see Attachment 1.

FINANCIAL IMPACT:

There is no change to the originally reported financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

*Supplemental Attachment 1: PowerPoint

UNCLASSIFIED MANAGER:

Aaron Baker, 408-630-2135