



MEMORANDUM
FC 14 (01-02-07)

TO: Board of Directors

FRO Environmental and Water
Resources Committee

SUBJECT: Environmental and Water Resources
Committee Meeting Summary for
April 19, 2021

DATE April 27, 2021

This memorandum summarizes agenda items from the regular meeting of the Environmental and Water Resources Committee held on April 19, 2021.

Attendees:

Committee members in attendance were: Bonnie Bamburg, Loren Lewis, Charles Ice, Elizabeth Sarmiento, Hon. Dean J. Chu, Rev. Jethroe Moore, II, Charles Taylor, Susan Blake, Bob Levy, Hon. Tara Martin-Milius, Mike Michitaka, Hon. Patrick S. Kwok, Diego Mora Tejeda, Tess Byler, Stephen A. Jordan, Arthur M. Keller, Ph.D.

Board member in attendance was: Director Nai Hsueh (Board Alternate).

Staff members in attendance were: Jennifer Abadilla, Aaron Baker, Lisa Bankosh, Glenna Brambill, John Bourgeois, Vincent Gin, Carmen Narayanan, Kirsten Struve, Darin Taylor and Greg Williams.

Guests in attendance were: Hon. Helen Chapman (Open Space Authority), Shani Kleinhaus (Santa Clara Valley Audubon Society), and Jane Mark (Mid-Peninsula Open Space District).

Public in attendance was: Jane Dresden.

2. PUBLIC COMMENT:

Ms. Shani Kleinhaus of the Santa Clara Valley Audubon Society commented on:

- Project moving slowly in San Jose by a group called the Urban Confluence that are modeling the project after the old light tower that killed score of birds (source from history) where the light attracted them to light beam/source. Building a massive 200 feet total light generator within 200' of the riparian corridor-confluence point of the Los Gatos Creek/Guadalupe Creek come together is not a good location. The lighting will interfere with wildlife movement, 20 story total light generator 'light pollution' is not good and in a riparian corridor is irresponsible. Another concern is the proximity to the airport which will also impact aircraft and migratory birds that fly at night attracted by the source of light. The Project is scheduled to go to the City Council in early May, and she is asking that interested parties say "no", to at least the lighting portion but prefers a "no" to the whole Project.

AGENDA ITEM:

4.1 DISCUSS PROPOSED FISCAL YEAR 2021-22 GROUNDWATER PRODUCTION CHARGES AND RECEIVE BOARD GUIDANCE

Ms. Carmen Narayanan reported on the following:

Summary from Meeting Agenda Memo:

Staff proposes a maximum 9.6% increase in the North County (Zone W-2) Municipal and Industrial groundwater production charge from \$1,374/AF to \$1,506/AF. The proposal equates to a monthly bill increase for the average household of \$4.55 or about 15 cents a day.

In the South County Zone W-5, staff proposes a maximum 4.6% increase in the M&I groundwater production charge from \$467/AF to \$488.50/AF. The proposal equates to a monthly bill increase for the average household of \$0.74 or about 2 cents per day.

In the South County Zone W-7, staff proposes a maximum 10.3% increase in the M&I groundwater production charge from \$481/AF to \$530.50/AF. The proposal equates to a monthly bill increase for the average household of \$1.70 or about 6 cents per day.

In the South County Zone W-5, staff proposes a maximum 4.4% increase in the M&I groundwater production charge from \$327/AF to \$341.50/AF. The proposal equates to a monthly bill increase for the average household of \$0.50 or about 2 cents per day.

Based on Board direction, the staff proposed maximum agricultural groundwater production charge is at 25% of M&I for Zone W-8, which would mean an increase from \$28.86/AF in FY2020-21 to \$85.38 in FY2021-22. The proposed maximum groundwater production charge for FY 2021-22 agricultural rates would translate to an increase of up to \$9.41 per month per acre, assuming 2 (two) acre-feet of water usage per acre per year.

Customers in both areas of North and South County may also experience additional charge increases enacted by their retail water providers.

The recommended increases in water charges are necessary to pay for supplemental water purchases in preparation for drought, investments in water supply infrastructure rehabilitation and upgrades, and new water supply reliability investments. The need to purchase supplemental water is driven by the fact that the next drought appears to be on our doorstep, coupled with the recent lowering of water levels at Anderson Reservoir.

Key infrastructure rehabilitation investments include the Anderson Dam Seismic Retrofit, which is a \$650 million project that will help ensure public safety and bolster future water supply reliability, and the \$360 million Rinconada Water Treatment Plant upgrade, which is more than halfway complete and will extend the plant's service life for the next 50 years as well as increase production capacity by up to 25%. Also, roughly \$66 million is planned to be spent over the next 10 years to solve the statewide issue of the Bay Delta, where 40% of the county's current water supply travels through.

A key water supply reliability investment is Valley Water's effort to forge its first public-private partnership (P3) on a roughly \$600 million investment for expanded recycled and purified water that would bring up to 12,000 AF of new water supply to the county each year. Additionally, the Pacheco Reservoir Expansion project, estimated to cost roughly \$2.5 billion, would provide an additional 80,000 acre-feet of water storage capacity.

For reference purposes, given the size of the Pacheco Reservoir Expansion project investment, staff has also prepared an alternative rate projection scenario that shows the impact to the water rate projection if the Pacheco Reservoir Expansion Project were excluded. Under that scenario, the increase to the North County Zone W-2 Municipal and Industrial groundwater production charge would be 8.5% instead of 9.6% for FY 2021-22 and the next 7 years into the future. Also under this alternative rate scenario, for FY 2021-22 and the next 7 years into the future, the increase to the South County Zone W-5 Municipal and Industrial groundwater production charge would be 3.8% instead of 4.6%; in Zone W-7 it would be 8.1% instead of 10.3%; and in Zone W-8 it would remain 4.4% since Zone W-8 does receive a direct benefit from the Pacheco Reservoir Expansion project.

In summary, the proposed maximum groundwater production charge for FY 2021-22 is driven by drought preparation, water supply infrastructure rehabilitation investments and water supply reliability investments.

The Board is seeking input with regard to staff's groundwater production charge recommendation for FY 2021-22.

The Environmental and Water Resources Committee discussed the following: SWP tax impact, water from SBA, Pacheco Reservoir Expansion Project, water storage, water retailers, agricultural rates, benchmarks, comparisons, debt service, inflation, cash flow, depreciation, Anderson Dam retrofit, 2020 no increase, Open Space credit continuing, and public hearings.

The Environmental and Water Resources Committee took the following action:

The Committee by roll call majority vote approved supporting staff's recommendation on the increase of the Municipal & industrial (M&I) rates for all Zones (W-2=9.6%, W-5=4.6%, W-7=10.3% and W-8=4.4%).

4.2 PUBLIC TRAILS ON VALLEY WATER LANDS: POLICY CRITERIA AND GUIDANCE

Ms. Lisa Bankosh reported of the following:

Summary from Meeting Agenda Memo:

At their July 15, 2019 regular meeting, the Committee received information on the Valley Water Trails Policy Framework and proposed public outreach plan. Since that time, staff have drafted the Public Trails Policy: Criteria and Guidance (Criteria and Guidance; Attachment 1) and completed public and stakeholder outreach. The Criteria and Guidance provide a clear and objective process for trail projects that support healthy communities, engage residents to promote water resources stewardship, and protect water resources and streamside ecosystems in Santa Clara County.

The Criteria are evaluative standards by which Valley Water staff and the Board of Directors may objectively determine whether trail projects proposed on Valley Water lands are compatible with its core functions of water supply, flood protection, and environmental stewardship. The Criteria include Planning and Public Outreach, Flood Protection, Valley Water Operations, Habitat Protection, Trail Maintenance and Security, Water Quality, Channel Stability, and Regulatory Compliance. The Guidance provides a detailed roadmap to meet the Criteria, allowing agencies to develop trails projects that are eligible for a Joint Use Agreement. The Criteria are anticipated to be considered by the Valley Water Board of Directors as a resolution, and the Guidance as administrative policy.

The Criteria and Guidance interpret existing Board Governance Policy pertaining to trails, including the District Act, the Water Resources Stewardship Ends Policy E.4, and Resolutions establishing recreational and/or joint use of Valley Water facilities. The Criteria and Guidance reflect Valley Water's **Water Resources Protection Ordinance, including the Guidelines and Standards for Land Use Near Streams**, and clarify how the ordinance applies specifically to trails projects.

The Criteria and Guidance was developed with input from a Technical Advisory Committee (TAC) including representatives from the Santa Clara Valley Open Space Authority, the County of Santa Clara Department of Parks and Recreation, Midpeninsula Regional Open Space District, and the City of San Jose Department of Parks Recreation, and Neighborhood Services. The draft was then provided to public works staff of every city of Santa Clara County for review and feedback, as well as to environmental stakeholders and trails advocates. All comments provided during this process were incorporated or otherwise directly responded to by staff.

In addition, a community meeting was held via Zoom on December 17, 2020. Approximately 90 members of the public attended the meeting. As a means of engaging the audience and demonstrating the complex factors Valley Water must consider for trail Joint Use Agreements, a series of survey questions were posed and responses were shown in real time during the presentation. Public comments and questions were then received. The majority of comments were in support of the Criteria and Guidance or were clarifying questions regarding the Habitat Protection criteria.

At this time, staff seek input from the Committee on the Criteria and Guidance. Following this, the Criteria and Guidance would be presented for consideration by the Board of Directors.

The Environmental and Water Resources Committee discussed the following: accessibility to stewardship, partnership/agencies-roles and responsibilities, multi-benefit project-permit processes, funding and maintenance of trails, security concerns with encampments, clean creeks, trails in neighbors' backyards without fencing, criteria and guidance, public outreach, stakeholder and focus meetings, City of Morgan Hill's letter (handout), trail grants, joint use agreements, CEQA, and strengthening guidance language.

Ms. Shani Kleinhaus of the Santa Clara Valley Audubon Society commented on:

- Agrees with strengthening the guidance language
- "Must"...serious or major disturbance is subjective with the impacts to birds seen in the region, subjective or only relative to CEQA endangered species declines in the most common species
- "as feasible" should use the word avoidance to make it strong which leads to having functional riparian corridors
- lighting up or down impacts the riparian/different species—look at wave lengths
- policy is needed and appreciates the work done by Valley Water staff (Lisa Bankosh and Sue Tippetts)

The Environmental and Water Resources Committee took the following action:

The Committee by roll call unanimously voted to approve the Public Trails On Valley Water Lands: Policy Criteria And Guidance: and strengthening the language with a few suggested edits: page 100 (review word contiguous, shall be/may be changed to should be, incorporate public comment, and adding public safety language.

Footnote: The Committee received a letter from Mr. Chris Ghione (Public Works Director-City of Morgan Hill) for consideration on this agenda item. (attached).

4.3 STATUS OF ENVIRONMENTAL AND WATER RESOURCES COMMITTEE'S WORKING GROUPS

Chair Bob Levy reviewed the following:

Summary from Meeting Agenda Memo:

At the Committee's January 2019 meeting, the Committee would like to see the working groups more aligned with the issues and policies that the Board of Directors has on their work plan and calendar for this year.

The Board approved the Committee's request to keep the Committee informed of the working groups' activities and results.

This will be a standing agenda item.

BACKGROUND:

The District Act provides for the creation of advisory boards, committees, or commissions by resolution to serve at the pleasure of the Board.

Accordingly, the Board has established Board Committees, which bring respective expertise and community interest, to advise the Board, when requested, in a capacity as defined: prepare Board policy alternatives and provide comment on activities in the implementation of the District's mission for Board consideration. In keeping with the Board's broader focus, Board Committees will not direct the implementation of District programs and projects, other than to receive information and provide comment.

Further, in accordance with Governance Process Policy-3, when requested by the Board, the Board's Committees may help the Board produce the link between the District and the public through information sharing to the communities they represent.

Dr. Arthur Keller reported on the Future Impacts of Climate Change Working Group #:

- Goal 1. More chargers for commuters (Goals 1.1 & 3.1) what % by when for metrics, Reduce emissions from concrete through alternatives (Goal 1, possibly 5),
- Goal 2. Renewable energy: go to 100% energy (Goal 2.1), Backup batteries instead of diesel generators (Goal 2.3, 2.2),
- Divest from fossil fuel investments (Goal 2.1),
- Goal 3. Eliminate fossil fuels from power supply (Goal 2.1, 2.2), Eliminate food waste to redirect from landfill {like Sunnyvale} (Goal 3.2),
- Goal 4. Water Reuse. increase flexibility and resilience,
- Goal 5. become a library for Alviso and other low-lying areas (Goal 5), protection of coastal areas WHEN the Valley Water did Reach 6 or was it Reach 7, need to buy homes (Goal 5), Do not build in Baylands---stewardship of land and saltmarshes, (Goal 5), Eco-district for human interface with Bay. Habitat restoration at same time. As adding bike trails. Ref Portland, Oregon. Salt marsh, flood plain, in North end of Sunnyvale. (Goal 5 Pumped Hydro--Goal 5),
- Goal 6. Carbon sinks in soils within district for carbon offsets <https://bcarbon.org/> --reference to ag in district Goal 6,
- Goal 7. Consider microgrid for local lands for continued operation when PG&E down. emergency preparedness.

Mr. Loren Lewis acknowledged and thanked Committee Chair Bob Levy for working with the Board to update the Working Groups and Tess Byler's prior work as the Groups are now able to be impactful and influence the reports for the Committee and Board.

Mr. Bob Levy and Ms. Susan Blake reported on Environmental Stewardship Working Group #8:

- Expanding opportunities for partnering with Cities and the County along with Santa Clara Valley Urban Run Off Pollutions and Preservation Program, West Valley Clean Creeks Program Authority, and West Valley Clean Creeks Coalition on an ongoing basis, coordinating creek clean ups on homeless encampments, anti-litter, storm drain treatment, and groundwater recharging
- Encourage that Valley Water news post on various NextDoor Groups for a wider audience.

Mr. Steve Jordan reported on the Water Storage Exploratory Working Group #

- The group is attending the Water Storage Exploratory Committee meetings.

The Environmental and Water Resources Committee took no action

The next regularly scheduled meeting is Monday, July 19, 2021, 6:00 p.m., to be called to order in compliance with the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20.

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

April 19, 2021

Valley Water
Attn: Clerk of the Board
5750 Almaden Expressway
San Jose, CA 95188

Re: Draft Valley Water Trail Policy and Guidance

Dear Board Members and Valley Water Staff,

This letter is written comments on the Draft Valley Water Trail Use Policy and Guidance (Policy) listed as Item 4.2 on the April 19 Environmental and Water Resources Committee meeting. As you and others at Valley Water are aware, the City of Morgan Hill has partnered with Valley Water for decades on numerous projects. The City has appreciated the commitment of Valley Water to our partnerships and appreciates the opportunity to comment on the Policy.

As the City currently holds multiple joint use agreements with Valley Water and several easements for use of Valley Water property, the City understands Valley Water's efforts to formalize this policy area. However, the City believes that Valley Water must do more than outline requirements of its partners in this Policy and must take an active leadership role in promoting and supporting the use of its lands to ensure social equity and inclusivity.

The Draft Policy increases the upfront costs and ongoing maintenance burden to the partner agencies. Per the Draft, Valley Water is committed to providing equal access to its lands regardless of racial or economic characteristics, however, the Policy delegates that role to the partner agencies to ensure this and takes no responsibility for ensuring this itself. It is understood and appreciated that Valley Water provides grant funding for the construction of projects, but cities, such as Morgan Hill, are in much greater need of maintenance dollars for these trails. City trails in or adjacent to urban areas provide Valley Water's greatest opportunity to support "use by all" but are also the most difficult to maintain and the highest used. By placing the burden completely on partner agencies, Valley Water is making it much more difficult for cities to implement and sustain these projects/trails. Additionally, Valley Water should consider the following:

- Maintenance by partner agencies often reduces Valley Water's maintenance responsibility as it relates to litter and trash - which often occur through unauthorized use of Valley Water lands.
- Joint Use Agreements allowing public use can reduce unauthorized and inappropriate use of lands and prevent graffiti and other damage to the facilities.
- Cities are often burdened with providing law enforcement support to Valley Water facilities which are attractive nuisances.

Before approving the Policy, Valley Water should identify funding and resources for the ongoing maintenance and management of these facilities to support social equity. Valley Water should further work to develop a



HANDOUT: AGENDA ITEM 4.2

Handout 4.2.D
CITY OF MORGAN HILL
04/27/2021
17575 PEAR AVENUE
MORGAN HILL, CA 95037
PHONE 408-779-7271

WWW.MORGANHILL.CA.GOV

staffing plan to facilitate and support development of these facilities internally versus just regulating their use. By doing this Valley Water can lead in supporting access for all versus just creating additional hurdles to keep public spaces inaccessible.

The City of Morgan Hill looks forward to future conversation in this area. Feel free to contact me at 408.782.9154 or chris.ghione@morganhill.ca.gov.

Sincerely,

Chris Ghione, Public Services Director

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