

TO: BAO Procurement Designee**FROM:** Kirsten Struve, Assistant Officer**SUBJECT:** Justification for Single Source Contract:
Our City Forest**DATE:** May 24, 2021

Issue:

This memo outlines the justification for a single source contract to cost share with Our City Forest on their Lawn Conversion Program (Lawn Busters Program) and Do-It-Yourself (DIY) Lawn Busters trainings to residents.

Background:

Our City Forest (OCF), a non-profit organization, has developed a Lawn Conversion Program (Lawn Busters) designed to provide a low cost, expedient option for low-income, elderly, disabled or veteran homeowners and institutions within disadvantaged communities throughout Santa Clara County to replace high-water using lawns with low water using landscape. Additionally, Our City Forest offers a Do-It-Yourself Lawn Busters Training for residents.

By targeting low income, seniors, military veterans, and those with disabilities, Lawn Busters helps Valley Water meet its short-term drought response goals and long-term water conservation goals, as well as its goals of environmental justice. These sectors would otherwise not have the resources to participate in Valley Water's rebate programs. By partnering with OCF, Valley Water is able to combine resources and implement this unique program more cost-effectively than would be possible otherwise. Our City Forest also works with AmeriCorps California to provide a green jobs training program through this program. Our City Forest has a local nursery location near the San Jose Airport where they conduct classes and grow many of the trees and plants installed in the Lawn Busters program.

Our City Forest has an existing agreement with Valley Water which has successfully replaced over 200,000 square feet of turf. This excellent past performance and alignment with the guidelines of Valley Water's Landscape Rebate Program make OCF highly qualified for this single source agreement. Valley Water has been pleased with the service that OCF provides and anticipates similar service and performance in the next two years.

Under this agreement, OCF will continue the successful Lawn Busters program and provide Lawn Buster's trainings which will provide residents with a unique classroom and hands-on lawn conversion training. This DIY course will allow residents who do not qualify for OCF's direct services program to convert their lawns and thus conserve water, increase urban ecosystem biodiversity, and model smart landscaping choices to their South Bay neighbors. Beyond the initial training, this program will provide project implementation support such as design services, plant selection assistance, and water conservation education. This is a very cost-effective program for Valley Water to meet short term drought needs and long-term conservation goals.

On March 30 and April 12, 2021, the Water Conservation and Demand Management Committee reviewed and endorsed the concept partnering with OCF. On April 27, 2021, Valley Water's Board reviewed the Committee's recommendations and directed staff to pursue Valley Water's partnership with Our City Forest through the Lawn Busters program.

The Memorandum of Understanding between Valley Water and OCF specifies that Valley Water will pay OCF up to \$290,000, based on Lawn Busters Program and training activity. Valley Water's contribution to this program is being funded in part by the Water Utility budget and in part by the Safe, Clean Water and Natural Flood Protection Program, Priority A to ensure a safe, reliable water supply. During this time of drought, the Lawn Busters program is an essential part of Valley Water's conservation program portfolio.

Justification:

Valley Water is in critical need to urgently expand the water conservation program by single sourcing a new agreement with Our City Forest to continue implementing the Lawn Busters program and provide training for residents to convert their lawns. Half of residential water use in Santa Clara County is outdoors. The U.S. Drought Monitor has classified Santa Clara in extreme drought, and the California Department of Water Resources (DWR) has identified this year's hydrology as the driest since 1977. In response, DWR has reduced State Water Project (SWP) allocations from ten percent (10%) to just five percent (5%). Similarly, the U.S. Bureau of Reclamation (USBR) has reduced Central Valley Project's (CVP) agricultural allocations from five percent (5%) to zero percent (0%) and reduced municipal and industrial (M&I) allocations from fifty-five percent (55%) to twenty-five percent (25%).

On May 10, 2021, the Governor of California proclaimed a drought emergency for much of California. Both the SWP and the CVPs are in crisis because of an expected loss of water into the State and federal system's Shasta, Oroville, and Folsom Reservoirs. These systems are the source of approximately half of Valley Water's water each year.

This past fall, Valley Water lowered water levels in Anderson Reservoir as part of our effort to strengthen the existing dam to safely withstand a large earthquake. The project will keep the public safe and eventually allow Valley Water to store significantly more water in Anderson Reservoir. During the ten years of construction of the Anderson Dam Seismic Retrofit Project, Valley Water will have to rely more on imported water. With about half of water used in Santa Clara County imported, Valley Water is even more vulnerable to drought. At over 90,000 acre-feet (AF) of capacity, Anderson Reservoir is Valley Water's largest reservoir and was, until recently, a crucial source of emergency and carry over water. With the drastically diminished imported water supplies, historic drought conditions, and the loss of our largest reservoir, Valley Water is highly vulnerable to fluctuations in water supplies. This makes water conservation more important than ever. The more we save, the less we need delivered. As Valley Water, Santa Clara County, and California are facing a critically dry year and a potentially historic drought, this agreement to promote outdoor water conservation to harder to reach sectors is critically important in helping us meet the County's water needs.

In response to the drought, Valley Water is seeking additional emergency imported water supplies and both transferred budget in this fiscal year and increased budget next fiscal year to purchase extra imported supplies. As an example, Valley Water has taken the extraordinary step of purchasing 35,000 AF of water from north of the Delta for approximately \$23 million; and Valley Water is continuing to seek additional purchase while the unit price of water is soaring to \$700 per acre-foot.

The consequences of water shortage are significant. Valley Water may suffer the following substantial harms:

1. A water shortage and reduced groundwater recharge program would mean an inability to fulfill an original mission of Valley Water to mitigate ground subsidence.
2. A water shortage and reduced groundwater recharge program would mean an inability to fulfill an original mission of Valley Water to supply reliable, clean, safe water.
3. The indirect economic impact of shortage, which is ground subsidence, is also considerable as subsidence will likely cause widespread damage to infrastructure.

The need to reduce the county's demand for water is immediate and water conservation is critical to avoid the societal and economic impact of water shortage. Given the urgent circumstances outlined

above, without a compelling and effective water conservation program, dire consequences are very likely. The most effective season to achieve meaningful gains in water conservation is the summer season and Valley Water urgently needs this consultant resource to immediately launch an expanded lawn conversion program. The Board of Directors has already approved doubling the financial incentive for lawn conversion from \$1 per square foot to \$2 per square foot starting July 1, 2021. In recognition of worsening drought conditions, on April 27, 2021 the Valley Water Board of Directors increased their call for a voluntary reduction in water use from 20% to 25%, compared to 2013. This could be met if all outdoor residential use was cut by half, which the Lawn Busters program helps accomplish.

Without Valley Water funding, the community will lose a vital program which serves many purposes, including water conservation, and social and environmental equity. Water conservation program continuity is currently of critical importance, because of the drought emergency described above. It is vital that Valley Water utilizes every resource it can to encourage water savings. As this program is unique and developed to provide a needed service to underserved communities, it would be a great loss to Valley Water if the program were not to continue. It is urgent that Valley Water achieve the water conservation savings now due to the substantial harm and risk to the economic vitality of Santa Clara County and risk of ground subsidence. Staff believes the circumstances described above meet the criteria for single source procurement per Executive Limitation 5.3.12.2.

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