



Santa Clara Valley Water District

File No.: 20-0501

Agenda Date: 6/9/2020
Item No.: *3.2.

BOARD AGENDA MEMORANDUM

SUBJECT:

Resolution to Set a Public Hearing on the Engineer's Report and CEQA Exemption Determination for the Anderson Dam Federal Energy Regulatory Commission Order Compliance Project, Project No. 91864005 (Morgan Hill) (District 1).

RECOMMENDATION:

Adopt the Resolution PROVIDING FOR THE NOTICE OF TIME AND PLACE OF PUBLIC HEARING ON THE ENGINEER'S REPORT AND CEQA EXEMPTION DETERMINATION FOR THE ANDERSON DAM FEDERAL ENERGY REGULATORY COMMISSION ORDER COMPLIANCE PROJECT to occur on June 23, 2020, at 6:00 PM by teleconference Zoom meeting.

SUMMARY:

The Anderson Dam Federal Energy Regulatory Commission Order Compliance Project (FOCP) is being proposed to comply with an order from the Federal Energy Regulatory Commission (FERC), which requires Santa Clara Valley Water District's (Valley Water) immediate implementation of risk reduction measures to protect the public from risk of dam failure due to seismic activity, and development and implementation of necessary avoidance, minimization, and mitigation measures. The proposed FOCP would ensure compliance with the FERC order by (a) allowing Valley Water to safely, reliably, and expeditiously drawdown Anderson Reservoir (Reservoir) and maintain the Reservoir at a required lower elevation; (b) minimizing risks associated with exceeding the restricted Reservoir level and an undersized outlet structure by constructing a new, low-level outlet; (c) prioritizing the interim downstream protection of residents and property; and (d) minimizing the public health and safety and environmental impacts of reservoir drawdown.

Background

Anderson Dam was built in 1950 three miles east of U.S. 101 in Morgan Hill. The dam is an earthen dam that is 235-feet high and sits along the Coyote Creek Fault as well as is parallel to the Calaveras Fault. Anderson Dam forms Anderson Reservoir, which holds approximately 90,000 acre-feet of water when full and is the largest of Santa Clara Valley Water District's (Valley Water) 10 reservoirs. In 2012, following a seismic stability analysis, Valley Water began plans to retrofit and strengthen Anderson Dam to meet current safety standards to withstand a large earthquake. This effort is known

as the Anderson Dam Seismic Retrofit Project (ADSRP), an effort to ensure public safety and secure a reliable water supply.

Anderson Dam is under the jurisdiction of the Federal Energy Regulatory Commission (FERC) and California Department of Water Resources, Division of Safety of Dams (DSOD) and must meet their dam safety design standards. FERC has jurisdiction over Anderson Dam safety measures and operations due to licensing a small hydroelectric facility on this reservoir.

On February 20, 2020, under Part 12 of the Federal Power Act, FERC ordered Valley Water to undertake early implementation interim risk reduction measures associated with ADSRP immediately, due to the limited existing outlet capacity at Anderson Dam and the presence of densely populated areas downstream of the dam. Specifically, FERC ordered Valley Water to: maintain the reservoir no higher than elevation 565 feet immediately; start lowering the Reservoir to an elevation of 488 feet beginning no later than October 1, 2020; take all appropriate measures to maintain and quickly lower the Reservoir to deadpool in the event of significant inflow once the 488 feet elevation is reached; to assess and address the issue of potential rim instability during drawdown; and expedite design, construction, and operation of a new, low-level outlet in advance of the ADSRP. FERC stated in its order that Valley Water should implement the dam safety directives, including design and construction of the proposed low-level outlet, while securing alternative water supplies and working with Commission staff, and federal, state and local resource agencies to minimize environmental effects.

In response to FERC's Order, Valley Water staff expeditiously moved to complete the design of the proposed FOCP components and initiated emergency consultation processes with the regulatory agencies including federal and state fish and wildlife agencies, as appropriate. On May 26, 2020, the Board approved staff's recommended Preliminary Project Description for the FOCP which includes the general description of the FOCP elements:

1. Reservoir Drawdown to Deadpool
2. Anderson Dam Tunnel Construction
3. Anderson Dam Tunnel Operation and Maintenance
4. Avoidance and Minimization Measures
 - a. Bank and Rim Stability Improvements
 - b. Existing Intake Structure Modifications
 - c. Creek Channel and Bank Erosion Control
 - d. Cross Valley Pipeline Extension
 - e. Imported Water Releases and Coyote Percolation Dam Replacement
 - f. Coyote Creek Flood Management Measures
 - g. Additional Avoidance and Minimization Measures to protect water quality and biological resources

Public Hearing on Engineer's Report and CEQA Exemption Determination

Section 12 of the District Act requires the Board to conduct a public hearing to consider all written

and oral objections to the proposed project when: 1) the project is new construction; and 2) the project is funded by a single or joint zone of benefit. As the proposed FOCPP meets both conditions, staff prepared an Engineer's Report for the purpose of public disclosure and the final version will be provided by Supplemental Board Memorandum on June 5, 2020.

In addition, staff has determined that the FOCPP would be exempt from CEQA review because it qualifies for the statutory emergency project exemption pursuant to Public Resources Code Section 21060.3 and CEQA Guidelines Section 15269.

Staff is recommending that the Board set a public hearing for June 23, 2020 to hear public comments on Valley Water's Engineer's Report and CEQA exemption determination. Following the public hearing, the Board will consider the CEQA exemption determination before considering approving the Engineer's Report and the proposed FOCPP. The Notice of Public Hearing for the Engineer's Report is provided in Attachment 2.

FINANCIAL IMPACT:

There is no financial impact associated with approving staff's recommendation to set a public hearing on the Engineer's Report to consider the FOCPP. Information regarding the estimated cost to construct the proposed FOCPP will be provided by Supplemental Board Memorandum on June 5, 2020. The proposed FOCPP would be funded by the Water Enterprise Fund, with 82.3% of the costs allocated to Zone W-2 (North County) and 8% and 9.7% of the costs respectively allocated to Zone W-5 and W-7 (South County).

CEQA:

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

ATTACHMENTS:

- Attachment 1: Resolution
- Attachment 2: Notice of Public Hearing
- *Supplemental Board Agenda Memo
- *Supplemental Attachment 1: FOCPP Engineer's Report
- *Handout 3.2-A, Sierra Club Comment

UNCLASSIFIED MANAGER:

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