



# Santa Clara Valley Water District

**File No.:** 20-0119

**Agenda Date:** 2/25/2020

**Item No.:** 3.1.

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## BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Adopt the Resolution Authorizing the Chief Executive Officer to File an Application and Execute a Grant Agreement with the United States Bureau of Reclamation for Funding from the WaterSMART Drought Response Program, and Authorize the Chief Executive Officer to Negotiate and Execute the Grant Agreement with the US Bureau of Reclamation, Upon Approval of the WaterSMART Drought Response Program Award.

### **RECOMMENDATION:**

- A. Adopt the resolution AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO FILE AN APPLICATION AND EXECUTE A GRANT AGREEMENT WITH THE UNITED STATES BUREAU OF RECLAMATION FOR FUNDING FROM THE WATERSMART DROUGHT RESPONSE PROGRAM; and
- B. Authorize the CEO, if the grant is awarded to the District, to:
  - 1. Accept the grant and negotiate and execute a grant agreement with the United States Bureau of Reclamation (USBR) for the Drought Response Plan, provided all grant requirements can be met;
  - 2. Sign and submit invoices and requests to the USBR for grant disbursements to be made pursuant to the grant agreement; and
  - 3. Delegate such other authority as needed to provide management and support services required for the performance of the work and administration pursuant to the grant agreement, as deemed necessary and appropriate.

### **SUMMARY:**

#### Background

On November 8, 2019, the United States Bureau of Reclamation (USBR) released a funding opportunity announcement (BOR-DO-20-F003) for the Drought Response Program, which is funded by the USBR WaterSMART Program. The Drought Response Program builds resiliency to drought by supporting a proactive drought planning process that considers risks and uncertainties related to changing hydrology and identifies drought mitigation and response actions. Santa Clara Valley Water District (Valley Water) would like to develop a drought response plan (DRP) based on the latest science surrounding drought prediction. The Valley Water DRP would involve a collaborative process with retailers, agricultural customers, and other stakeholders to develop a proactive approach to drought response. Valley Water modeling indicates that an early and proactive response to drought

reduces the need for water shortage contingency plan actions.

#### Description

Valley Water staff evaluated the grant program requirements and criteria and determined that developing the Valley Water DRP is eligible and competitive for funding. For the grant application to be considered, it must include a Resolution adopted by the Board that designates an authorized representative to submit the application and execute a grant agreement with the USBR. Staff recommends that the Board authorize the CEO to submit the grant application and, if a grant is awarded, execute grant agreements. The grant applications are due February 5, 2020 and the Board Resolution is due March 6.

#### USBR WaterSMART: Drought Response Program

USBR WaterSMART: Drought Response Program grants will be implemented under the Title I Drought Program to support drought contingency planning. The maximum award under this program is \$200,000 per applicant. Applicants must document a minimum non-Federal funding financial match of 50 percent of the project costs.

#### Valley Water's Drought Response Plan:

During the recent 2012-2016 drought, Valley Water enacted a comprehensive drought response that included 15 strategies to ensure resiliency of Valley Water's water supply system. The strategies were grouped into four categories: water supply and operations, water use reduction, drought response opportunities, and administrative and financial management. Valley Water's drought response permitted rapid recovery of groundwater basin storage levels, increased water conservation, leveraged opportunities to advance Valley Water's core services (e.g., cleaning recharge ponds, advancing recycled water, increasing public engagement, etc.), and strengthened relationships with key stakeholders. Valley Water's Drought Response Plan will evaluate new approaches for determining when to call for water shortage contingency plan actions, review the science related to early prediction of drought climate conditions, and develop a response framework for the water utility to employ during the next drought. The response framework will be built using the lessons learned from Valley Water's and other water agencies' 2012-2016 drought response. The DRP developed through this grant program will involve a collaborative process with retailers, agriculture, and other stakeholders to develop a proactive, holistic approach to drought response for the Water Utility.

#### Project Funding

Adequate funding for the Drought Response Program activities that will take place in this fiscal year have been included in the Project No. 95741001 Water Supply Planning.

#### **FINANCIAL IMPACT:**

The USBR grant is a reimbursable grant and staff is requesting funding for \$200,000. The grant funding is subject to a 50 percent match, which will be met using existing budget under Project No. 95741001 Water Supply Planning.

**CEQA:**

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

**ATTACHMENTS:**

Attachment 1: Resolution

**UNCLASSIFIED MANAGER:**

Garth Hall, 408-630-2750