

November 30, 2017

MEETING NOTICE

WATER CONSERVATION AND DEMAND MANAGEMENT COMMITTEE

Members of the Water Conservation and Demand Management Committee:

Director Nai Hsueh
Director Linda J. LeZotte, Vice Chair
Director Richard P. Santos, Chair

Staff Support of the Water Conservation and Demand Management Committee:

Norma Camacho, Chief Executive Officer
Nina Hawk, Chief Operating Officer, Water Utility
Rick Callender, Chief of External Affairs
Stanly Yamamoto, District Counsel
Erick Soderlund, Ast. District Counsel
Garth Hall, Deputy Operating Officer, Water Supply Division
Rachael Gibson, Interim Deputy Administrative Officer, Government Relations
Bart Broome, Assistant Officer
Antonio Alfaro, Government Relations Advocate
Jerry De La Piedra, Water Supply Planning and Conservation Manager, Water Supply
Planning and Conservation Unit
Vanessa De La Piedra, Groundwater Management Manager, Groundwater Monitoring and
Analysis Unit
Tracy Hemmeter, Senior Project Manager
Bassam Kassab, Senior Water Resources Specialist
George Cook, Associate Engineer Geologist R

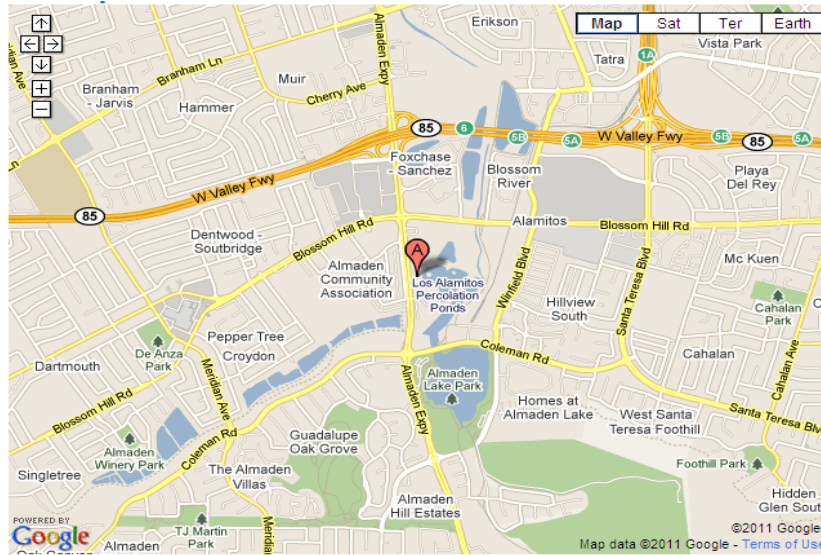
The regular meeting of the Water Conservation and Demand Management Committee is scheduled to be held on **Thursday, December 14, 2017, at 10:00 a.m.** in the Headquarters Building Boardroom, located at the Santa Clara Valley Water District, 5700 Almaden Expressway, San Jose, California.

Enclosed are the meeting agenda and corresponding materials. Please bring this packet with you to the meeting.

Enclosures



**Santa Clara Valley Water District - Headquarters Building,
5700 Almaden Expressway, San Jose, CA 95118**



From Oakland:

- Take 880 South to 85 South
- Take 85 South to Almaden Expressway exit
- Turn left on Almaden Plaza Way
- Turn right (south) on Almaden Expressway
- At Via Monte (third traffic light), make a U-turn
- Proceed north on Almaden Expressway approximately 1,000 feet
- Turn right (east) into the campus entrance

From Morgan Hill/Gilroy:

- Take 101 North to 85 North
- Take 85 North to Almaden Expressway exit
- Turn left on Almaden Expressway
- Cross Blossom Hill Road
- At Via Monte (third traffic light), make a U-turn
- Proceed north on Almaden Expressway approximately 1,000 feet
- Turn right (east) into the campus entrance

From Sunnyvale:

- Take Highway 87 South to 85 North
- Take Highway 85 North to Almaden Expressway exit
- Turn left on Almaden Expressway
- At Via Monte (third traffic light), make a U-turn
- Proceed north on Almaden Expressway approximately 1,000 feet
- Turn right (east) into the campus entrance

From San Francisco:

- Take 280 South to Highway 85 South
- Take Highway 85 South to Almaden Expressway exit
- Turn left on Almaden Plaza Way
- Turn right (south) on Almaden Expressway
- At Via Monte (third traffic light), make a U-turn
- Proceed north on Almaden Expressway approximately 1,000 feet
- Turn right (east) into the campus entrance

From Downtown San Jose:

- Take Highway 87 - Guadalupe Expressway South
- Exit on Santa Teresa Blvd.
- Turn right on Blossom Hill Road
- Turn left at Almaden Expressway
- At Via Monte (first traffic light), make a U-turn
- Proceed north on Almaden Expressway approximately 1,000 feet
- Turn right (east) into the campus entrance

From Walnut Creek, Concord and East Bay areas:

- Take 680 South to 280 North
- Exit Highway 87-Guadalupe Expressway South
- Exit on Santa Teresa Blvd.
- Turn right on Blossom Hill Road
- Turn left at Almaden Expressway
- At Via Monte (third traffic light), make a U-turn
- Proceed north on Almaden Expressway approximately 1,000 feet
- Turn right (east) into the campus entrance

AGENDA

WATER CONSERVATION AND DEMAND MANAGEMENT COMMITTEE

THURSDAY, DECEMBER 14, 2017

10:00 a.m. - 12:00 p.m.

**Santa Clara Valley Water District
Headquarters Building Boardroom
5700 Almaden Expressway
San Jose, CA 95118**

Time Certain

10:00 a.m.

- 1. Call to Order/Roll Call**
- 2. Time Open for Public Comment on Any Item Not on the Agenda**
Comments are limited to two minutes. If the Committee wishes to discuss a subject raised by the speaker, it can request placement on a future agenda.
- 3. Approval of Minutes**
3.1 Approval of Minutes – October 19, 2017, meeting
- 4. Discussion/Action Items**
 - 4.1 Landscape Water Use Evaluation Program (Jerry De La Piedra)
Recommendation: This is a discussion item and the Committee may provide comments, however, no action is required.
 - 4.2 Outreach Messaging (Marty Grimes/Jose Villarreal)
Recommendation: This is a discussion item and the Committee may provide comments, however, no action is required.
 - 4.3 Water Supply Master Plan Update (Tracy Hemmeter)
Recommendation: This is a discussion item and the Committee may provide comments, however, no action is required.
 - 4.4 Sustainable Groundwater Management Act (SGMA) Update – Proposed Implementation Framework and Next Steps (Vanessa De La Piedra)
Recommendation: This is a discussion item and the Committee may provide comments, however, no action is required.
 - 4.5 Review of Water Conservation and Demand Management Committee Work Plan, any Outcomes of Board Action or Committee Requests and schedule the Committee's next meeting (Committee Chair)
Recommendation: Review the Committee work plan to guide the Committee's discussions regarding policy alternatives and implications for Board deliberation.
- 5. Clerk Review and Clarification of Committee's Requests**
This is an opportunity for the Clerk to review and obtain clarification on any formally moved, seconded, and approved requests and recommendations made by the Committee during discussion of Item 4.

6. **Adjourn:** Adjourn

REASONABLE EFFORTS TO ACCOMMODATE PERSONS WITH DISABILITIES WISHING TO ATTEND COMMITTEE MEETINGS WILL BE MADE. PLEASE ADVISE THE CLERK OF THE BOARD OFFICE OF ANY SPECIAL NEEDS BY CALLING (408) 630-2277.

Meetings of this committee will be conducted in compliance with all Brown Act requirements. All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the same time that the public records are distributed or made available to the legislative body, at the following location:

Santa Clara Valley Water District, Office of the Clerk of the Board
5700 Almaden Expressway, San Jose, CA 95118

Water Conservation and Demand Management Committee:

Purpose: To support the Board of Directors in achieving its policy to provide a reliable water supply to meet current and future water usage by making policy recommendations related to demand management.



WATER CONSERVATION AND DEMAND MANAGEMENT COMMITTEE MEETING

DRAFT MINUTES

THURSDAY, OCTOBER 19, 2017
10:00 AM

(Paragraph numbers coincide with agenda item numbers)

A regularly scheduled meeting of the Water Conservation and Demand Management Committee was held on October 19, 2017, in the Headquarters Boardroom at the Santa Clara Valley Water District Headquarters, 5700 Almaden Expressway, San Jose, California.

1. CALL TO ORDER/ROLL CALL

Chair, Director Richard P. Santos called the meeting to order at 10:02 a.m.

Board Members in attendance were: Director Nai Hsueh (District 5), Director Linda J. LeZotte (District 4), and Director Richard P. Santos (District 3).

Staff members in attendance were: Chanie Abuye, Glenna Brambill, George Cook, Jerry De La Piedra, Vanessa De La Piedra, Rachael Gibson, Garth Hall, Nina Hawk, and Bassam Kassab.

2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON AGENDA

Ms. Libby Lucas of the public spoke on groundwater quality and had concerns about the Lehigh Permanente Creek area.

3. APPROVAL OF MINUTES

3.1 APPROVAL OF MINUTES

It was moved by Director Nai Hsueh, seconded by Director Linda J. LeZotte and unanimously carried, to approve the minutes of the August 28, 2017, Water Conservation and Demand Management Committee meeting, as presented.

4. ACTION ITEMS

4.1 LEGISLATIVE UPDATE/ MAKING WATER CONSERVATION A CALIFORNIA WAY OF LIFE) STATE LONG-TERM FRAMEWORK

Ms. Rachael Gibson reviewed the materials as outlined in the agenda items. Director Nai Hsueh and Mr. Jerry De La Piedra were available to answer questions.

Mr. Tim Guster of Great Oaks Water suggested that the District should write a letter to the California Public Utilities Commission regarding water conservation. No action was taken.

4.2 SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) UPDATE – SGMA AUTHORITY IMPLEMENTATION FRAMEWORK CONCEPTS

Ms. Vanessa De La Piedra reviewed the materials as outlined in the agenda items. Mr. Garth Hall and Director Nai Hsueh were available to answer questions.

Mr. Andy Gere, Mr. Bill Tuttle of San Jose Water Company, Mr. Michael Hurley of California Water Service, Mr. Tim Guster of Great Oaks Water Company and Mr. Tom Zigterman of Stanford spoke on the framework. Mr. Doug Muirhead of Morgan Hill spoke about stakeholder process and other SGMA concerns.

No action was taken.

4.3 REVIEW OF WATER CONSERVATION AND DEMAND MANAGEMENT COMMITTEE WORK PLAN, ANY OUTCOMES OF BOARD ACTION OR COMMITTEE REQUESTS AND THE COMMITTEE’S NEXT MEETING AGENDA

Ms. Glenna Brambill reviewed the materials as outlined in the agenda items.

No action was taken.

5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE’S REQUESTS

Ms. Glenna Brambill stated there were no action items for Board consideration. It was suggested that Staff send a letter to the California Public Utilities Commission regarding Water Conservation.

6. ADJOURNMENT

Chair Santos adjourned at 11:22 a.m. to the next regularly scheduled meeting at 10:00 a.m., December 14, 2017, in the Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, CA 95118.

Glenna Brambill
Board Committee Liaison
Office of the Clerk of the Board

Approved:



Committee: Water Conservation and Demand Management
Meeting Date: 12/14/17
Agenda Item No.: 4.1
Unclassified Manager: Garth Hall
Email: ghall@valleywater.org
Est. Staff Time: 10 minutes

COMMITTEE AGENDA MEMO

SUBJECT: Landscape Water Use Evaluation Program

RECOMMENDED ACTION:

This is a discussion item and the Committee may provide comments, however, no action is required.

SUMMARY:

The Landscape Water Use Evaluation Program may be useful to inform discussion on implementation of future water-shortage regulations, such as the Golf Course Coalition's Proposal, "Alternative Means of Compliance for Golf Courses and Sports Fields" discussed at the April 27 and August 24, 2017 Committee meetings. To meet our long-term water conservation goals, the District offers this program throughout Santa Clara County in partnership with participating water retailers. Large landscape sites (e.g. golf courses) that have a private well or receive surface water directly from the District may also participate.

BACKGROUND:

The Landscape Water Use Evaluation Program (Program), offered by the District since 2014, provides two services. The primary service is to provide monthly site-specific water budgets to large landscape sites, online monitoring of performance against the budget, and recommendations on how to improve irrigation efficiency. This service is offered through a partnership with various water retailers, including: the cities of Gilroy, Morgan Hill, Mountain View, Palo Alto, Santa Clara, and Sunnyvale. These participating water retailers send their billing data to the Program's contractor, Waterfluence, LLC., which allows for recent and historical comparisons of water use with a site's water budget. As discussed at the Committee's August 24, 2017 meeting, there were over 1,300 sites (1,741 irrigated acres) enrolled in the Program at the end of calendar year 2016.

The Program's other service provides on-site landscape field surveys by an irrigation expert and a resulting report to summarize survey findings, provide recommendations to improve efficiency, and serve as the pre-inspection requirement for the District's Landscape Rebate Program. Initially, the field surveys were available to any qualifying site regardless of their water retailer's participation; however, the water budget component wasn't available for non-participating water retailers. Currently, sites that get a field survey can also now receive a water budget if they self-report their water use. Water retailer participation is still encouraged to facilitate long-term awareness and utility of the water budgets produced through the Program.

The District is actively negotiating to add more water retailer service areas to the Program. Up to 975 San Jose Water Company sites are being mapped (75% increase of the total participating sites relative to the end of calendar year 2016), and final confidentiality agreements and data requirements are being discussed with the

San Jose Municipal Water System. California Water Service Company provides a similar service for their Los Altos District. Staff will continue to reach out to the city of Milpitas, Great Oaks Water Company, Purissima Hills Water District, and Stanford Utilities for future enrollment in the Program, promoting the benefit that participating water retailers will have access to site water budgets, which can be an additional outreach or regulatory tool for them to utilize in future years of water shortages.

ATTACHMENT(S):

None.



Committee: Water Conservation and Demand Management
Meeting Date: 12/14/17
Agenda Item No.: 4.2
Unclassified Manager: Rick Callender
Email: rcallender@vallewater.org
Est. Staff Time: 15 minutes

COMMITTEE AGENDA MEMO

SUBJECT: Outreach Messaging

RECOMMENDED ACTION:

This is a discussion item and the Committee may provide comments, however, no action is required.

SUMMARY:

The Committee will receive a verbal presentation on current and future outreach efforts to promote water conservation as an ongoing way of life in California and our county.

The successful summer water conservation campaign leads us into a fall mini-campaign with the focus on reducing watering to once a week during the cooler weather and letting mother nature do the watering.

The Office of Communications produced a bill insert promoting the fall message titled "Fall is the season to dial back on your watering," reflected in Attachment 1. The District's water retailers were offered the use of the promotional piece and five retailers opted to co-brand with the District. They are: City of Sunnyvale, City of Morgan Hill, City of Mountain View, City of Gilroy, and the Purissima Hills Water District.

Several articles have appeared in the District's news blog valleywaternews.org, which continued to promote the Water Conservation rebate program and the fall message. The featured articles included:

- Fall Back on Your Irrigation
- Lawn Busters: Saving Water One Lawn at a Time
- Saving Water by Going Gray
- Fall is Prime-Time for Planting
- District and San Jose Giants Encourage You to Take the VOW to Value Our Water

In addition, staff rolled out social media posts on Facebook and Twitter to promote the fall back on watering messages and District water conservation programs, such as the rebates for conversion of landscapes, checking for leaks, and tips on saving water indoors.

In preparation of a spring and summer 2018 water conservation campaign, we are issuing a Request for Proposals (RFP) to identify a firm to develop the outreach campaign. The marketing and public relations firm will provide creative design for advertisements and collateral materials pertaining to the public education and water conservation campaign messages.

ATTACHMENT:

Attachment 1: Bill insert sample

Front:



Back:



Reduce fall watering to once a week, even if it doesn't rain.

With the cooler fall weather, your plants need less water than they need during the hot summer months. So reset your landscape timers to once a week; Odd addresses, HOA, and irrigation meter with no addresses on Mondays; Even addresses on Tuesdays. And be sure to reduce the amount of water you give your potted plants, too.

When it starts raining, stop watering.

When rain starts falling, turn off your sprinklers and let nature do your watering for you.



Keep up the good water-saving work.

We're all hoping for a wet winter. But we still need to conserve water to start replenishing our depleted water resources. So let's all keep fighting the drought, inside and out.

Thanks for being part of the water-saving solution. For more seasonal water-saving tips and current regulations go to:

cityofgilroy.org/333/Water-Conservation





**Santa Clara Valley
Water District**



Get more tips at
watersavings.org





Committee: Water Conservation and Demand Management
Meeting Date: 12/14/17
Agenda Item No.: 4.3
Unclassified Manager: Garth Hall
Email: ghall@valleywater.org
Est. Staff Time: 10 minutes

COMMITTEE AGENDA MEMO

SUBJECT: Water Supply Master Plan Update

RECOMMENDED ACTION:

This is a discussion item and the Committee may provide comments, however, no action is required.

SUMMARY:

The Board approved beginning planning for implementing the projects and programs in the Water Supply Master Plan's "No Regrets" package of water conservation and stormwater projects on September 19, 2017. The "No Regrets" package consists of:

- Advanced metering infrastructure,
- Graywater Rebate Program expansion,
- Leak repair incentives,
- New Development Model Ordinance, and
- Stormwater capture (agricultural land recharge, stormwater recharge in San Jose and Saratoga, rain barrel rebates, and rain garden rebate).

This item describes the steps that have taken to implement the "No Regrets" package and the next steps in the Water Supply Master Plan process.

BACKGROUND:

The "No Regrets" package of projects and programs is broadly supported by stakeholders, relatively low cost, and can be implemented independently of other projects and programs that might be included Water Supply Master Plan. The total present value lifecycle cost of the projects is about \$100 million and staff estimates they will provide about 11,000 acre-feet per year (AFY) of water supply benefits. Most of the water supply benefit (10,000 AFY) is associated with water conservation savings, with about 1,000 AFY of benefit associated with the stormwater projects. Staff has begun discussing implementation of the "No Regrets" package with water retailers and municipalities. Additional outreach and discussion on the "No Regrets" package and other aspects of the Water Supply Master Plan will be occurring over the next several months.

Advanced Metering Infrastructure

Advanced Metering Infrastructure (AMI) is an integrated system of smart meters, communication networks, and data management systems that enables two-way communication between utilities and customers. In the water

sector, AMI can help detect leaks, increase customer awareness of water use, and improve communication between retailers and their customers. The District has awarded Safe, Clean Water and Natural Flood Protection (Safe, Clean Water) grant funding to three retailers to conduct AMI pilot tests – City of Mountain View, San Jose Water Company, and Purissima Hills Water District – to gain a better understanding of the potential water savings and implementation complexities. In addition, the District held a one-day workshop on AMI in July 2017 that was attended by water suppliers from across the Bay Area.

Staff anticipates requesting \$1 million in the FY 19 water conservation budget to begin cost-sharing with retailers on implementation of AMI. Actual expenditures will depend on the actual budget approved by the Board and the results of the Safe, Clean Water pilot studies.

Graywater Rebate Program Expansion

Staff is in the process of improving the existing Laundry to Landscape Graywater Rebate Program by simplifying the application process and expanding public outreach. Additional modifications under consideration include: tools to assist the homeowner with the installation; expanding the program to include graywater systems other than laundry to landscape; a direct installation program; as well as a certified installer program. Expansions to the program will be considered based on evaluation of the effectiveness of current efforts, including feedback from previous and potential participants.

Leak Repair Incentives

Staff anticipates implementing a leak repair incentive program subsequent to implementing AMI. AMI will provide information on the frequency and magnitude of leaks, as well as customer responses to different levels of leaks. This information will help inform how best to design a program by better understanding the severity of the issue, and potentially the types of leaks that are occurring. Furthermore, AMI will provide data to help evaluate the effectiveness of leak repair incentives.

New Development Model Ordinance

The Model Water Efficiency New Development Ordinance is being developed by the Santa Clara County Water Efficient New Development Task Force. The ordinance has the following main requirements on new development:

- Require hot water recirculation for single-family development,
- Pre-plumb all new single-family development for graywater collection, treatment, and redistribution,
- Pre-plumb all new multi-family and non-residential development for alternative water sources,
- Mandate recycled water connections for common areas in HOA developments, and
- Outlaw the sale of non-compliant fixtures.

The model ordinance has been drafted and is being shared with key groups. The next step is to incorporate stakeholder input and then work with all the jurisdictions Santa Clara County on adoption. The District's role will be to help encourage ordinance adoption and implementation, and provide technical assistance.

Stormwater Capture

Staff from across the organization are working on evaluating potential “centralized” stormwater projects. “Centralized” projects are those that capture water from multiple parcels and can provide water quality, water supply, flood management, environmental, and community benefits. Some of this work is being done through development of the Santa Clara Basin Storm Water Resources Plan by the Santa Clara Valley Urban Runoff Pollution Prevention Program. Some of the work is also being done directly with cities, including San Jose and Morgan Hill. The results of the evaluations will help inform staff recommendations on which, if any, projects to move forward at this time.

Staff is proposing to begin incorporating “decentralized” stormwater programs into the Water Conservation Program beginning in FY 20, after AMI program implementation begins. “Decentralized” stormwater programs are those that keep water on an individual parcel and include rain barrels and rain gardens.

Water Supply Master Plan Next Steps

Staff is currently analyzing the potential impacts of long-term climate change on different water supply strategies/portfolios, engaging stakeholders on different potential water supply strategies/portfolios for the Water Supply Master Plan, and developing a monitoring and implementation plan with triggers for re-evaluating projects and recommending proceeding with projects. Staff plans to bring this information to the full Board in February 2018.

ATTACHMENT(S):

None



Committee: Water Conservation and Demand Management
Meeting Date: 12/14/17
Agenda Item No.: 4.4
Unclassified Manager: Garth Hall
Email: ghall@valleywater.org
Est. Staff Time: 10 minutes

COMMITTEE AGENDA MEMO

SUBJECT: Sustainable Groundwater Management Act (SGMA) Update – Proposed Implementation Framework and Next Steps

RECOMMENDED ACTION:

This is a discussion item and the Committee may provide comments, however, no action is required.

SUMMARY:

The Sustainable Groundwater Management Act (SGMA) provides Groundwater Sustainability Agencies (GSAs) like the District with various authorities to ensure groundwater sustainability. In addition to the broad authorities provided by the District Act, new authorities available to the District under SGMA include the regulation of pumping and assessment of different fee types. Per the District's 2016 Groundwater Management Plan (GWMP), the District is evaluating these new authorities as potential tools that may be needed to ensure continued groundwater sustainability. The Board of Directors (Board) referred related stakeholder engagement to the Water Conservation and Demand Management Committee (Committee).

SGMA provides GSAs the authority to implement various fee types, including fixed charges. The Committee and stakeholders have indicated interest in further exploring the use of a fixed charge as a component of the District's groundwater production charge. If implemented, this would help reduce revenue volatility associated with swings in water usage like those that occurred during the recent drought. The fixed charge concept is scheduled to be presented to the full Board on November 28, 2017. Assuming Board approval of the concept, the next steps would be to engage a rate consultant to work with the retailers and prepare a fixed charge proposal for Board review in Fall 2018.

Committee items on the potential regulation of pumping and related discussions with stakeholders have led to the development of a proposed implementation framework (Attachment 1). The framework identifies guiding principles that support ongoing sustainability, while clarifying the process to regulate pumping, should it ever be needed. Given the uncertainty in the timing, location, and severity of potential future undesirable results, the framework avoids prescriptive triggers and requirements and instead focuses on the process to respond to worsening conditions. After receiving Committee and stakeholder input on the proposed framework, staff proposes that it be presented to the full Board as a proposed resolution to memorialize the developed process.

BACKGROUND:

In 2014, SGMA was enacted as California's first comprehensive, statewide regulatory program for groundwater. SGMA provides GSAs with various authorities to regulate groundwater extraction by restricting or suspending well production, prohibiting new well construction, imposing well spacing or operating requirements, and requiring measurement and reporting of groundwater production by well owners (Water

Code §§ 10725.8, 10726.4(a)). As noted in the GWMP and previous Committee meetings, the potential regulation of pumping is a complex and controversial topic, and SGMA acknowledges related limitations.

Previous 2017 Committee meetings have included presentations and discussions of groundwater rights, stakeholder engagement in evaluating SGMA authorities, pumping regulation in other basins, analyses of new SGMA authorities, and concepts for an implementation framework to regulate pumping. In these meetings, Committee members have affirmed that continued, effective collaboration with water retailers and other interested stakeholders is the preferred way to ensure ongoing groundwater sustainability. The 2017 Committee workplan includes development of a draft implementation framework by December 2017.

Implementation Framework

The existing groundwater management framework, which includes coordination with water retailers and other interested stakeholders, is expected to support continued, sustainable conditions as it has for nearly 50 years. While the SGMA authorities to regulate pumping may never be needed, a proposed implementation framework has been developed to ensure local groundwater resources continue to be protected.

The proposed framework approach avoids prescriptive triggers and actions and focuses on clarifying the process to respond to worsening conditions. This maintains maximum flexibility for the District and major pumpers to respond to changing conditions and avoids unnecessary or ineffective actions. The framework also identifies important guiding principles related to water supply planning, investments, and management, as well as strong collaboration with water retailers and other interested stakeholders. Acting in accordance with these principles is expected to result in continued sustainability and avoid the need to regulate pumping.

Next Steps

This item is intended to generate discussion of the proposed implementation framework by the Committee and interested stakeholders. After incorporating input from the Committee, staff proposes to present the framework to the Board as a resolution. Board adoption of a related resolution would memorialize the framework developed through the Committee with input from interested stakeholders.

ATTACHMENT(S):

Attachment 1: Implementation Framework for Groundwater Extraction Regulation Under SGMA

Implementation Framework for Groundwater Extraction Regulation

Introduction

The Santa Clara Valley Water District (District) has sustainably managed the Santa Clara and Llagas Subbasins for many decades under the authority of the District Act. In 2014, the Sustainable Groundwater Management Act (SGMA) was enacted as California's first comprehensive, statewide regulatory program for groundwater. SGMA provides Groundwater Sustainability Agencies (GSAs), like the District, with various authorities to manage groundwater.

In Santa Clara County, new authorities include the ability to regulate pumping and assess different types of groundwater charges. These have been discussed in various meetings of the District Board of Directors (Board) Water Conservation and Demand Management Committee (Committee) in an open forum and with input from interested stakeholders.

The existing, proven groundwater management approach, which includes strong partnerships with large groundwater pumpers, is expected to result in continued, sustainable groundwater management in the future and is the preferred approach to addressing future challenges. This document describes the approach to implementing SGMA authorities to regulate groundwater extraction, should such regulation become needed in the future.

Background

SGMA established new requirements for GSAs, including the development of Groundwater Sustainability Plans (GSPs) or prescribed Alternatives. In 2016, the District prepared the 2016 Groundwater Management Plan (GWMP), which was approved by the Board following a public hearing on November 22, 2016. The District submitted the GWMP as an Alternative to the California Department of Water Resources (DWR) in December 2016. The GWMP acknowledged the new SGMA authorities and committed the District to work collaboratively with groundwater pumpers and other stakeholders to further evaluate the authorities. The Board referred related stakeholder engagement to the Committee.

The Committee and stakeholders have indicated interest in further exploring the use of a fixed charge as a component of the groundwater production charge, and the concept will be presented to the full Board. Committee items on the potential regulation of pumping and related discussion with stakeholders have led to the development of this framework.

SGMA provides GSAs with various authorities to ensure groundwater management and use do not cause undesirable results, which are defined as one of more of the following per Water Code §10721:

- (1) Chronic lowering of groundwater levels indicating a significant and unreasonable depletion of supply if continued over the planning and implementation horizon.
- (2) Significant and unreasonable reduction of groundwater storage.
- (3) Significant and unreasonable seawater intrusion.
- (4) Significant and unreasonable degraded water quality, including the migration of contaminant plumes that impair water supplies.
- (5) Significant and unreasonable land subsidence that substantially interferes with surface land uses.
- (6) Depletions of interconnected surface water that have significant and unreasonable adverse impacts on beneficial uses of the surface water.

Per Water Code §10726.4(a), in regulating groundwater extraction, SGMA allows a GSA to:

- 1) impose spacing requirements on new wells and impose reasonable operating regulations on existing wells to minimize well interference by restricting or suspending well production;
- 2) control groundwater extractions by regulating, limiting, or suspending extractions, new well construction, well enlargement, or abandoned well reactivation, or by establishing allocations;
- 3) authorize temporary and permanent transfers of extraction allocations; and
- 4) establish rules to allow unused extraction allocations to be carried over from one year to another and voluntarily transferred.

However, SGMA also acknowledges limitations on the regulation of pumping. Local agencies are not authorized to make a binding determination of the water rights of any person or entity (Water Code §§ 10720.5(b) and 10726.8(b)). Also, any actions to control extractions must be consistent with the city or county general plans unless there is insufficient sustainable yield and extraction transfers are subject to applicable city and county ordinances (Water Code §§ 10726.4, 10726.8(f), and 10726.9).

Research into the use of similar authorities in other jurisdictions indicates that few agencies regulate pumping, and highlights related challenges. Where used, it has been in response to significant basin problems like long-term overdraft or salt water intrusion, most commonly through the well permitting process. These agencies have struggled with well owner concerns, enforcement, and legal challenges. Others have decided against regulation due to concerns with water rights and the potential to trigger adjudication, focusing instead on financial incentives or groundwater replenishment.

Guiding Principles

The District's existing groundwater management framework has maintained sustainable groundwater conditions over many decades. This proven framework, including strong collaboration with stakeholders, is the preferred approach to address future challenges. However, SGMA authorities are available as potential tools if the need arises. The implementation framework is based on these guiding District principles:

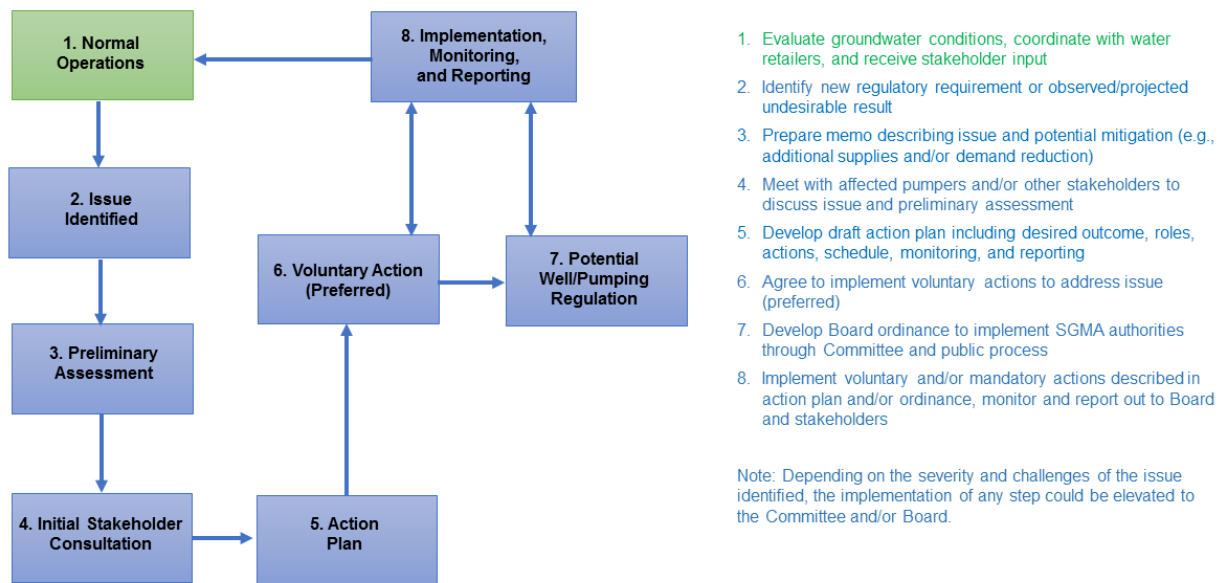
- 1) The District will sustainably manage local groundwater as part of our mission to provide Silicon Valley safe, clean water for a healthy life, environment, and economy.
- 2) The District will continue to conduct comprehensive water supply planning and invest in diverse water supplies to ensure reliability and avoid chronic shortages.
- 3) Through ongoing water supply operations, the District will continue to optimize the use of available water supplies while protecting groundwater storage.
- 4) Transparency in fulfilling the District mission remains an important driver and the District will continue to encourage input and participation from all interested stakeholders.
- 5) The District will continue to seek solutions that effectively and efficiently address identified water supply issues as they arise.
- 6) Strong partnerships with water retailers and other large groundwater users have been effective in avoiding undesirable results and are critical to future sustainability.

- 7) Collaboration with groundwater users and interested stakeholders will continue to be the preferred approach to address observed or projected undesirable results, and District regulation of pumping will only be considered if there is no viable alternative.
- 8) Given the uncertainty in the timing, location, and severity of potential future undesirable results, the implementation framework avoids prescriptive triggers and requirements; instead, it clarifies the process to respond to worsening conditions. This will maintain maximum flexibility to respond to changing conditions and avoid unnecessary or ineffective actions.

Implementation Framework

The existing groundwater management framework is expected to support continued, sustainable conditions, and pumping regulation may never be needed. The implementation framework described below and summarized in Figure 1 describes the fundamental approach to respond to worsening basin conditions, including the steps that would be taken prior to implementing SGMA authorities to regulate extraction. As mentioned above, the focus is on providing some certainty as to the process, while avoiding prescriptive requirements that may not be appropriate. This process allows for moving between the various steps linearly or using feedback loops.

Figure 1. Implementation Framework



Step 1: Normal Operations

Comprehensive planning through the District’s Urban Water Management Plan and Water Supply Master Plan ensures long-term water supply reliability (including groundwater) in accordance with level of service targets. Development of these plans includes coordination with water retailers and land use agencies, and the District encourages input from interested stakeholders. This regular, proactive planning avoids chronic shortages.

Operations planning helps meet near-term demands, protect groundwater reserves, and ensure adequate carryover supplies. Through this ongoing process, District staff develops operations

scenarios based on the availability of imported and local supplies, including their optimal use and distribution. Water supply conditions are discussed with water retailers at least quarterly through Water Retailers Committee and Groundwater Subcommittee meetings, but operational or water supply issues often require more frequent communication and coordination. Current water supply information is also communicated to interested stakeholders through monthly Water Tracker updates and Groundwater Condition Reports, and the availability of groundwater level and other water supply data at www.valleywater.org.

Receiving input on groundwater management issues from interested stakeholders is an important part of normal operations. Accordingly, the District maintains a list of interested parties that includes water retailers, land use agencies, regulatory agencies, adjacent GSAs, non-governmental organizations, community groups, agricultural users, and private individuals, among others. The District notifies these interested parties of upcoming groundwater-related Board and Committee items and relevant information such as completion of the Annual Groundwater Report. The District also provides updates to all well owners on general topics of interest through regular mailings.

The District will continue to explore ways to ensure interested stakeholders are aware of groundwater management activities and opportunities for engagement, including participation in public meetings, Board correspondence, Access Valley Water inquiries, or direct communication with staff. The District evaluates all input and inquiries to determine if additional action is needed to protect groundwater resources.

Step 2: Issue Identified

Through the ongoing assessment of groundwater conditions described above, an issue requiring further action may be identified. This could be a new regulatory requirement, such as the need to limit water supply well construction near an indirect potable reuse project, or an observed or projected undesirable result as defined in Water Code §10721 and listed above. If an issue requiring further action is identified, the District will inform potentially affected stakeholders and immediately move to the next step in the framework.

Step 3: Preliminary Assessment

Once an issue requiring further action has been identified, District staff will use available information to evaluate the issue and summarize the findings in a technical memorandum. The memorandum will describe the nature and extent of impacts, suspected cause(s), potential effects of taking no action, and potential mitigation options. These options may include District action, such as more focused monitoring, recommended shortage response per the Water Shortage Contingency Plan, efforts to acquire supplemental supplies, or incentives for the use of treated water. Mitigation options could also include the reduction of pumping within the impacted area.

Step 4: Initial Stakeholder Consultation

After completing the prior step, District staff will meet with selected stakeholders within the affected area to discuss groundwater conditions and the preliminary assessment. This initial consultation targets those likely needing to take action to help address the issue. In most cases this is expected to include higher-volume pumpers like water retailers that more strongly influence basin conditions. Depending on the nature of the issue, other affected stakeholders may also be consulted during this stage.

The District will work with stakeholders to evaluate additional data and update the preliminary assessment as necessary. The District and affected stakeholders will identify the schedule to develop an action plan as well as related roles and responsibilities.

It should be noted that this consultation may result in quick consensus on the need to act and what needs to be done. This occurred in 2014 when the District met with staff from the San Jose Water Company and City of Santa Clara to discuss concerns with groundwater levels approaching subsidence thresholds within their service areas. In that case, a single meeting led to quick agreement on the need to voluntarily adjust pumping. This framework is intended to support similar decisive action at the staff level when possible.

Step 5: Action Plan

Based on the timeline and roles identified during the initial stakeholder consultation, District staff and/or affected stakeholders will develop a draft action plan to address the issue. This action plan will identify the desired outcome and clearly define actions needed, roles and responsibilities, implementation schedule, and how the issue will be monitored. The action plan will also explain the mechanism and timing of status reports to the Board and interested stakeholders. If the proposed mitigation involves pumping curtailment, staff recommends that affected pumpers have the first opportunity to propose an action plan to meet the desired outcome.

In the 2014 example mentioned above, District and retailer staff collaborated quickly and effectively to reduce localized pumping and minimize the risk of subsidence. Similarly, it is expected that some issues can be effectively resolved at the staff level, with ongoing reporting to the Board Committee and stakeholders as appropriate. However, effective action plans for more severe, challenging, or widespread issues may need to be elevated to allow for more extensive input. In these cases, it may be appropriate to develop the action plan in consultation with all potentially interested stakeholders through the open forum of the Board Committee.

Step 6: Voluntary Action (Preferred Option)

Staff, affected pumpers, and other interested stakeholders will work to finalize an action plan that is likely to be effective in addressing the identified issue. This is the preferred option, which avoids resorting to the need to potentially regulate pumping under SGMA authorities. If agreement for voluntary action is reached, all entities responsible for implementing the action plan will need to concur with the action plan prior to implementation.

Step 7: Potential Well/Pumping Regulation

The District and affected pumpers may not reach consensus on a voluntary action plan or implementation of a voluntary action plan may not prove effective in addressing the identified issue. In those cases, the District may need to consider implementing any of the authorities provided by SGMA under the following process:

1. Discuss groundwater conditions and the potential need for pumping regulation at the Water Conservation and Demand Management Committee and receive input from the Committee and stakeholders;
2. Implement action recommended by the Committee, which may include, but not be limited to, discussion with the full Board, further District action, or additional attempts to reach consensus on voluntary action;
3. Prepare a draft ordinance to regulate groundwater extraction in accordance with Water Code §10726.4 or otherwise exercise authorities provided by SGMA; and
4. Conduct a public hearing for Board consideration of the proposed ordinance.

Step 8: Implementation, Monitoring, and Reporting

The District, affected pumpers, and other identified stakeholders will implement the voluntary and/or mandatory actions described in the action plan and/or ordinance. District staff will monitor the status of action commitments, groundwater conditions, and performance in meeting the desired outcome. Related reporting to the Committee and/or Board as well as interested stakeholders will be in accordance with the action plan or ordinance. Based on the monitoring results and progress toward meeting the desired outcome, operations may return to normal or the voluntary/mandatory action may need to be modified. Successful execution of this step will require close tracking/monitoring and good communication.

Time Frame for Implementation Framework

There are no fixed time frames assigned to each step above due to the wide range of possibilities in terms of potential issues and related action needed, including whether it is voluntary or mandated. Staff anticipates that, for more manageable issues, effective voluntary action could be implemented within six months. More severe or widespread issues may take longer to address, even through voluntary action, as they may require consideration by a city council, board, or regulatory agency, or due to implementation lead time.

It is expected that if pumping regulation became necessary, implementation of the process listed under Step 7 would take several months to provide adequate noticing and opportunity for input. This time frame should be considered to correspond to the most extreme and severe conditions, with more time likely needed to fully engage potentially affected pumpers and interested stakeholders on this complex and controversial issue.

The severity of the issue will correspond to the response, with more resources and urgency allocated to more extreme issues. In any case, the District will work to expedite an effective response to minimize the risks to beneficial users or groundwater resources, and will remain committed to prioritizing voluntary collaboration over regulation whenever possible.



Committee: Water Conservation and Demand Management
Meeting Date: 12/14/17
Agenda Item No.: 4.5
Unclassified Manager: Michele King
Email: mking@valleywater.org
Est. Staff Time: 5 Minutes

COMMITTEE AGENDA MEMO

SUBJECT: Review of Water Conservation and Demand Management Committee Work Plan, any Outcomes of Board Action or Committee Requests and the Committee's Next Meeting Agenda

RECOMMENDED ACTION:

Review the Committee work plan and Planning Calendar to guide the Committee's discussions regarding policy alternatives and implications for Board deliberation.

SUMMARY:

The attached Work Plan and Planning Calendar outlines the topics for discussion to be able to prepare policy alternatives and implications for Board deliberation. The work plan and planning calendar are agendaized at each meeting as accomplishments are updated and to review additional work plan assignments by the Board.

BACKGROUND:

Governance Process Policy-8:

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

The Board Ad Hoc Committee is comprised of less than a quorum of the Board and/or external members having a limited term, to accomplish a specific task, is established in accordance with the Board Ad Hoc Committee procedure (Procedure No. W723S01), and will be used sparingly. Annually, the purpose of an established Ad Hoc Committee will be reviewed to determine its relevance.

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 advice and comment.

ATTACHMENT(S):

Attachment 1: Water Conservation and Demand Management Committee 2017 Work Plan

2017 Work Plan: Water Conservation and Demand Management Committee

Update: November 2017

ITEM #	WORK PLAN ITEM	MEETING	ACTION/DISCUSSION OR INFORMATION ONLY	ACCOMPLISHED OUTCOMES
1	Receive Information on Conservation Measure Connections/Obligations addressed in the CA Waterfix	1-25-17	Discussion/Action Item	Accomplished January 25, 2017: The Committee received information on conservation measure connections/Obligations addressed in the CA Waterfix and took no action.
2	Consideration of potential approaches for receiving input from key stakeholders on development of plans, where necessary, for implementation of authorities available to the District under the Sustainable Groundwater Management Act (SGMA)	1-25-17	Discussion/Action Item	Accomplished January 25, 2017: The Committee considered potential approaches for receiving input from key stakeholders development of plans, where necessary, for implementation of authorities available to the District under the Sustainable Groundwater Management Act (SGMA) and took no action.
3	Receive an Update on the District's Outreach Campaign (HOAs, Neighborhood Groups, Developers, Planning Agencies	1-25-17	Discussion/Action Item	Accomplished January 25, 2017: The Committee received an update on the District's Outreach Campaign (HOAs, Neighborhood Groups, Developers, Planning Agencies and took no action.

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

Attachment 1

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ITEM #	WORK PLAN ITEM	MEETING	ACTION/DISCUSSION OR INFORMATION ONLY	ACCOMPLISHED OUTCOMES
4	Update on Golf Course Coalition Proposal	1-25-17 2-23-17 3-24-17 4-27-17 8-28-17	Discussion/Action Item	<p><u>Accomplished January 25, 2017:</u> The Committee received an update on Golf Course Coalition Proposal and took no action.</p> <p><u>Accomplished February 23, 2017:</u> The Committee received an update on Golf Course Coalition Proposal and took no action.</p> <p><u>Accomplished March 24, 2017:</u> The Committee received an update on Golf Course Coalition Proposal and took no action.</p> <p><u>Accomplished April 27, 2017:</u> The Committee received an update on Golf Course Coalition Proposal and took no action.</p> <p><u>Accomplished August 28, 2017:</u> The Committee received an update on Golf Course Coalition Proposal and took no action.</p>

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ITEM #	WORK PLAN ITEM	MEETING	ACTION/DISCUSSION OR INFORMATION ONLY	ACCOMPLISHED OUTCOMES
5	Review of 2017 Water Conservation Ad Hoc Committee Work Plan and the Outcomes of Board Action of Committee Requests	1-25-17 2-23-17 3-24-17 4-27-17 6-15-17 8-28-17 10-19-17 12-14-17	Discussion/Action Item	<p><u>Accomplished January 25, 2017:</u> The Committee reviewed their work plan for 2017 and added Safe, Clean Water Conservation Grant Research Results to their work plan. Joined items #11, 12 and 13 to #4 Water Master Plan and correct #14f to read hold conversations.</p> <p><u>Accomplished February 23, 2017:</u> The Committee reviewed their work plan for 2017 and removed item #12 since all of its elements are included in work plan items 1 - 11.</p> <p><u>Accomplished March 24, 2017:</u> The Committee reviewed their work plan for 2017 and took no action.</p> <p><u>Accomplished April 27, 2017:</u> The Committee reviewed their work plan for 2017 and took no action.</p> <p><u>Accomplished June 15, 2017:</u> The Committee reviewed their work plan for 2017 and took no action.</p> <p><u>Accomplished August 28, 2017:</u> The Committee reviewed their work plan for 2017 and took no action.</p> <p><u>Accomplished October 19, 2017:</u> The Committee reviewed their work plan for 2017 and took no action.</p>

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ITEM #	WORK PLAN ITEM	MEETING	ACTION/DISCUSSION OR INFORMATION ONLY	ACCOMPLISHED OUTCOMES
6	Update on State Water Resources Control Board (SWRCB) (Emergency Regulation; Making Water Conservation a California Way of Life)	2-23-17	Discussion/Action Item	<p><u>Accomplished February 23, 2017:</u> The Committee received an update on State Water Resources Control Board (SWRCB) (Emergency Regulation; Making Water Conservation a California Way of Life) and took no action.</p>
7	Update on the Evaluation of New Sustainable Groundwater Management Act (SGMA) Authorities	2-23-17 3-24-17 4-27-17	Discussion/Action Item	<p><u>Accomplished February 23, 2017:</u> The Committee received an update on the Evaluation of New Sustainable Groundwater Management Act (SGMA) Authorities and took no action.</p> <p><u>Accomplished March 24, 2017:</u> The Committee received an update on the Evaluation of New Sustainable Groundwater Management Act (SGMA) Authorities and took no action.</p> <p><u>Accomplished April 27, 2017:</u> The Committee received an update on the Evaluation of New Sustainable Groundwater Management Act (SGMA) Authorities and took no action.</p>

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ITEM #	WORK PLAN ITEM	MEETING	ACTION/DISCUSSION OR INFORMATION ONLY	ACCOMPLISHED OUTCOMES
8	<p>Presentation on Conservation and Demand Management Elements of the Draft 2017 Water Supply Master Plan Include in the plan:</p> <p>Water Use Efficiency Standards and Requirements</p> <ul style="list-style-type: none"> • Green Business Program • LEED certification • CalGreen • Ordinances <p>Information on new technology related to water conservation, including:</p> <ul style="list-style-type: none"> • Smart metering (AMI), • Leak detection/repair • Others? <p>If needed, invite experts to present to the Committee</p> <p>Should District invest/get involved in development of new local water, i.e.</p> <ul style="list-style-type: none"> • Rainwater harvesting • On-site storm water retention • Infiltration of high quality storm water • Gray Water <p><i>Committee to review the issue question, and include working with cities on building codes and future planning, offering incentives, and identifying District role.</i></p>	<p>1-25-17 3-24-17</p>	<p>Discussion/Action Item</p>	<p><u>Accomplished January 25, 2017:</u> The Committee received a presentation on conservation and demand management elements of the Draft 2017 Water Master Plan and took no action.</p> <p><u>Accomplished March 24, 2017:</u> The Committee received a presentation on conservation and demand management elements of the Draft 2017 Water Master Plan and took no action.</p>

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ITEM #	WORK PLAN ITEM	MEETING	ACTION/DISCUSSION OR INFORMATION ONLY	ACCOMPLISHED OUTCOMES
9	Legislative Update/Making Water Conservation a California Way of Life) State Long-Term Framework	4-27-17 10-19-17	Discussion/Action It	<p>Accomplished April 27, 2017: The Committee received a presentation on making water conservation a California Way of Life and took no action.</p> <p>Accomplished October 19, 2017: The Committee received an update on Legislative actions and took no action.</p>
10	The water conservation and demand management components of the Water Supply Master Plan (AMI, leak detection, rainwater harvesting, stormwater capture, model ordinance, etc. Exploration of South County Treatment Plant	6-15-17 8-28-17 12-14-17	Discussion/Action Item	<p>Accomplished June 15, 2017: The Committee received a presentation on the water conservation and demand management components of the Water Supply Master Plan and took no action.</p> <p>Accomplished August 28, 2017: The Committee received a presentation on the water conservation and demand management components of the Water Supply Master Plan and took the following action:</p> <ul style="list-style-type: none"> The Committee approved to have the Board consider approving staff to begin implementation of those “No Regrets” items on the list and begin working on pre-planning budget for the next fiscal year. <p><i>The Board approved at their September 19, 2017, meeting</i></p>
11	Sustainable Groundwater Management Act (SGMA) Update – Potential Basin Triggers Related to SGMA Authorities	6-15-17	Discussion/Action Item	<p>Accomplished June 15, 2017: The Committee received a presentation on SGMA Update – Potential Basin Triggers Related to SGMA Authorities and took no action.</p>

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2017 Work Plan: Water Conservation and Demand Management Committee

Update: November 2017

ITEM #	WORK PLAN ITEM	MEETING	ACTION/DISCUSSION OR INFORMATION ONLY	ACCOMPLISHED OUTCOMES
12	Sustainable Groundwater Management Act (SGMA) Update – Discussion of Fixed and/or Tiered Fees	6-15-17	Discussion/Action Item	Accomplished June 15, 2017: The Committee received a presentation on SGMA Update – Discussion of Fixed and/or Tiered Fees and took no action.
13	Outreach/Messaging	8-28-17 12-14-17	Discussion/Action Item	Accomplished August 28, 2017: The Committee received an update on Outreach/Messaging and took no action.
14	Sustainable Groundwater Management Act (SGMA) Update – Preliminary Analysis of Groundwater Extraction Regulation	8-28-17	Discussion/Action Item	Accomplished August 28, 2017: The Committee received an update on SGMA Update – Preliminary Analysis of Groundwater Extraction Regulation and took no action.
15	Sustainable Groundwater Management Act (SGMA) Update – Preliminary Analysis of SGMA Charge	8-28-17	Discussion/Action Item	Accomplished August 28, 2017: The Committee received an update on SGMA Update – Preliminary Analysis of SGMA Charge and took the following action. <ul style="list-style-type: none"> The Committee approved to have the Board consider approving staff to continue with the next steps of the SGMA rates.
16	Sustainable Groundwater Management Act (SGMA) Update – SGMA Authority Implementation Framework Concepts	10-19-17	Discussion/Action Item	
17	Sustainable Groundwater Management Act (SGMA) Update – Proposed Implementation Framework and Next Steps	12-14-17	Discussion/Action Item	
18	Landscape Water Use Evaluation Program	12-14-17	Discussion/Action Item	

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Attachment 1

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Handouts

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Doug Muirhead
Via email 12-4-17

Agenda Item No.: 4.3

SUBJECT: Water Supply Master Plan Update

Graywater Rebate Program Expansion

[Staff] Additional modifications under consideration include:
expanding the program to include graywater systems other than
laundry to landscape

{Comment:} In what way(s) does the District plan to expand the program?

Staff's Answer: Potential modifications include an increased rebate amount for Laundry to Landscape (L2L) systems, expanding current L2L program to include a direct-install component, and/or expanding program to include graywater systems that connect to bathroom sinks, baths, and/or showers. Staff will be reviewing all options over the next six months.

{Comment:} When the District presented its Laundry to Landscape workshop in Morgan Hill in February 2017, this was the only system exempt from regulatory control and local permitting. Has the State changed regulations governing graywater systems?

Staff's Answer: No, the State regulations have not changed since 2013.

{Comment:} What expanded systems are allowed with permits in the various County jurisdictions?

Staff's Answer: Beyond L2L systems, "simple" and "complex" systems are allowed with permits by the CA Plumbing Code and are defined by their discharge capacity. Simple systems have a discharge capacity of 250 gallons per day or less whereas complex systems are over 250 gallons per day. Either system may include clothes washers, showers, baths, or bathroom sinks as graywater sources. At this time, it is unknown which land-use agencies in the county have adopted this portion of the CA Plumbing Code. However, as the District evaluates how to expand our current program, we will collaborate with local land use agencies to confirm what is allowed.

Doug Muirhead
Via email 12-4-17

{Comment:} Would this go as far as subsidizing installations such as the Australian Nexus eWater treated graywater system?

Staff's Answer: Most likely not as these types of systems, often referred to as "manufactured" or "whole-house" graywater systems, are typically more appropriate for new construction. As such, the draft model ordinance for new developments the District has been contributing to includes a reference to these types of systems.

{Comment:} How does diversion of wastewater for reuse impact the inputs to wastewater treatment plants (biological controls, expansion plans) and outputs for recycled and purified water?

Staff's Answer: Reducing waste water flow via indoor conservation efforts can potentially have unintended consequences. Several publications have been released recently (e.g., [Adapting to change: utility systems and declining flows](#)) and this issue is something the District is following closely. Staff does not anticipate that the currently proposed level of reuse will adversely impact wastewater treatment plants.

Leak Repair Incentives + Advanced Metering Infrastructure

[Staff] AMI information will help inform how best to design a program by better understanding the severity of the issue. ... AMI will provide data to help evaluate the effectiveness of leak repair incentives.

{Comment:} Does the state-mandated annual Water Loss Audit affect the potential design and implementation of the Leak Repair Incentives and Advanced Metering Infrastructure programs?

Staff's Answer: One of the programs initially considered as part of the Water Supply Master Plan was leak repair incentives on the retailer side of the meter. That project is on hold pending the outcome of the state's water loss study, which will be used to determine a state-wide standard for retailer compliance. The leak repair program being proposed, and AMI, are primarily for the customer side of the meter, so they are not affected by SB 555 audits. We plan to use the results of several AMI pilot studies (funded through the Safe, Clean Water Innovative Water Conservation Grant Program) to develop our AMI program.

Doug Muirhead
Via email 12-4-17

Agenda Item No.: 4.3 (continued)
SUBJECT: Water Supply Master Plan Update

[Background] In November 2017, the Morgan Hill City Council received a report on 2016 Water Loss Audit as required by California Senate Bill 555, which requires all urban retail water suppliers in the State to submit a validated water loss audit annually to the Department of Water Resources (DWR) beginning October 2017. The water system loss for Morgan Hill in 2016 was 9.9%. The State has not set a benchmark for acceptable water loss yet, but will be doing so during the next 3 years.

The audit identified several primary areas for the City to work on to improve its audit scores:

- 1) Account for volume from own sources
 - a) SCVWD owns and maintains the meters on all City sources (wells). The City claims that the District meter testing program is not as rigorous as identified in M36 (American Water Works Association Manual of Water Supply Practices).
 - b) The City could improve the accounting of unmetered usages such as water line and well flushing, sewer cleaning, and construction water.

- 2) Improve customer metering inaccuracies

New Development Model Ordinance

[Staff] The model ordinance has been drafted and is being shared with key groups. The next step is to incorporate stakeholder input and then work with all the jurisdictions in Santa Clara County on adoption.

[Comment] This item was on your agenda in December 2016. At that time, staff said they had an administrative draft out for review by stakeholders. Can we get a real timeline?

Staff's Answer: The District participated on a Task Force to develop the model ordinance, however we are not the lead nor is it the District's ordinance. The effort has been led by the City of Morgan Hill and staff will remind them of the need to finalize this effort in a timely manner.

Doug Muirhead
Via email 12-4-17

[Comment] I commented repeatedly in 2015 and 2016 to HLUET and your Board on lack of public engagement or any public progress reporting for this multi-agency effort which started in September 2015.

Staff's Answer: The Task Force discussed this several times and concluded that each individual land use agency will conduct their own public outreach before adopting a version of the ordinance.

Doug Muirhead
Via email 12-4-17

Agenda Item No.: 4.4

**SUBJECT: Sustainable Groundwater Management Act (SGMA) Update -
Proposed Implementation Framework and Next Steps**

[Staff] Implementation Framework

The proposed framework approach avoids prescriptive triggers and actions and focuses on clarifying the process to respond to worsening conditions.

This maintains maximum flexibility ... and avoids unnecessary or ineffective actions.

The framework also identifies important guiding principles ...

{Comment:} The Department of Water Resources developed a "Sustainable Management Criteria - Best Management Practice November 2017". The document characterizes the relationship between the different sustainable management criteria - the sustainability goal, undesirable results, minimum thresholds, and measurable objectives. I am not clear on whether SCVWD staff's "avoids prescriptive triggers and actions" conflicts with having quantitative sustainable management criteria which allows GSAs to clearly demonstrate sustainability and allow the public and DWR to readily assess progress. Perhaps SCVWD staff, needing to consider and document the conditions at which each of the six sustainability indicators become significant and unreasonable in their basin, is relying on GSP Regulations allowing GSAs to use groundwater elevation as a proxy metric for any (or potentially all) of the sustainability indicators when setting minimum thresholds and measurable objectives? This is allowed, provided the GSP demonstrates that there is a significant correlation between groundwater levels and the other metrics. I would like to see links back to the submitted GSP for sustainability indicators, as well as the hydrogeologic conceptual model, current and historical groundwater conditions, and the water budget.

Staff's Answer: Staff supports your recommendation to provide a more direct link to the sustainability thresholds identified in the District's 2016 Groundwater Management Plan (GWMP), which was submitted to the CA Dept. of Water Resources as an Alternative to a Groundwater Sustainability Plan. The GWMP outcome measures are numeric targets related to groundwater storage, subsidence, and water quality that indicate the need for action. While groundwater conditions or issues unrelated to these targets may also require action, it is appropriate to acknowledge the GWMP outcome measures as potential triggers within the implementation framework. As discussed in previous Committee meetings, the scope of the action needed to address an identified issue may vary widely, so staff recommends that significant flexibility be maintained.