



ENVIRONMENTAL AND WATER RESOURCES COMMITTEE MEETING

MINUTES

**MONDAY, APRIL 15, 2019
6:00 PM**

(Paragraph numbers coincide with agenda item numbers)

A regular scheduled meeting of the Environmental and Water Resources Committee (Committee) Meeting was held on April 15, 2019, in the Headquarters Building Boardroom at the Santa Clara Valley Water District, 5700 Almaden Expressway, San Jose, California.

1. CALL TO ORDER/ROLL CALL

Chair Tess Byler called the meeting to order at 6:03 p.m.

Members in attendance were:

<u>District</u>	<u>Representative</u>
District 1	Loren Lewis, Rita Norton
District 2	Charles Ice, Elizabeth Sarmiento
District 3	Hon. Dean Chu, Rev. Jethroe Moore, II
District 4	Susan Blake*
District 5	Mike Michitaka, Marc Rauser*
District 6	Hon. Patrick S. Kwok
District 7	Tess Byler, Stephen A. Jordan, Arthur M. Keller, Ph.D. *

Members not in attendance were:

<u>District</u>	<u>Representative</u>
District 1	Bonnie Bamburg
District 3	Charles Taylor
District 4	John Bourgeois, Bob Levy
District 5	Hon. Tara Martin-Milius

Board members in attendance were: Director Nai Hsueh, Board Alternate and Director Linda J. LeZotte, Board Representative.

Staff members in attendance were: Joseph Atmore, Lisa Bankosh, Glenna Brambill, Anthony Fulcher, Vincent Gin, Garth Hall, Anthony Mendiola, Paul Randhawa, Afshin Rouhani and Darin Taylor.

Guest attendees were: Peter Drekmeier, Pat Ferraro, Shannon McEntee, Stephen Rosenblum and Dave Warner.

2. PUBLIC COMMENT

Mr. Peter Drekmeier, Mr. Pat Ferraro, Mr. Stephen Rosenblum, Ms. Shannon McEntee, and Mr. Dave Warner spoke on the following items: Drekmeier letter regarding the Bay Delta lawsuit, drought and rationing, water priority California appropriate water rights (senior/junior water right holders), fisheries, environmental concerns with lawsuit and recycled water.

*Ms. Susan Blake arrived at 6:06 p.m., Mr. Marc Rauser arrived at 6:07 p.m. and Arthur M. Keller, Ph.D., arrived at 6:13 p.m.

3. APPROVAL OF MINUTES

It was moved by Arthur M. Keller, Ph.D., seconded by Hon. Patrick S. Kwok, and carried by majority vote to approve the January 28, 2019, Environmental and Water Resources Committee meeting minutes, as amended, noting that Hon. Kwok was in attendance and remove Elizabeth Sarmiento as attending. Ms. Susan Blake, Mr. Steve Jordan and Ms. Elizabeth Sarmiento abstained.

4. 4.1 STANDING ITEMS REPORT

Ms. Glenna Brambill, Director Nai Hsueh, Chair Tess Byler and Director Linda J. LeZotte explained the purpose of the new standing agenda item and the connection with the Board's priorities for the fiscal year.

Committee Members, Mr. Mike Michitaka, Mr. Steve Jordan, Hon. Dean Chu, Ms. Elizabeth Sarmiento, Ms. Rita Norton, Mr. Loren Lewis had questions on the following: learning Valley Water's financial picture, the new standing report's list is clear and concise, LVE project and environmental issues of Bay Delta lawsuit.

Mr. Garth Hall, Directors Nai Hsueh and Linda J. LeZotte were available to answer questions.

The Committee took no action.

5. ACTION ITEMS

5.1 REVIEW AND COMMENT TO THE BOARD ON THE FISCAL YEAR 2019-20 PROPOSED GROUNDWATER PRODUCTION CHARGES

Mr. Anthony Mendiola distributed the PAWS Report and reviewed the materials as outlined in the agenda item.

Committee Members, Mr. Marc Rauser, Hon. Patrick S. Kwok, Arthur M. Keller, Ph.D., Mr. Steve Jordan, Mr. Mike Michitaka, Ms. Rita Norton, Ms. Tess Byler, Mr. Charles Ice and Ms. Elizabeth Sarmiento, discussed the following: water service agreement pushes down costs/funding, P3 purified water status of Phase I and Phase 2-why is it being deferred, where do cost projection funds come from (diagram would be helpful), P3 purchased by unit or line by line, accrual or cash based, debt service, 2017 bar goes up-looking at future is different, special tax, capital projects, column on proposed max, where does subsidy come from, Pacheco or San Luis Reservoirs usable, encouraged to keep costs low, gold bars vs blue bars, adding San Jose Municipal Water and San Benito County in the benchmarking process, costs with rating bonds,

zones of benefit split. case studies, water conservation and agricultural incentives and risk analysis of water supply with earthquakes.

Mr. Garth Hall and Mr. Darin Taylor were available to answer questions.

The Committee took the following actions:

It was moved by Hon. Patrick S. Kwok, seconded by Mr. Steve Jordan, and carried by majority that the Environmental and Water Resources Committee approve that the Board of Directors consider the Committee's recommendation to approve the proposed groundwater production charge rates:

1. Staff proposes a 6.6% increase in the North County (Zone W-2) Municipal and Industrial groundwater production charge from \$1,289/AF to \$1,374/AF. The proposal equates to a monthly bill increase for the average household of \$2.93 or about 10 cents a day and,

In the South County (Zone W-5), staff proposes a 6.9% increase in the M&I groundwater production charge from \$450/AF to \$481/AF. The proposal equates to a monthly bill increase for the average household of \$1.07 or about 4 cents per day.

2. It was moved by Arthur M. Keller, Ph.D., seconded by Mr. Marc Rauser, and carried by majority that the Environmental and Water Resources Committee approve that the Board of Directors consider the Committee's approval of having staff supply additional financial data to the Committee for next year's analysis of groundwater production charges. Giving the Committee sources and use of funds/revenue with a breakdown and clarity of where the funds come from North vs South County costs so the Committee can make an informed decision on the rates in the future.

5.2 UPDATE ON OPEN SPACE CREDIT

Mr. Joseph Atmore reviewed the materials as outlined in the agenda.

Committee Members, Arthur M. Keller, Ph.D., Ms. Tess Byler, Ms. Rita Norton, Hon. Dean Chu, Mr. Marc Rauser, Mr. Charles Ice and Mr. Loren Lewis, discussed the following: groundwater charges versus subsidy, flat water use, Santa Clara Valley Open Space, North and South County differences on the Williamson Act, the Act is for the larger farmer and it needs to be equitable, source of money, does County's Ag plan align, there was a motion in January and members supporting keeping the costs low.

Mr. Darin Taylor was available to answer questions.

The Committee took the following action:

It was moved by Mr. Charles Ice seconded by Mr. Marc Rauser, and carried by majority vote to approve that the Board of Directors consider the Committee's approval of keeping the ag water rate the same and not consider the Williamson Act/Conservation Easement properties and keeping everyone equal.

5.3 UPDATE FROM WORKING GROUPS

Chair Byler stated there were no reports from any working group.

The Committee took no action.

5.4 REVIEW OF ENVIRONMENTAL AND WATER RESOURCES COMMITTEE WORK PLAN, THE OUTCOMES OF BOARD ACTION OF COMMITTEE REQUESTS AND THE COMMITTEE'S NEXT MEETING AGENDA

Chair Byler and Ms. Glenna Brambill reviewed the materials as outlined in the agenda item.

The Committee took the following action.

It was moved by Arthur M. Keller, Ph.D., seconded by Ms. Tess Byler, and carried by majority vote to approve the change work plan item #9 (Water Supply Master Plan) to an action item and add Bay Delta Plan Update to the working plan.

Rev. Jethroe Moore, II, left at 8:25 p.m. and did not return.

6. CLERK REVIEW AND CLARIFICATION OF COMMITTEE'S REQUESTS TO THE BOARD

Ms. Glenna Brambill reported there were three action items for the Board consideration.

Agenda Item 5.1

The Committee took the following actions:

1. Environmental and Water Resources Committee by majority vote, that the Board of Directors consider the Committee's recommendation to approve the proposed groundwater production charge rates:

Staff proposes a 6.6% increase in the North County (Zone W-2) Municipal and Industrial groundwater production charge from \$1,289/AF to \$1,374/AF. The proposal equates to a monthly bill increase for the average household of \$2.93 or about 10 cents a day.

In the South County (Zone W-5), staff proposes a 6.9% increase in the M&I groundwater production charge from \$450/AF to \$481/AF. The proposal equates to a monthly bill increase for the average household of \$1.07 or about 4 cents per day.

2. Environmental and Water Resources Committee by majority vote, that the Board of Directors consider the Committee's approval of having staff supply additional financial data to the Committee for next year's analysis of groundwater production charges. Giving the Committee sources and use of funds/revenue with a breakdown and clarity of where the funds come from North vs South County costs so the Committee can make an informed decision on the rates in the future.

Agenda Item 5.2:

Environmental and Water Resources Committee by majority vote (9 yes/4 no), that the Board of Directors consider the Committee's approval of keeping the ag water rate the same and not consider the Williamson Act/Conservation Easement properties and keeping everyone equal.

Agenda Item 5.4:

Environmental and Water Resources Committee by majority vote, that the Board of Directors consider the Committee's approval of adding the Bay Delta Plan to the Committee's work plan.

7. REPORTS

7.1 DIRECTOR'S REPORT

None.

7.2. MANAGER'S REPORT

Mr. Garth Hall reported on the following:

- Water Conservation Plans continuing
- April 26, 2019, Water Conservation and Demand Management Committee meeting will be proposing ongoing implementation of metering infrastructure
- Model Ordinance Plan introduced to other cities (retailers)

7.3 COMMITTEE MEMBER REPORTS

Introduced Ms. Susan Blake as the newest EWRC Member, District 4 and she gave a short bio on her background.

7.4 LINK TO INFORMATIONAL REPORTS

None.

8. ADJOURNMENT

Chair Ms. Tess Byler adjourned at 8:30 p.m. to the next regular meeting on Monday, July 15, 2019, at 6:00 p.m., in the Santa Clara Valley Water District Headquarters Boardroom.

Submitted by:

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

Approved: 7-15-19