



SANTA CLARA VALLEY WATER DISTRICT (VALLEY WATER)
WATER STORAGE EXPLORATORY COMMITTEE

MINUTES

**WEDNESDAY, JANUARY 15, 2020
3:00 PM**

(Paragraph numbers coincide with agenda item numbers)

A regular meeting of the Water Storage Exploratory Committee (Committee) was held on January 15, 2020, in the Headquarters Building Boardroom at Valley Water, 5700 Almaden Expressway, San Jose, California.

1. CALL TO ORDER

The Water Storage Exploratory Committee was called to order by Chair Director Gary Kremen at 3:01 p.m.

1.1 ROLL CALL

Board Members in attendance were: Director Gary Kremen-District 7, Director Richard P. Santos-District 3, and Director John L. Varela-District 1.

Staff in attendance were: Bradly Arnold, Glenna Brambill, Jerry De La Piedra, Andrew Garcia, Garth Hall, Nina Hawk, Brian Hopper, Dana Jacobson, Eric Leitterman, Kathleen Low, Bill Magleby, Ryan McCarter, Steven Peters, Metra Richert, Eli Serrano, Charlene Sun and Beckie Zisser.

Guests in attendance were: Maureen Martin, Ph.D. (Contra Costa Water District-CCWD), Steve Jordan and Tim Francis (BAWSCA) and Katja Irvin.

2. CLOSED SESSION

Chair Director Gary Kremen moved this item to the end of the agenda.

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

There was no one present who wished to speak.

4. APPROVAL OF MINUTES

4.1 APPROVAL OF MINUTES

It was moved by Director Richard P. Santos, seconded by Director John L. Varela, and unanimously carried to approve the minutes of the December 11, 2019, meeting of the Water Storage Exploratory Committee as presented.

5. INFORMATION ITEMS

5.1 STANDING ITEMS INFORMATION

1. Update on Los Vaqueros Reservoir Expansion Project (LVE) Transfer Bethany Pipeline (TBP) (Metra Richert) and Update on Management of South Bay Aqueduct (SBA) Facilities (Erin Baker)

Report:

- Valley Water staff attended the Joint Powers Authority (JPA) and Service Agreement (i.e., term sheet) workshop held by Clean Energy Capital (CEC) and Contra Costa Water District (CCWD). Topics discussed included the allocation of fixed and variable costs, Local Agency Partner (LAP) creditworthiness, and other project cost-related topics; as well as the term and post-term of the agreement, off-ramps, and services to be provided.
- Independent reviewers of the project (existing facility) usage fees released a draft evaluation report to the LAPs and facility owners CCWD and East Bay Municipal Utility District (EBMUD). The report provides commentary on the calculation and application of various fee components proposed by CCWD and EBMUD. The final report is expected to be circulated by early 2020.
- Selection of legal counsel to develop the draft JPA formation documents is underway, and expected to be complete in December.
- Staff are evaluating Bay Area Water Supply & Conservation Agency (BAWSCA)/San Francisco Public Utilities Commission request to convey, treat and transfer their LVE Project water through the South Bay Aqueduct (SBA), Valley Water's Water Treatment Plants, and the Milpitas Intertie. Several concept scenarios have been provided to Valley Water staff for analysis, many which differ in timing and reliance on SBA and Valley Water facilities. Staff have requested additional details and refined scenarios from SFPUC and BAWSCA.
- Valley Water executive management met with General Managers of other LAPs on December 9, 2019 to discuss proposed use of SBA facilities to convey LVE project water for BAWSCA and SFPUC. The meeting focused on discussion of current SBA infrastructure conditions and assessments, and the potential issues with increased reliance on the SBA given current facility limitations (e.g., reduced operational capacity).
- Valley Water staff is coordinating a meeting between DWR Director Karla Nemeth, the South Bay Aqueduct Contractors (SBC), and other Los Vaqueros Expansion project partners including BAWSCA and SFPUC to discuss the use of the South Bay Aqueduct for the LVE project. Additionally, the SBC are working to hire a consultant to assess available SBA capacity to use as part of the LVE project.

2. Lake Del Valle (Cindy Kao)

Report: There is nothing to report at this time.

3. Del Puerto (Cindy Kao)
Report: There is nothing to report at this time.
4. Water Banking Opportunities including but not limited to Pleasant Valley Water District (Cindy Kao)
Report: See Agenda Item 6.1.
5. Pacheco (Christopher Hakes)
Report: There is nothing to report at this time.
6. Semitropic (Cindy Kao)
Report: Staff will be giving a verbal update at the January 15, 2020, meeting.
7. Sites (Cindy Kao)
Report: Staff will be giving a verbal update at the January 15, 2020, meeting.
8. San Luis Reservoir Low Point (Christopher Hakes)
Report: There is nothing to report at this time.
9. B.F. Sisk Dam Raise Project (Cindy Kao)
Report: Staff will be giving a verbal update at the January 15, 2020, meeting.
10. Shasta (Cindy Kao)
Report: There is nothing to report at this time.

The Committee discussed the following: LVE user groups/fees, final report review, hiring of attorney for the JPA, Transfer Bethany Pipeline (TBP) are investing in TBP or TBP storage (“bookends”), timelines, limitations, Prop 1 funding, current SBA Leak-fixing per schedule and partners—range of volume/capacity (BAWSCA-scenario).

Ms. Metra Richert, Maureen Martin, Ph.D. Mr. Garth Hall and Mr. Jerry De La Piedra were available to answer questions.

Mr. Jerry De La Piedra introduced newest staff, Mr. Andrew Garcia who reported on Del Puerto, estimate 82,000 acre-feet of new off stream storage-CVP-worth estimate \$420 m-current partners are Del Puerto and San Joaquin River Exchange Contractors Water Authority, draft EIR, project development, design and land acquisition and construction 6 years and Del Puerto received \$1.5 mil federal funding.

The Committee discussed the following: location-off I 5 by City of Patterson, potential opposition and Ms. Katja Irvin responded on behalf of Sierra Club-Loma Prieta Chapter.

Dr. Maureen Martin reported on the Transfer Bethany Pipeline (TBP)-benefits-references start and end of the pipeline, CCWD project is to connect their transfer station tie into the TBP and SBA, Prop 1 funding and environmental benefit-improve some mechanical features/small reduction of intake of salmonid and major water supply for wildlife refuges in Central Valley south of the Delta, adds additional points of diversion for Valley Water Climate change/sea level rise and salination in the Delta. Bring desalination pilot study report to Committee. Ms. Katja Irvin would like to receive updates on Pacheco.

Mr. Ryan McCarter gave update on Pacheco's environmental benefits which is habitat improvement for steelhead in releasing more water to enhance habitat Pacheco Creek runs in Pajaro River, colder water temperatures sustains the reproductive cycle of the species (public benefits as filed with Prop 1 funding).

Potential private investments need an update for next meeting.

Ms. Nina Hawk was available to answer questions.

The Committee took the following action:

It was moved by Director Gary Kremen, seconded by Director John L. Varela, and unanimously carried to recommend that the Board consider accelerating the partnerships discussion for Pacheco Reservoir Expansion Project.

Mr. Bradley Arnold reported on Semitropic update, as of October 31, 2019, there is full 350,000 in semitropic bank in Kern County, Valley Water staff worked with Zone 7 and Alameda County Water District to meet with Jason Gianquinto (General Manager of Semitropic) discussed future banking operations over SGMA, GSP content and submission Kern Groundwater Authority (KGA) to DWR, Semitropic with KGA, there is a MOU in place semitropic would maintain authority with enforcement activities of SGMA, staff attending Semitropic/KGA meetings, 3rd party banking concepts letter and Semitropic contract sunsets December 2035.

Mr. Eric Leitnerman reported on, Sites Reservoir update, project description being updated and will be a smaller/less expensive project, funding decisions, amendment to extend current project agreement at no cost through June 30, 2020, received additional \$6 mil for project, Governor's New Year's release as a smart storage project could benefit water supply and the environment. Ms. Nina Hawk reported on the visit to Sites Reservoir and a potential Joint Board Meeting, strategic planning, Prop 1 funding and partnerships.

Ms. Beckie Zisser was available to answer questions.

Mr. Dana Jacobson reported on, B.F. Sisk Dam Raise Project, beginning in 2007 Reclamation/DWR assessed seismic stability concerns, preferred alternative is to raise dam 12 feet, sure up embankment dam, extend for additional water supply storage, technical memorandum, modeling to determine potential benefits and staff will bring updated information at a later date.

Mr. Andrew Garcia reported on the Shasta Dam Raise Project, in November 2019 Westlands Water District signed a stipulation barring them from participating in the project resulting from the Attorney General's lawsuit, Reclamation is searching for non-federal/non-state partners - potentially a public private partnership (50% requirement), and project is on hold pending an executed record of decision.

6. ACTION ITEMS

6.1 PROPOSED GROUNDWATER BANKING PROJECTS (COMPARISON MATRIX)

Mr. Brad Arnold reviewed the materials as outlined in the agenda item.

The Committee discussed the following: reviewed the comparison matrix. adding political implications and the strain on the Delta, pumping restrictions (reverse flow), groundwater banking opportunities, partnerships, regulatory risks, SGMA concerns and bring the matrix back to committee with more completed information.

Ms. Nina Hawk was available to answer questions and explained more in detail of the matrix concept.

The Committee took no action.

6.2 REVIEW WATER STORAGE EXPLORATORY COMMITTEE WORK PLAN AND THE COMMITTEE'S NEXT MEETING AGENDA

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

Committee discussed the following work plan items: joining the Pacheco Project and San Luis Reservoir Low Point items together and possibly renaming it, bring back the revised comparison matrix, legislative guiding principles should be tied to SBA, having LVE as a stand-alone agenda item for the next meeting, Also, looking into the pros and cons of the Anderson project and verify with the CIP Committee for no overlaps and nexus to water storage. Mr. Brian Hopper will explore the legal issues along with the Committee's purpose for further discussion on Anderson.

7. CLERK REVIEW AND CLARIFICATION OF COMMITTEE ACTIONS

Ms. Glenna Brambill noted there were no action items for Board consideration.

Chair Director Gary Kremen moved to Agenda Item 2.

2. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Govt. Code Sec. 54956.9(d)(1)

SCVWD v. Jin, et al., Santa Clara County Superior Court, No. 19CV352227

Mr. Brian Hopper reported that direction was given to staff.

8. ADJOURNMENT

Chair Director Gary Kremen adjourned the meeting at 5:29 p.m.

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