



REGIONAL AND STATE-WIDE WATER SUPPLY AND CONSERVATION

The City of Santa Clara (City) operates 26 wells that tap the underground aquifers and make up about 62% of the City's potable water supply. The underground aquifers are replenished from local reservoirs by the Santa Clara Valley Water District (SCVWD) water recharge program. The remaining water is supplied by water imported from the SCVWD and the San Francisco Public Utilities Commission (SFPUC) through the Hetch-Hetchy Reservoir.

For certain approved non-potable uses, recycled water from the San Jose/Santa Clara Regional Wastewater Facility's South Bay Recycled Water (SBWR) facility is used. This highly treated water delivered through separate pipelines makes up about 16% of the water sales in the City. Recycled water offsets the use of potable sources in drought-prone California and is a reliable source for conservation of potable sources. The City continues to work closely with SBWR in order to increase recycled water supplies in order to meet existing demands within the City. Currently, SBWR is updating the Recycled Water Master Plan.

Specific items of interest include:

Water Supply and Conservation

From 2012 through 2016, water supplies were strained due to the drought. Consistent with water conservation orders issued by Governor Brown, the City established its Water Shortage Contingency Plan (WSCP), as amended, to set water reduction targets ranging from 20%-30% and called upon the City's residents and businesses to save water by reducing outdoor irrigation days and times, utilizing water-efficient practices, and discouraging wasteful uses of water. Residents and businesses collectively answered the call day in and day out, achieving water savings of over 30% in a single month during the peak of the drought.

Following the 2016-2017 winter season, which brought record levels of rain and snow, Governor Brown lifted the drought state of emergency in most California counties, including Santa Clara County. Though the statewide drought emergency may be over, Governor Brown noted that the next drought could be right around the corner and that conservation must remain a way of life in California. On July 18, 2017 due to improvements in water supply conditions and Governor Brown lifting the statewide drought emergency, Santa Clara City Council adopted a Resolution discontinuing the WSCP Plan 2 while setting a City-wide goal to maintaining a voluntary 10 percent reduction in water demands compared to 2013, in order to continue progress made in water conservation and make conservation a way of life. In addition, updates to Section 1.C of the City's Water Service and Use Rules and Regulations, Water Use Restrictions and Prohibitions were approved by Council. The City's Water Use Restrictions and Prohibitions section remain in effect at all times and continue to discourage wasteful uses of water.

AB 574 to expand the use of recycled water was signed into law in 2017. Existing uses of recycled water for non-potable uses has been well established. In December of 2016, the State Water Resources Control Board (SWRCB) released a study regarding direct potable reuse. Currently, there are no regulations in the United States at the federal or state level for direct potable reuse. The bill directs the SWRCB to set regulations for the use of recycled water for direct potable reuse. Santa Clara Valley Water District is interested in potable applications using wastewater resources from the San Jose/Santa Clara Regional Wastewater Facility.

On May 31, 2018, Governor Brown signed two bills, which built on ongoing efforts to “make water conservation a California way of life.” SB 606 and AB 1668 emphasize efficiency and stretching existing water supplies in our cities and on farms. Specifically, the bills call for creation of new urban efficiency standards for indoor use, outdoor use, and water lost to leaks, as well as any appropriate variances for unique local conditions. The SWRCB is scheduled to issue regulations consistent with these bills no later than June 30, 2022. The specific requirements for urban and agricultural water supplies are:

- Each agency will annually, beginning November 2023, calculate its own objective, based on the water needed in its service area for efficient indoor residential water use, outdoor residential water use, commercial, industrial and institutional (CII) irrigation with dedicated meters, and reasonable amounts of system water loss, along with consideration of other unique local uses (i.e. variances) and “bonus incentive,” or credit, for potable water reuse, using the standards adopted by SWRCB.
- Agencies must meet their water use objective. Those that don’t may be subject to enforcement by the SWRCB. Starting in 2023, SWRCB may issue informational orders to Agencies that do not meet their water use objective, and may issue conservation orders beginning in 2025.
- The indoor water use standard will be 55 gallons per capita daily (GPCD) starting January 2025; the standard will become stronger over time, decreasing to 50 GPCD in January 2030.
- The outdoor water use standard will be based on land cover, climate, and other factors determined by the Department of Water Resources (DWR) and SWRCB. SWRCB will adopt the outdoor standard by June 2022.
- The water leaks standard will be set by SWRCB pursuant to prior legislation (SB 555, 2015) by July 2020.
- In addition, the DWR and SWRCB will work collaboratively to define performance measures for CII water use by October 2021. SWRCB will adopt the CII performance measures by June 2022.
- To enhance drought planning and preparedness, Agencies will also be required to update urban water management plans that specify reliability of water supply, define the Agency’s strategy for meeting its water needs, including conducting annual “stress tests” of supply versus demand to ensure water service continuity assuming the five worst or driest years in the supplier’s historical record.

Bay-Delta Plan Update

The San Francisco Bay/Sacramento-San Joaquin Delta Estuary (Bay-Delta) is a hub for the state’s water supply system. SWRCB is in the process of developing and implementing updates to the Bay-Delta Plan to protect beneficial uses in the Bay-Delta watershed. The Bay-Delta Plan is being updated in two separated phases.

Phase I addresses flow requirements in the San Joaquin River tributaries, including the Tuolumne River, for the projection of fish and wildlife and salinity requirements in the southern Delta for the protection of agriculture. SWRCB adopted the Final Substitute Environmental Document (SED) and amendments to the Bay-Delta Plan in December 2018. The State’s update to the Bay-Delta Plan requires the release of much more water for fish; specifically, 40% of the unimpaired flow on the San Joaquin River tributaries, including the Tuolumne River, from February through June of each year. This requirement will substantially reduce the amount of water available for the 1.8 million

residents, 40,000 businesses, and thousands of community agencies in Alameda, San Mateo, and Santa Clara Counties.

Phase II addresses the reasonable protection of fish and wildlife beneficial uses in the Sacramento River and its tributaries, the Delta, the Mokelumne, Calaveras, and Consumnes rivers. The proposed Phase II changes to the Bay-Delta Plan include: new inflow requirements for the Sacramento River, its tributaries, and eastside tributaries to the Delta, the Mokelumne, Calaveras and Cosumnes rivers; new and modified Delta outflow requirements; new requirements for cold water habitat; new and modified interior Delta flow requirements; recommendations for complementary ecosystem protection actions that others should take; and adaptive management, monitoring, evaluation, special study, and reporting provisions. In October 2017, the final Scientific Basis Report that identified evidence supporting potential changes to the Bay-Delta Plan was posted. SWRCB is planning to release a draft SED/Staff report for Phase II in the upcoming months. Phase II would require between 45-65% of unimpaired flows releases on the Sacramento River which could result in reduced water available to Santa Clara County.

The San Francisco Public Utilities Commission (SFPUC) is the primary lead with respect to the SED regulations in coordination with the Bay Area Water Supply and Conservation Agency (BAWSCA). The City of Santa Clara is aligned with BAWSCA and SFPUC in supporting a voluntary negotiated settlement as the best way to provide an adequate and reliable supply from the Tuolumne River while providing adequate water for fish habitat. In December of 2016, Santa Clara provided a comment letter to SWRCB related to the 2016 Bay-Delta Plan Amendment and SED. The comment letter supported voluntary settlements and highlighted the need to fully analyze the environmental and economic impacts of any shortage to the SFPUC system and associated lost jobs and potential delayed development. On October 24, 2018, Mayor Gillmor sent a letter to the San Francisco Board of Supervisors asking for support of current negotiations underway and requesting to delay action on a Resolution that was urging support of SWRCB proposed updates to the 2006 Bay-Delta Plan. The City of Santa Clara supports goals that protect habitat and valuable watershed and believes a balance between environmental preservation and protection of the water supply for its residents and businesses can be achieved.

On December 12, 2018, the SWRCB adopted the Bay-Delta Plan Phase I Update. On the same day the California Department of Water Resources and California Department of Fish and Wildlife Services presented to the SWRCB a comprehensive Bay-Delta watershed voluntary settlement agreement. The SWRCB is currently working with stakeholders on the voluntary settlement agreement. On January 10, 2018, SFPUC joined a lawsuit with several Central Valley Irrigation Districts in order to preserve their options while negotiated settlements continue.

In general, BAWSCA, SFPUC and SCVWD have the lead on the primary regional issues around the water supply. However, City staff attend many manager, SWRCB and committee meetings in coordination with the aforementioned agencies in order to stay current on water resource issues and initiatives as they progress, in order to lend support wherever needed by the suppliers and meet the requirements set forth by the new legislation.

All support for SFPUC issues should be coordinated with BAWSCA. In some cases, BAWSCA may have suggestions, or to coordinate efforts, for the suburban agencies to be sure to maintain a consistent and appropriate level of support, and any other involvement. The issue is being addressed in all areas of our State government. Support may involve meetings, letters, public testimony, and assignment of staff so that the City can best respond as a retailer, and work with our suppliers in the interests of the City's residential and commercial water consumers.

City staff will continue to support and implement water conservation measures working in cooperation with BAWSCA, SFPUC, and SCVWD.

SB 623

SB 623, "Safe and Affordable Water Act" was proposed to have taxed California residents 95 cents a month for water services to raise millions for disadvantaged communities that lack access to safe and affordable water and clean up contaminated water. The bill was opposed by the Association of California Water Agencies (ACWA) because it would increase the cost of living for Californians and turn thousands of local water agencies into tax collectors for the State. In June 2018, legislative leaders dropped the tax initiative and agreed to spend \$5 million from the general fund to address lead in drinking water at child care centers. They also plan to allocate \$23.5 million from general fund for legislative actions related to safe drinking water initiatives. City staff received updates from ACWA through BAWSCA of which Santa Clara is a member agency. City staff will continue to work with partner agencies to oppose any future drinking water taxes.

Water Supply Reliability

The City supports efforts by its wholesalers and other State and Federal agencies to deliver water to Santa Clara customers using clean energy, ensuring both water supply reliability and environmental sustainability. The City works collaboratively with organizations like BAWSCA that represent City interests to determine the best avenue for advocacy. Examples of projects worthy of City support include the relicensing of the La Grange and Don Pedro Hydroelectric projects currently in the environmental review and planning process. The flow proposals through relicensing of these projects must properly balance environmental, agricultural, municipal and industrial beneficial uses of water. The environmental review process must evaluate impacts to the Bay Area's water supply, economy and environment. These types of projects will ensure efficient water delivery while protecting source water like the Tuolumne River.