



SOUTH COUNTY REGIONAL
WASTEWATER AUTHORITY

**JOINT WATER RESOURCES COMMITTEE
(CITY OF GILROY, CITY OF MORGAN HILL AND VALLEY WATER)**

MINUTES

**WEDNESDAY, AUGUST 4, 2021
8:30 AM**

(Paragraph numbers coincide with agenda item numbers)

1. Call to Order/Roll Call.

A meeting of the Joint Water Resources Committee (City of Gilroy, City of Morgan Hill and Valley Water) (Committee) was called to order at 8:30 p.m., via Zoom teleconference.

1.1. Roll Call.

Committee Members in attendance via Zoom teleconference were:

City of Gilroy: Hon. Marie Blankley, Mayor and Hon. Dion Bracco, Councilmember; City of Morgan Hill: Hon. Rene Spring, Councilmember and Hon. John McKay, Councilmember; and Valley Water: Hon. Richard P. Santos, Director District 3, and Hon. John L. Varela, Director, District 1.

Valley Water staff in attendance: Chief Executive Officer Rick Callender, H. Ashktorab, A. Baker, N. Bijoor, J. Burks, D. Candelas, K. Cisneros, N. Dominguez, V. De La Piedra, A. Fulcher, P. Giles, F. Gin, S. Greene, A. Gschwind, C. Hakes, E. Latedjou-Durand, H. McMahon, D. Rocha, M. Richert, K. Struve, A. Shannon, C. Sun and D. Tucker.

City of Gilroy staff in attendance: J. Forbis, and S. Vaziry

City of Morgan Hill staff in attendance: C. Ghione, J. Sylvain, and C. Turner

Guest Attendees: Mr. Doug Muirhead, Morgan Hill resident

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

Chairperson Santos declared time open for public comment on any item not on the agenda. There was no one present who wished to speak.

3. ELECTION OF COMMITTEE OFFICERS.

Chairperson Santos declared nominations open for 2021 Joint Water Resources Committee officers.

It was moved by Director John Varela, seconded by Councilmember Spring, and carried by roll call vote to re-elect Director Santos as Chair for the year 2021.

It was moved by Director Varela to nominate Councilmember Spring Vice Chair for the year 2021. Councilmember Spring declined the nomination.

It was moved by Chairperson Santos, seconded by Councilmember Spring, and carried by roll call vote to elect Director Varela as Vice Chair for the year 2021.

4. APPROVAL OF MINUTES.

4.1. Approval of December 19, 2019 Joint Water Resources Committee Meeting Minutes.

The Committee considered the attached minutes of the December 19, 2021 Joint Water Resources Committee meeting. It was moved by Director Varela, seconded by Chairperson Santos, and carried by roll call vote to approve the minutes as presented.

5. ACTION ITEMS.

5.1. Countywide Water Reuse Master Plan Update and Explore Water Reuse Expansion in South County.

Recommendation: Provide an update on the Santa Clara Valley Water District's (Valley Water) Countywide Water Reuse Master Plan (CoRe Plan), an integral component of Valley Water's Water Supply Master Plan.

Mr. David Tucker, Associate Engineer, reviewed the information on this item, per the attached Committee Agenda Memo, and the corresponding presentation materials contained in Attachment 1.

Mr. Doug Muirhead, Morgan Hill resident, expressed support for expansion of recycled water in South County, including a scalping plant in Morgan Hill. He expressed concern for dependency on imported water and suggested that consideration be given to groundwater recharge via the San Pedro ponds and Butterfield detention basin.

Councilmember Spring expressed support for a scalping plant in Morgan Hill and asked about timelines for implementation. Mr. Baker explained that it was necessary to begin discussions now to determine the overall needs and solutions, acquire permitting, design capital construction projects, etc., and that any implementation be anticipated to commence within the next five years.

Councilmember Spring requested that City of Morgan Hill's staff schedule a workshop for its Councilmembers and staff to receive more information on recycled water expansion efforts.

Mayor Marie Blankley introduced Daryl Jordan, Gilroy's new Public Works Director, and expressed appreciation for Valley Water's proactive efforts to provide an adequate water supply in South County. She noted she would be paying particular attention to impacts to Gilroy and how the costs would be divided among the agencies, and looks forward to the upcoming meeting with Valley Water's Board of Directors.

Councilmember John McKay expressed appreciation for the opportunity to discuss issues with Morgan Hill staff, shared his concern for the infrequency of Committee meetings, and questioned if there was a meeting frequency that would better serve Committee members' ability to engage with staff and constituents on this topic.

Councilmember Spring expressed concern for timelines and drought conditions, water supply resiliency, expansion of Pacheco Dam, reliability of imported water supplies, proposed means for bringing recycled water to South County and water storage. He commented on Morgan Hill residents' water conservation efforts and wants to ensure all other county residents are making similar efforts, and inquired about programs available to assist cities desiring to develop their own recycled water systems and expand purple pipe to increase water supply.

Mr. Hossein Ashktorab, Recycled and Purified Water Manager, recapped recycled water used for irrigation in South County and efforts to expand water recycling.

Councilmember McKay expressed concern for the unavailability of recycled water in Morgan Hill and equitable distribution throughout South County. He noted it would be a major but necessary undertaking to implement programs citing the uncertainty of future natural water supplies, and stressed the need to take control of how we use our existing water resources.

Mr. Ashktorab recapped coordinated efforts with Morgan Hill, Gilroy and South County Regional Wastewater Authority (SCRWA), the South County Master Plan (2004) created to address South County water resource issues, and the new CoRe Plan. Staff will continue collaborative efforts to determine the best way to expand recycled water in South County.

Councilmember McKay expressed that at some point water supply needs would take precedence over the cost of implementation.

Director Varela recapped legislative activities advocating for funding to support South County infrastructure improvements and recycled water expansion, Valley Water's efforts to collect statements of support from local representatives and agencies, and the importance of working as a team to achieve the desired goal.

The Committee noted the information without formal action.

5.2. South County Water Reuse Collaboration and Implementation.

Recommendation: Recommend to the Santa Clara Valley Water District (Valley Water) Board the development of a single comprehensive South County Water Reuse Agreement between Valley Water and South County Regional Wastewater Authority (SCRWA), City of Gilroy, and City of Morgan Hill.

Ms. Kirsten Struve, Assistant Officer, reviewed the information on this item, per the attached Committee Agenda Memo, and corresponding presentation materials contained in Attachment 1 were reviewed by Mr. Ashktorab.

Mr. Muirhead expressed concern for associated costs and educating residents regarding the need to pay for new water supplies, including increased rates, if necessary. He discussed Morgan Hill and Gilroy's 2019 sustainable water management planning technical document, which pointed at possibilities of independent water management. He expressed the importance of identifying whether the cities are working with Valley Water or working on their own projects and encouraged moving forward.

Mr. Aaron Baker, Chief Operating Officer, remarked that Valley Water plans to continue working with the cities to find a way to help each other and he looks forward to developing partnerships to bring additional water supplies to South County.

Mayor Blankley discussed staff's recommendation and the requested Committee action. Referencing Page 45, she expressed support for a single comprehensive agreement to move forward collaboratively but needs to see more information regarding how the costs would be divided. Regarding Pg. 45, Bullet No. 4, Mayor Blankley expressed reservation about separate entities, and supports the collaborative effort but wants to make sure the current structure is managed well.

Councilmember Spring expressed reservation to make a recommendation but was willing to recommend continued discussions to receive more information to assist with making a recommendation in the future and does not want to jeopardize the South County Regional Wastewater Authority (SCRWA) Joint Powers Agreement.

Councilmember McKay expressed the need for more info and was not willing to support staff's recommendation. He shared his concerns for the agricultural community and how recycled water would serve them. He expressed concern that any potable and non-potable water not being recycled was being wasted and supports moving forward to bring recycled water to South County.

Chief Executive Officer Rick Callender reviewed the success of Measure S, which supports watershed related developments and the infrastructure bill that may be a resource to support project funding. He explained that staff's recommendation was intended to direct staff from Gilroy, Morgan Hill and Valley Water to work together to develop a comprehensive product that details all aspects of a recycled water plan for South County and bring it back for the

Committee's review and consideration to make recommendations to their respective agencies.

Mayor Blankley clarified that she would be willing to support staff's recommendation with the exclusion of Bullet No. 4, Strengthened Committee authority and defined roles and responsibilities.

Councilmember Bracco expressed the need to receive more information on the proposals.

Councilmember Spring concurred with Mayor Blankley on exclusion of Bullet No. 4 and supports continued discussion toward the development of an MOU.

Ms. Struve suggested that the Committee consider recommending the development of a technical working group.

Councilmember McKay supported proposed changes to staff's recommendation for continued efforts to develop an MOU and define roles and responsibilities.

It was moved by Mayor Blankley, seconded by Councilmember Spring, and carried by roll call vote to recommend the formation of a technical working group comprised of Morgan Hill, Gilroy and Valley water staff to develop:

- One Comprehensive Water Reuse Agreement;
- Consistent terms and conditions countywide;
- Provisions to advance water reuse and purified water production, distribution and wholesaling; and
- Cost-sharing accords to integrate water conservation, reuse and supply.

5.3. Update on Santa Clara County Drought Conditions.

Recommendation: Receive information on Water Shortage Emergency Condition and Call for Conservation.

Ms. Struve reviewed the information on this item, per the attached Committee Agenda Memo, and corresponding presentation materials contained in Attachment 1.

Director Santos recapped outreach efforts regarding water conservation.

Mayor Blankley recapped the City of Gilroy's recently adopted Level 2 Water Supply Shortage and Conservation Mandates for an overall 21-35% water use reduction and water meters installed at all homes to track water usage and violations. Councilmember Bracco remarked on community water conservation efforts and increased water efficient landscapes.

Councilmember Spring recapped Morgan Hill's adopted restrictions and notification to residents, community water conservation efforts, and feedback received from constituents and other alternatives being investigated to bring water to California.

Councilmember McKay expressed his appreciation for the Committee member reports, shared constituents concern for continued development without a reliable water supply, asked to receive periodic updates on the development of the MOU regarding South County Water Reuse Collaboration and Implementation, and stressed the need for an aggressive plan to promote smart landscaping with Valley Water leading the effort.

5.4. Review 2021 Joint Water Resources Committee Work Plan.

Recommendation: A. Review the 2021 Joint Water Resources Committee Work Plan, and make adjustments as necessary; and
 B. Select a date for the next Joint Water Resources Committee meeting.

Ms. Natalie Dominguez, Assistant Deputy Clerk II, reviewed the information on this item, per the attached Committee Agenda Memo, and corresponding presentation materials contained in Attachment 1.

The following items were added to the Committee's Work Plan:

- Discussion of drought impacts on future residential development.
- Update from the Technical Working Group on development of an MOU.

At the suggestion of Director Varela, there was Committee consensus to convert to a regular monthly meeting schedule.

6. INFORMATION ITEMS.

None.

7. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.

Ms. Natalie Dominguez, Assistant Deputy Clerk II, read the new Committee Recommendations and Requests into the record, as follows:

Regarding Item 5.2:

It was moved by Mayor Blankley, seconded by Councilmember Spring, and carried by roll call vote to recommend the formation of a technical working group comprised of Morgan Hill, Gilroy and Valley water staff to develop:

- One (1) Comprehensive Water Reuse Agreement;
- Consistent terms and conditions countywide;
- Provisions to advance water reuse and purified water production, distribution and wholesaling; and
- Cost-sharing accords to integrate water conservation, reuse and supply.

Regarding Item 5.4:

The following items were added to the Committee's Work Plan:

- Discussion of drought impacts on future residential development.
- Update on development of MOU from Technical Working Group.

8. ADJOURN.

- 7.1. Adjourn to next meeting to be called to order in compliance with the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-08-21.

Chairperson Santos adjourned the meeting at 2:20 p.m., to the next meeting to be called to order in compliance with the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-08-21.

Natalie F. Dominguez
Assistant Deputy Clerk II

Approved: 10/06/2021