

Pacheco Reservoir Exploratory Ad Hoc Committee

Director John L. Varela
Director Gary Kremen (Committee Chair)
Director Richard P. Santos



AGENDA

SCVWD PACHECO RESERVOIR EXPLORATORY AD HOC COMMITTEE
Headquarters Building Board Conference Room 124
5700 Almaden Expressway
San Jose, CA 95118

TUESDAY, MAY 23, 2017
3:00 P.M.

Time Certain:

3:00 p.m.	1.	<u>Call to Order/Roll Call</u>
	2.	<u>Time Open for Public Comment on Any Item Not on the Agenda</u> <i>Comments should be limited to two minutes. If the Committee wishes to discuss a subject raised by the speaker, it can request placement on a future agenda.</i>
	3.	<u>New Business:</u> 3.1 Update on Studies of Pacheco Reservoir Enlargement, in Preparation for an Anticipated Proposition 1 Application (Garth Hall). Recommendation: Receive and discuss information presented by staff on the Pacheco Reservoir enlargement and the Proposition 1 Application. 3.2 Update on the State Division of Safety of Dams Issues with the Existing Pacheco Pass Dam, Owned and Operated by Pacheco Pass Water District (Garth Hall). Recommendation: Receive and discuss information presented by staff on the Division of Safety of Dams issues with the existing Pacheco Pass dam, owned and operated by Pacheco Pass Water District.
	4.	<u>Clerk Review and Clarification of Committee Actions</u>
	5.	<u>Adjourn</u>

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

PACHECO RESERVOIR EXPLORATORY AD HOC COMMITTEE PURPOSE:

The purpose of the Pacheco Reservoir Exploratory Ad Hoc Committee is to receive and discuss information on issues related to the LAFCO consideration of dissolution of Pacheco Pass Water District, the reorganization of its responsibilities and assets, as well as information related to the dam integrity and potential reservoir operating parameters for downstream aquatic habitat. The Committee representatives may assist their respective Board of Directors on policies and actions related to these matters.



Committee: Pacheco Reservoir
Exploratory Ad Hoc
Committee
Meeting Date: 5/23/2017
Agenda Item No.: 3.1
Unclassified
Manager: Garth Hall

COMMITTEE AGENDA MEMO

SUBJECT: Update on Studies of Pacheco Reservoir Enlargement, in Preparation for an Anticipated Proposition 1 Application

RECOMMENDED ACTION:

Receive and discuss information presented by staff on the Pacheco Reservoir enlargement and the Proposition 1 Application.

SUMMARY:

At its February 28, 2017 meeting, the Board authorized execution of a consultant agreement with Stantec to evaluate the feasibility of expansion of Pacheco Reservoir (Phase 1) and potential submittal of a Proposition 1 funding application for funding from the State's Water Storage Investment Program (WSIP). Since then, the following progress has been made:

- A consulting agreement was developed and negotiated, and then executed by the interim CEO on March 14, 2017. A notice to proceed letter was issued to Stantec on March 15, 2017.
- Since March 15, the project team has held numerous technical meetings to identify operational scenarios for the expanded Pacheco Reservoir. Pacheco Creek fisheries requirements were also identified to develop inputs to the model. Numerous operations model scenarios were developed and executed. The project elements under study for the Proposition 1 funding application are provided in Attachment 1. The project team is currently reviewing and refining the modeling work. Current analysis has identified no fatal flaws in cost, environmental benefits and impacts, or economic merit that would suggest the District terminate its efforts towards a Proposition 1 application. After further refinement and review of the analysis, staff will return to this Committee or will return to the full Board in conjunction with presentations on the 2017 Water Master Plan that include this project.
- On March 27, 2017, the project team held a meeting with the California Department of Fish and Wildlife (CDFW), Department of Water Resources (DWR), National Marine Fisheries Service, State Water Resources Control Board (State Board), and California Water Commission staff to inform them of the project and discuss agency requirements.

- The project team also participated in a workshop held by the California Water Commission in Sacramento on March 30, 2017. During the workshop, Commission staff and its consultants, as well as representatives from DWR, State Board, and CDFW presented the application process, clarified agency requirements, and addressed questions from the proponents of new water storage projects.
- On May 2, an internal stakeholder meeting for the project was held to brief and solicit feedback from District staff. Goals of the meeting included providing background and history on the reservoir expansion, describing the project's potential for Proposition 1 funding, communicating application requirements, identifying internal coordination needs, and identifying potential challenges and actions to overcome these challenges, including any fatal flaws. Several challenges were identified and the project team is working to address them.
- Staff prepared a cost-sharing agreement between San Benito County Water District (San Benito), Pacheco Pass Water District (Pacheco Pass) and the District, allowing the District to be reimbursed 5% of the consultants' fees, up to a maximum of \$45,000, from San Benito. San Benito is taking the agreement to its board on May 31 for approval and signature. Staff is awaiting response from Pacheco Pass.
- District staff has identified a subset of internal and external stakeholders to focus on for the Proposition 1 application and developed a draft communications plan.
- Staff is securing less than \$25,000 for services from an additional consultant that will provide support services and advise on stakeholder outreach related to the Proposition 1 WSIP application. Services will include technical and strategic analysis of project and application documents, review and revision of documents, and advising the project team on the funding application strategy. The objective of these services is to help the District increase the overall funding application score and distinguish its application from those of other applicants.
- District staff is gathering information and developing concepts for securing land rights for the expanded reservoir.

Background

An expanded Pacheco Reservoir (proximate to the pipeline that conveys Central Valley Project water from San Luis Reservoir to Santa Clara and San Benito counties) could potentially improve the District's water supply reliability by increasing operational flexibility and augmenting dry and critical year supplies. The project could also provide emergency supply, improve drinking water quality, enhance the run of South Central Coast steelhead on Pacheco Creek, and provide some flood control benefits. Project capital cost for expanding the reservoir from about 6 TAF to 130 TAF is tentatively estimated at \$800 million. Proposition 1 provides a potential opportunity for the District, along with partners such as Pacheco Pass and San Benito, to receive up to 50% funding towards project costs.

At its January 31, 2017 meeting, the Board received information from District staff on the potential merits of a Pacheco Reservoir expansion project and the opportunity to prepare an application for grant funding under the State's Proposition 1 Water Storage Investment Program

administered by the California Water Commission. The Board authorized the Board's Pacheco Reservoir Exploratory Ad Hoc Committee to meet with the Boards of the Pacheco Pass and San Benito to discuss opportunities for partnerships on the possible expansion of Pacheco Reservoir, and authorized staff to continue with negotiations on the single source consultant contract for Proposition 1 application.

In response to the Board's January 31 directives, the Board's Pacheco Reservoir Exploratory Ad Hoc Committee met with board members of San Benito and Pacheco Pass on February 23. Draft principles of agreement among the three districts were presented and discussed. These principles provide for commitments among the parties for coordination, communication, and support to prepare and submit an application for Proposition 1 funding. Representatives of Pacheco Pass and San Benito executed this document on February 27. On March 14, the District's Board authorized the Interim CEO to execute the principles of agreement (Attachment 2) and the District's CEO executed it on that date.

ATTACHMENT(S):

Attachment 1: Elements Under Analysis for the Pacheco Reservoir Expansion Proposition 1 Application

Attachment 2: Principles of Agreement between the District, San Benito County Water District, and Pacheco Pass Water District.

Elements Under Consideration in Proposition 1 Funding Application – Pacheco Reservoir Enlargement

Table 1. Elements Under Consideration for 130,000 acre-foot Pacheco Reservoir

Benefit	Description
M&I Water Supply	Increase M&I water treatment plant deliveries
M&I Water Quality	Avoid low point issues at San Luis Reservoir
Ecosystem Restoration – Pacheco Creek	Meet flow and temperature targets for Pacheco Creek based on Steelhead lifecycle requirements
Ecosystem Restoration – Delta Watershed	Provide net increase in refuge water supply deliveries in critical years
Flood Control	Evaluate benefits downstream in Pacheco Creek and Pajaro River – not yet included in analysis

Principles of Agreement
Submittal of Proposition 1 Application
and
Joint Investigation of Pacheco Reservoir Expansion

Parties: The parties to this Principles of Agreement ("Agreement") are Pacheco Pass Water District ("Pacheco Pass"), San Benito County Water District ("San Benito") and Santa Clara Valley Water District ("Santa Clara"), each referred to hereafter as "Party" or collectively as "Parties".

1) Interests of the Parties:

- a) San Benito and Santa Clara are seeking alternatives that will improve the reliability of their respective water supplies in dry years and the ability to manage their water supply, water quality, and operational risks.
- b) Pacheco Pass seeks to preserve the continued operational benefits it receives from Pacheco Dam and Reservoir, including groundwater recharge in Pacheco Creek upstream of the Highway 156 crossing.
- c) Pacheco Pass and San Benito seek a reduction of flood risk downstream of North Fork Dam and Pacheco Reservoir ("Pacheco Dam and Reservoir").
- d) Pacheco Pass seeks to limit future liability regarding the operation and maintenance of Pacheco Dam and Reservoir.
- e) The Parties are interested in improving ecosystem conditions in the Sacramento/San Joaquin Bay Delta, local creeks and the Monterey Bay.
- f) The Parties are interested in submitting a Proposition 1 Water Storage Investment Program funding application (Proposition 1 Funding Application) to the California Water Commission to help fund the potential expansion of Pacheco Dam and Reservoir that will allow achievement of their respective interests.

2) Purposes of the Agreement: The purposes of this Agreement are to (i) establish commitments for coordination and participation to evaluate the potential expansion of Pacheco Dam and Reservoir; (ii) coordinate efforts to prepare and submit a Proposition 1 Funding Application; (iii) establish options for Santa Clara (or Santa Clara and San Benito jointly) to acquire fee title to Pacheco Dam and Reservoir, or to acquire a possessory interest of Pacheco Dam and Reservoir via a long-term lease or other arrangement, which would enable the expansion of Pacheco Dam and Reservoir, and thereafter, its operation to meet the Parties' respective interests; and (iv) establish commitments to explore other mutually beneficial activities.

3) Term and Termination of Agreement: This Agreement becomes effective when signed by all the Parties, and expires three (3) years thereafter. Any Party may terminate this Agreement by providing at least thirty (30) days prior written notice.

4) Coordination:

- a) The Parties will: (i) coordinate efforts to develop and submit a Proposition 1 Funding Application; (ii) keep each other informed of progress; and (iii) make their related work products available for each Party's review.
- b) The Parties will seek input from other potential partners and stakeholders on the range of issues that may be studied, on participation in workgroups to carry out investigations, and on review of work products.

- c) Pacheco Pass will provide a formal resolution from its board of directors and/or other assurances required by the California Water Commission to ensure that Pacheco Dam and Reservoir is available to support the Proposition 1 Funding Application.
- d) The Parties shall develop and execute a comprehensive cost sharing agreement that specifies each Party's rights, interests and obligations regarding any potential expansion of Pacheco Dam and Reservoir.
- e) The Parties agree that feasible alternatives to expand Pacheco Dam and Reservoir: (i) must maintain operational benefits for Pacheco Pass, including groundwater recharge in Pacheco Creek upstream of the Highway 156 crossing, at least equal to the magnitude of recharge that would have existed absent expansion of the Pacheco Dam and Reservoir; (ii) will provide water supply benefits acceptable to Santa Clara and San Benito; and (iii) will include operations to improve the ecosystem and/or fishery benefits in both the Sacramento-San Joaquin Delta and local creeks.

5) Access for Investigations:

- a) Pacheco Pass will provide access to the existing Pacheco Dam and Reservoir and adjacent property that it owns or has rights of entry for the purpose of investigating structural, geologic, environmental and other aspects of proposed alternatives.
- b) Pacheco Pass will facilitate, to the extent they are able, access to property in the watershed owned by others, as necessary to carry out investigations.
- c) Pacheco Pass will provide access to any relevant records that may assist with the evaluation of alternatives, including records of Pacheco Dam and Reservoir operations and maintenance and diversions in the watershed.
- d) Santa Clara and San Benito will each provide any relevant records or previous studies that may assist with evaluation of alternatives, including records of San Felipe Division operation and maintenance and diversions in the watershed.

6) Cost Sharing of Consultant Contracts: Santa Clara and San Benito shall share in the cost of consulting services up to \$900,000 to prepare the Proposition 1 Funding Application at the following ratios:

- Santa Clara: 95%
- San Benito: 5%

Agreed:

PACHECO PASS WATER DISTRICT

By: *Frank O'Connell*

Date: 2/27/17

Name/Title: Board President

SAN BENITO COUNTY WATER DISTRICT

By: *[Signature]*

Date: 2/28/17

Name/Title: Jeff Cattaneo, District Manager

SANTA CLARA VALLEY WATER DISTRICT

By: *[Signature]*

Date: March 14, 2017

Name/Title: Norma J. Camacho, Interim Chief Executive Officer



Committee: Pacheco Reservoir
Exploratory Ad Hoc
Committee
Meeting Date: 5/23/2017
Agenda Item No.: 3.2
Unclassified
Manager: G. Hall

COMMITTEE AGENDA MEMO

SUBJECT: Update on the State Division of Safety of Dams Issues with the Existing Pacheco Pass Dam, Owned and Operated by Pacheco Pass Water District

RECOMMENDED ACTION:

Receive and discuss information presented by staff on the Division of Safety of Dams issues with the existing Pacheco Pass dam, owned and operated by Pacheco Pass Water District.

SUMMARY:

Staff will discuss with the Committee issues related to the existing Pacheco Pass dam as identified by the Division of Safety of Dams in its April 5, 2017 letter (Attachment 1).

ATTACHMENT(S):

Attachment 1: April 5, 2017 letter from Division of Safety of Dams to Pacheco Pass Water District regarding North Fork Dam, No. 77

APR - 5 2017

Mr. Frank O'Connell, President
Pacheco Pass Water District
Post Office Box 1382
Hollister, California 95023

North Fork Dam, No. 77
Santa Clara County

Dear Mr. O'Connell:

This letter is in response to the incident involving the failure of the temporary repairs to the left spillway wall. The failed section involves four wall panels, having an approximate length of 80 feet and starting approximately 170 feet downstream of the beginning of the left spillway wall. Upon being informed of the incident on January 20, 2017 by Mr. Jeff Cattaneo with the San Benito County Water District, Area Engineer William Vogler, Design Engineer Melissa Collord, and Senior Engineering Geologist Robert Burns inspected the dam on the same day.

The Division's inspection team determined that since the failed left wall section was located away and off the dam, it does not pose an immediate dam safety issue. However, repairs must be completed in a timely manner to prevent deterioration and failure of additional wall panels that could block the spillway or render it inoperable.

Mr. Vogler restricted the reservoir to Elevation 469.00, which is 2.0 feet below the spillway crest. This directive was made in accordance with Division 3, Part 1, Chapter 4, Section 6111 of the California Water Code (CWC). Mr. Vogler also requested that the outlet be fully opened whenever the reservoir level is at or above the restricted level, and the dam be inspected daily if the spillway is in-use, and at least three times a day if the reservoir level is at or above Elevation 473.00 or two-feet above the spillway crest. Mr. Vogler requested that any change in conditions be reported immediately to the Division.

The instability of the left spillway wall panels is a long-standing dam safety issue that dates back to the 1940s, and multiple repairs and failures have occurred. A repair application was filed on June 24, 1999, and approved on October 4, 2001, for a long-term repair; however, this work was never completed due to reported funding issues. The Pacheco Pass Water District's (District) progress towards addressing the dam's spillway deficiency with a long-term permanent repair has been unacceptable.

Therefore, in accordance with Section 6081 of the CWC, THE DISTRICT IS HEREBY ORDERED to complete temporary short-term repairs to the spillway by October 1, 2017. In addition, THE DISTRICT IS HEREBY ORDERED to complete a permanent long-term repair by October 1, 2020.

SURNAME
DWR 155 (Rev 7/11)

Manning and for M. Collord 4/4/17
Vogler 4/4/17
W. Vogler 4/4/17
W. Vogler 4/4/17
W. Vogler 4/4/17
W. Vogler 4/4/17

Robert A. Burns 4/5/17
Christina 4/5/17

Mr. Frank O'Connell
APR - 5 2017
Page 2

Submit a repair plan for a short-term repair for our review and approval by June 1, 2017, so construction work can be completed by October 1, 2017. No work may be done without our prior approval.

For the long-term repair, a new repair application will be required. A condition assessment of the entire spillway, including any necessary investigation and exploration, must be incorporated into the design phase for the work. All necessary improvements must be included in the repair work. A new repair application, updated plans and specifications, and a filing fee must be submitted by January 2, 2019, to ensure all construction work is completed by October 1, 2020. The application work must be done under the direction of a civil engineer registered in the State of California.

Until permanent repairs are completed to the left spillway wall, the reservoir level shall remain at or below the restricted level of Elevation 469.00. Whenever the reservoir exceeds the restricted level, the low-level outlet must be fully opened to maximize releases. In addition, if the spillway is in-use, it must be inspected daily, and any change in conditions must be reported to us immediately.

If satisfactory progress is not made toward addressing the North Fork Dam's spillway deficiency, further restrictions will be imposed, or the Certificate of Approval to store water may be revoked in accordance with Division 3, Part 1, Chapter 4, Section 6357.1 of the CWC.

If you have any questions or require additional information, please contact Mr. Vogler at (916) 227-4625 or Regional Engineer Andrew Mangney at (916) 227-4631.

Sincerely,

**Original Signed by
Sharon K. Tapia for**

Sharon K. Tapia, Chief
Division of Safety of Dams

Enclosure
Certified Mail

cc: (See attached list.)

WfVogler:TGlorioso
North Fork Dam.doc
Spell Check 4/4/17

cc: Mr. Scott Morgan, Staff Counsel
Office of the Chief Counsel
Department of Water Resources
1416 Ninth Street, Room 1118
Sacramento, California 95814

Mr. Jeff Cattaneo, District Manager
San Benito County Water District
Post Office Box 889
Hollister, California 95024-0899

Mr. James Fiedler, Chief Operating Officer
Water Utility Enterprise
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, California 95118-3686