



SOUTH COUNTY REGIONAL  
WASTEWATER AUTHORITY

May 18, 2017

### **NOTICE OF MEETING – REQUEST FOR RSVPS**

Members of the Joint Water Resources Committee (City of Gilroy, City of Morgan Hill, SCRWA and SCVWD)

**Santa Clara Valley Water District:**

Director Hon. Richard P. Santos, 2017 Board Vice Chair  
Director Hon. John L. Varela, 2017 Board Chair

**City of Gilroy:**

Mayor Pro Tempore Hon. Dion Bracco *and Board Vice Chairman, SCRWA*  
Council Member Hon. Cat Tucker

**City of Morgan Hill:**

Mayor Pro Tem Hon. Larry Carr *and Board Chairman, SCRWA*  
Council Member Rene Spring *and Board Member, SCRWA*

SCRWA = *South County Regional Wastewater Authority*

A meeting of the Joint Water Resources Committee (City of Gilroy, City of Morgan Hill, SCRWA and SCVWD) will take place at 10:30 a.m. on Wednesday, May 24, 2017, at the City of Morgan Hill Council Chamber, 17555 Peak Avenue, Morgan Hill, CA 95037.

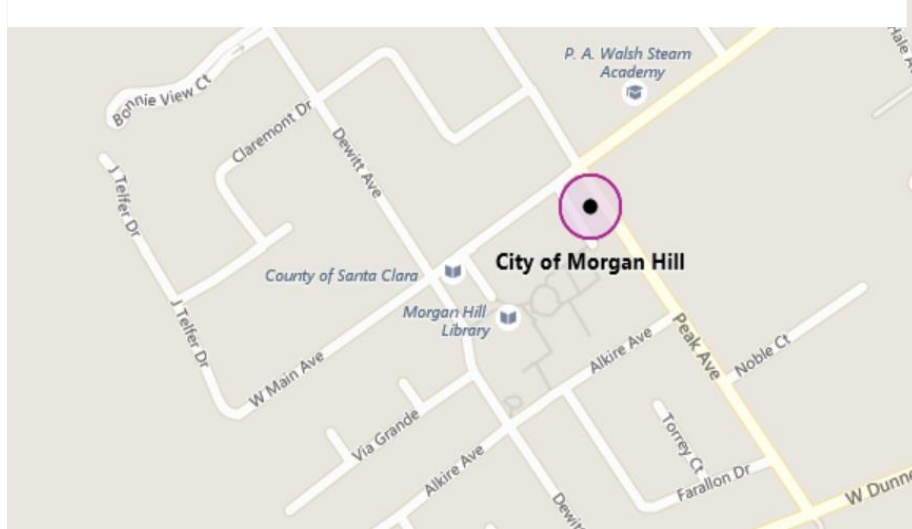
Enclosed for your convenience is a copy of the agenda and corresponding materials. Please bring these materials to the meeting with you.

Please RSVP at your earliest convenience by calling Glenna Brambill at 1-408-630-2408, or by email to [gbrambill@valleywater.org](mailto:gbrambill@valleywater.org)

Thank you!

Glenna Brambill  
Santa Clara Valley Water District  
Office of the Clerk of the Board

**City of Morgan Hill Council Chamber, 17555 Peak Ave, Morgan Hill CA 95037**



**From District:**

Go North of Almaden Expressway  
To Hwy 85 South to Hwy 101 South to Morgan Hill  
Take East Dunne Ave Exit 366  
Turn right onto East Dunne Ave  
Turn right onto Peak Ave  
Go past Alkire Ave  
17555 Peak is on the left



SOUTH COUNTY REGIONAL  
WASTEWATER AUTHORITY

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

*Dion Bracco, Mayor Pro Tempore, City of Gilroy and Board Vice Chairman, SCRWA*

*Cat Tucker, Council Member, City of Gilroy*

*Larry Carr, Mayor Pro Tem, City of Morgan Hill and Board Chairman, SCRWA*

*Rene Spring, Council Member, City of Morgan Hill and Board Member, SCRWA*

*John L. Varela, Board Chair, Santa Clara Valley Water District*

*Richard P. Santos, Board Vice Chair, Santa Clara Valley Water District*

*SCRWA = South County Regional Wastewater Authority*

## **AGENDA**

### **JOINT WATER RESOURCES COMMITTEE (CITY OF GILROY, CITY OF MORGAN HILL, SCRWA AND SCVWD)**

**WEDNESDAY, MAY 24, 2017**

**10:30 a.m. – 12:30 p.m.**

**City of Morgan Hill  
Council Chamber  
17555 Peak Avenue  
Morgan Hill CA 95037**

**Time Certain:**

**10:30 a.m.**

- 1. Call to Order/Roll Call**
- 2. Time Open for Public Comment on Any Item Not on Agenda**  
*Comments should be limited to two minutes. If the Commission wishes to discuss a subject raised by the speaker, it can request placement on a future agenda.*
- 3. Election of Chair and Vice Chair**
- 4. Action Items**
  - 4.1 Review and Discuss Committee Formation, Purpose, Roles and Responsibilities (Garth Hall)**  
**Recommendation: Receive information and discuss next steps.**
  - 4.2 Develop Committee Work Plan (Garth Hall)**  
**Recommendation: Receive information and discuss next steps.**
  - 4.3 Update on Llagas Subbasin Groundwater Levels and Use (Garth Hall)**  
**Recommendation: Receive information and discuss next steps.**
  - 4.4 Update on South County Recycled Water System (Garth Hall)**  
**Recommendation: Receive information and discuss next steps.**
- 5. Clerk Review and Clarification of Commission Requests to the Board**  
*This is a review of the Committee's actions (from Item 4).*

## 6. Adjourn: Adjourn to next meeting

REASONABLE EFFORTS TO ACCOMMODATE PERSONS WITH DISABILITIES WISHING TO ATTEND COMMITTEE MEETINGS WILL BE MADE. PLEASE ADVISE THE CLERK OF THE BOARD'S 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 locations:

Santa Clara Valley Water District  
Clerk of the Board Unit  
5700 Almaden Expressway  
San Jose, CA 95118

City of Gilroy  
City Clerk  
735 Rosanna Street  
Gilroy, CA 95020

City of Morgan Hill  
City Clerk  
17575 Peak Avenue  
Morgan Hill, CA 95037

South County Regional Wastewater  
Authority (SCRWA)  
1500 Southside Drive  
Gilroy, CA 95020

Joint Water Resources Committee Purpose: Advance common South County water interests and receive input from stakeholders and interested parties when undertaking the following: 1. Reviewing current practices and future needs for groundwater management in the Llagas groundwater sub-basin, 2. Facilitating policy discussion and sharing of technical information on water supply planning for South County, 3. Identifying the current and future demand for recycled water as well as jointly identifying funding sources for implementation of the South County Recycled Water Master Plan, 4. Facilitating policy discussion and sharing of technical information on furthering development and use of recycled water in South County, 5. Facilitating policy discussion and sharing of socio-economic homelessness in South County





Committee: Joint Water Resources  
Meeting Date: 05/24/17  
Agenda Item No.: 4.1  
Unclassified Manager: Garth Hall  
Email: [ghall@valleywater.org](mailto:ghall@valleywater.org)

## COMMITTEE AGENDA MEMO

**SUBJECT:** Review and Discuss Committee Formation, Purpose, Roles and Responsibilities.

### RECOMMENDED ACTION:

Receive information and discuss next steps.

### SUMMARY:

In a letter dated July 27, 2016, the District Board of Directors extended an invitation to the cities of Morgan Hill and Gilroy to form a joint committee related to recycled water (Attachment 1). On January 18, 2017, and February 6, 2017, respectively, the Cities of Morgan Hill and Gilroy approved the formation of a joint committee to discuss South County recycled water issues as well as other common water resources interests (Attachment 2 and 3). These actions led to the formation of the Joint Water Resources Committee (Committee).

The Committee is a six person committee comprised of District Board Chair John Varela and Vice Chair Richard Santos; the City of Gilroy Mayor Dion Bracco and Council Member Cat Tucker; and the City of Morgan Hill Council Members Larry Carr and Rene Spring. The Committee members Dion Bracco, Larry Carr, and Rene Spring also provide co-representation for the South County Regional Wastewater Authority (SCRWA).

Staff recommends that this first Committee meeting focus on discussing the purpose, roles and responsibilities of the Committee.

The purpose of the Committee, subject to adjustment and approval by the District Board, City Councils of Gilroy and Morgan Hill, and SCRWA, shall be to advance common water interests in the southern portion of Santa Clara County (South County) and receive input from stakeholders and interested parties when undertaking the following items as outlined in a letter dated January 4, 2017 (Attachment 4):

1. Review current practices and future needs for groundwater management in the Llagas groundwater subbasin;
2. Facilitate policy discussion and sharing of technical information on water supply planning for South County;
3. Identify the current and future demand for recycled water as well as jointly identifying funding sources for implementation of the South County Recycled Water Master Plan;
4. Facilitate policy discussion and sharing of technical information on furthering development and use of recycled water in South County; and,
5. Facilitate policy discussion and sharing of socio-economic information on the impact of homelessness in South County on water resources management, flood protection or stream stewardship.

Staff recommends the Committee discuss related roles and responsibilities including the Committee term, membership, officers, quorum, and meeting frequency. Potential roles and responsibilities for the Committee's consideration are below.

1. Committee Term: Committee shall serve a limited or single purpose, not perpetual, and is to be dissolved once the specific task is complete.
2. Committee Membership: Shall consist of two Directors appointed by the District Board Chairperson, two council members appointed by the City of Morgan Hill, and two council members appointed by the City of Gilroy. At least one appointee from the City of Morgan Hill shall also be a SCRWA Board member, and the same requirement would apply to the City of Gilroy.
3. Alternative Members: To be determined.
4. Committee Officers: A Chair and Vice Chair are to be elected by the Committee annually.
5. Quorum: A quorum consists of fifty percent (50%) of the membership, plus one and shall include at least one representative each from the District, City of Morgan Hill, and City of Gilroy.
6. Meeting Frequency and Durations: A Committee meeting shall be held as called by the Committee Chair and at a minimum once per calendar year.

#### **ATTACHMENT(S):**

- Attachment 1: Letter of Invitation, dated July 27, 2017.
- Attachment 2: City of Morgan Hill City Council Staff Report, Joint City Council-South County Regional Wastewater Authority (SCRWA)-Santa Clara Valley Water District (District) Board Committee to Advance Common South County Water Interests, dated January 18, 2017.
- Attachment 3: City of Gilroy Staff Report, Proposal to the City of Gilroy to Create a Joint City Council-SCRWA-Water District Board Committee on Recycled Water and Other Areas of common Interest, dated February 6, 2017.
- Attachment 4: Letter for Joint City Council-SCRWA-District Board Committee on Recycled Water and Other Areas of Common Interest, dated January 4, 2017.
- Attachment 5: Presentation

BOARD OF DIRECTORS

John L. Varela / Vice Chair (District 1)  
Barbara F. Keegan / Chair (District 2)  
Richard P. Santos (District 3)  
Linda J. LeZotte (District 4)  
Nai Hsueh (District 5)  
Tony Estremera (District 6)  
Gary Kremen (District 7)

INTERIM CHIEF EXECUTIVE OFFICER

Norma Camacho

CLERK OF THE BOARD

Michele L. King, CMC

July 27, 2016

Received  
City of Morgan Hill  
AUG - 1 2016

The Honorable Steve Tate  
Mayor, City of Morgan Hill  
17575 Peak Avenue  
Morgan Hill, CA 95037

City Clerk

Subject: Letter of Invitation – Proposed Joint Recycled Water Advisory Committee – Santa Clara Valley Water District, City of Gilroy, City of Morgan Hill, and South County Regional Wastewater Authority

Dear Mayor Tate:

The Santa Clara Valley Water District (District) Board of Directors (Board) is seeking a process to facilitate policy-level discussions on the implementation of capital improvement recommendations from the 2015 South County Recycled Water Master Plan Update (Master Plan Update) and for other opportunities to advance the expansion of drought-proof recycled and purified water in the southern portion of Santa Clara County. The District is driven by a goal of meeting 10 percent of the County's water demands with recycled and purified water by the year 2025.

The Master Plan Update, which includes approximately \$98 million in capital improvement recommendations related to the treatment, distribution, and delivery of recycled water in South County, was accepted independently by the South County Regional Wastewater Authority (SCRWA) and District Boards in July 2016. Given the magnitude of this proposed investment, the need for a higher level of joint oversight is called for. The District invites the City of Morgan Hill to join in the creation of a Joint Recycled Water Advisory Committee (SCRWA/City of Gilroy/City of Morgan Hill/SCVWD) to facilitate coordination of implementation of the Master Plan Update recommended projects. The District suggests the committee be composed of three members from the District Board and one elected official from each of the following: the City of Morgan Hill Council, the City of Gilroy Council, and SCRWA Board.

The District currently has successful collaboration with other recycled water producer and retailers in similar joint recycled water advisory committees in each of the other three public recycled water systems in the County: the Joint Recycled Water Committee (City of Palo Alto/SCVWD), the Joint Recycled Water Committee (City of Sunnyvale/SCVWD), and the Recycled Water Policy Advisory Committee (City of San José/SCVWD/City of Santa Clara). The District looks forward to building upon our existing collaborative structure and partnership through the proposed Joint Recycled Water Advisory Committee.

Attachment 1

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The Honorable Steve Tate  
Page 2  
July 27, 2016

I am sending similar invitation letters to the City of Gilroy Mayor and SCRWA Board Chair who are copied on this letter. To discuss the City of Morgan Hill's interest in this invitation, and at your convenience, please feel free to contact me at (408) 813-2525.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Barbara Keegan', with a stylized flourish at the end.

Barbara Keegan  
Chair/Board of Directors

cc: Board of Directors (7), N Camacho, J. Fiedler, G. Hall, H. Ashktorab  
The Honorable Perry Woodward, Mayor, City of Gilroy, 7351 Rosanna Street, Gilroy, CA  
95020  
Dion Bracco, Board Chair, SCRWA, 1500 Southside Drive, Gilroy, CA 95020

kj:mf  
0725i-l.docx

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[Reports](#)

**File #:** 17-011 **Version:** 1 **Name:**  
**Type:** Staff Report **Status:** Consent Calendar  
**File created:** 1/6/2017 **In control:** [City Council](#)  
**On agenda:** 1/18/2017 **Final action:**  
**Title:** JOINT CITY COUNCIL-SOUTH COUNTY REGIONAL WASTEWATER AUTHORITY (SCRWA)  
-SANTA CLARA VALLEY WATER DISTRICT (DISTRICT) BOARD COMMITTEE TO ADVANCE  
COMMON SOUTH COUNTY WATER INTERESTS  
**Attachments:** 1. [7-27-2016 Ltr from SCVWD](#), 2. [01-04-17 Gilroy-Morgan Hill Joint City Council-SCRWA-District Board Committee](#)

[History \(1\)](#)

[Staff Report Text](#)

## **CITY COUNCIL STAFF REPORT**

### **MEETING DATE: January 18, 2017**

**PREPARED BY:** Karl Bjarke, Public Works Director  
**APPROVED BY:** City Manager

#### **Title**

**JOINT CITY COUNCIL-SOUTH COUNTY REGIONAL WASTEWATER  
AUTHORITY (SCRWA)-SANTA CLARA VALLEY WATER DISTRICT  
(DISTRICT) BOARD COMMITTEE TO ADVANCE COMMON SOUTH COUNTY  
WATER INTERESTS**

**END**

#### **RECOMMENDATION(S)**

##### **RECOMMENDATION**

1. Approve City participation in the Joint Committee with City of Gilroy, South County Regional Wastewater Authority and Santa Clara Valley Water District; and
2. Appoint two City Council members to the Joint Committee as part of the Council's annual review of outside agency assignments.

#### **BODY**

##### **COUNCIL PRIORITIES, GOALS & STRATEGIES:**

##### **Ongoing Priorities**

Attachment 2

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Enhancing public safety  
Protecting the environment  
Maintaining fiscal responsibility  
Preserving and cultivating public trust

### **2016 Focus Areas**

Planning Our Community  
Developing Our Community  
Enhancing Our Services  
Improving Our Communication  
Participating in Regional Initiatives

### **REPORT NARRATIVE:**

The City's water supply needs have always been dependent on cooperation and collaboration with the Santa Clara Valley Water District (SCVWD) because the City's only current source of municipal potable water is from the groundwater basins and SCVWD is responsible for the management of those basins. This partnership will continue to be vital long into the future as the City strives to maintain a sustainable water supply. However, recent events have created an opportunity for expanding the water supply planning effort in a more formal manner with the City of Gilroy and the South County Regional Wastewater Authority (SCRWA).

The current 5 year drought that has affected all water retailers in California has emphasized the reality that water can become a scarce resource and that drought conditions are likely to become more common in the future. Having a collaborative plan to ensure water is available for Morgan Hill residents into the foreseeable future is essential. In May 2016, the SCVWD completed the 2015 South County Recycled Water Master Plan Update. This document explored the options for expanding the recycled wastewater program at the SCRWA treatment plant. Currently, approximately 2,000 acre-feet of water are recycled at the SCRWA plant servicing agriculture, park, and golf course users in the Gilroy area with non-potable water. Morgan Hill receives none of the recycled water at this time but the 2015 Master Plan Update provides for potential opportunities in the future. The Master Plan Update lays out a \$98M capital improvements plan for expanding recycled water to the entire South County.

Lastly, because of the drought, the State of California adopted the Sustainable Groundwater Management Act (SGMA) in 2014 which requires that critical groundwater basins be governed by a Groundwater Sustainability Agency to formally manage such basins. The SCVWD is the Groundwater Sustainability Agency for the Santa Clara and Llagas sub-basins. This designation provides for new authorities for SCVWD meant to help sustain the groundwater basins. Among those new authorities is the ability to restrict new well locations and pumping. With this new designation, SCVWD staff have committed to working with retailers such as the City of Morgan Hill towards long term water sustainability.

The SCVWD Board of Directors has reached out to the cities of Morgan Hill and Gilroy (and indirectly to the SCRWA whose own Board is made up of Morgan Hill and Gilroy appointed council members) to create a joint recycled water advisory committee. The July 27, 2016 letter from the Chair of the SCVWD Board of Directors to Mayor Tate extending this invitation is attached.

Upon receipt of the letter, the Gilroy City Administrator and Morgan Hill City Manager requested to meet and discuss the purpose of the proposed committee and other opportunities that could be considered for the committee. As a result of the meeting between the three agencies, attached is a January 4, 2017 letter from SCVWD Interim CEO, Norma Camacho, with a

Attachment 2

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proposal for the makeup and purpose of such a committee. The purpose of the Committee is generally to advance common South County water interests (of which recycled water is one component) and to receive input from stakeholders. As proposed, the committee would be comprised of two City Council members each from Gilroy and Morgan Hill and two SCVWD Board members. To ensure SCRWA is represented, at least one council member from each city must also sit on the SCRWA Board.

Staff recommends the formation of the proposed committee and participation by the City Council as suggested by the SCVWD. If the Council chooses to endorse the creation of the committee and to participate, two Council members are to be appointed to the committee. As stated above, one Council Member must also be a City designated representative on the SCRWA Board of Directors. Staff recommends that the two Council Members be selected during the Council's annual review of its outside agency assignments.

**COMMUNITY ENGAGEMENT: Inform**

No formal community engagement has occurred prior to this report. If the advisory committee is formed as recommended, residents and other stakeholders in the South County will have a new venue to discuss water management and planning activities.

**ALTERNATIVE ACTIONS:**

The Council could decide not to participate in a South County advisory committee.

**PRIOR CITY COUNCIL AND COMMISSION ACTIONS:**

No previous actions related to this recommendation.

**FISCAL AND RESOURCE IMPACT:**

The creation of and participation in the proposed advisory committee will have no direct fiscal impact. If created, some staff time will be required to assist with preparation of information and materials needed for meetings.

**CEQA (California Environmental Quality Act):**

Not a Project

**LINKS/ATTACHMENTS:**

1. July 27, 2016 Letter from SCVWD Board Chair
2. January 4, 2017 Letter from SCVWD Interim CEO

## Details

File #: [17-011](#) Version: 1

Type: Staff Report

Title: JOINT CITY COUNCIL-SOUTH COUNTY REGIONAL WASTEWATER AUTHORITY (SCRWA)-SANTA CLARA VALLEY WATER DISTRICT (DISTRICT) BOARD COMMITTEE TO ADVANCE COMMON SOUTH COUNTY WATER INTERESTS

Mover: [Larry Carr](#) Second: [Rene A. Spring](#)

Result: Pass

Agenda note:

Minutes note:

Action: approved

Action text:

Consent Votes (4:0)

4 records	Group	Export
Person Name	Vote	
<a href="#">Larry Carr</a>	Ayes	
<a href="#">Rich Constantine</a>	Ayes	
<a href="#">Steve Tate</a>	Ayes	
<a href="#">Rene A. Spring</a>	Ayes	





# City of Gilroy

## STAFF REPORT

Agenda Item Title: Proposal to the City of Gilroy to Create a Joint City Council-SCRWA-Water District Board Committee on Recycled Water and Other Areas of Common Interest

Meeting Date: February 6, 2017

From: Gabriel Gonzalez, City Administrator

Department: Administration

Submitted By: Gabriel Gonzalez

Prepared By: Bryce Atkins

Strategic Goals:



☐ Upgrade City Infrastructure and Facilities



☒ Financially Sustainable High Performing City



☒ Create a More Livable Gilroy Community for All



☐ Grow the Economy

## **RECOMMENDATION**

Council consider being a member of the proposed Joint City Council-SCRWA-District Board Committee on Recycled Water and Other Areas of Common Interest.

## **EXECUTIVE SUMMARY**

The City has received an invitation from the Santa Clara Valley Water District ("District") to Gilroy City Council to join the city of Morgan Hill and District to create a Joint Committee on Recycled Water and Other Areas of Common Interest ("Committee").

## **BACKGROUND**

On December 16, 2016, the Gilroy City Administrator and the Morgan Hill City Manager participated in a meeting with the Interim Chief Executive Officer and Director Varela of the District to discuss the potential of forming such a joint committee. The two city representatives suggested that the Committee may also be beneficial in discussing other common concerns.

## **ANALYSIS**

The Committee would have the established purpose outlined below, subject to modification by the Committee members. The purpose of the Committee shall be to advance common South County water interests and receive input from stakeholders and interested parties when undertaking the following:

1. Reviewing current practices and future needs for groundwater management in the Llagas groundwater sub-basin;
2. Facilitating policy discussion and sharing of technical information on water supply planning for South County;
3. Identifying the current and future demand for recycled water as well as jointly identifying funding sources for implementation of the South County Recycled Water Master Plan;
4. Facilitating policy discussion and sharing of technical information on furthering development and use of recycled water in South County; and
5. Facilitating policy discussion and sharing of socio-economic information on homelessness in South County.

At the time of drafting this staff report the city of Morgan Hill had approved joining the partnership but not yet appoint its council members to the committee. Once known if the City of Gilroy will join the Committee, then the formation process will continue.

The Committee is proposed to consist of six representatives, two each being selected from the Gilroy and Morgan Hill City Councils, and the District's Board of Directors. In order to engage SCRWA, one of each of Gilroy and Morgan Hill's appointments to the Committee must also be SCRWA Board Members. Members of the Gilroy City Council that are currently SCRWA Board Members include Mayor Pro Tempore Dion Bracco (also the SCRWA Chair at the time of drafting this staff report), and Councilmembers Paul Kloecker and Fred Tovar.

## **ALTERNATIVES**

1. Council may direct staff to proceed with the proposed Committee. Should Council direct staff to proceed, the two representatives should be selected by Council, and staff will coordinate with the District and other partners to develop the framework for the Committee. **RECOMMENDED**
2. Council may alternatively reject proceeding with the proposed Committee. While a valid option, there is an unquantifiable opportunity cost in not participating and losing potential synergy in addressing recycled water issues regionally, as opposed to only addressing them individually by each agency. **NOT RECOMMENDED**

3. Council may alternatively recommend modification of the scope or structure of the proposed Committee to the other proposed participants. The request and interest for the Committee by the other prospective participants is focused on recycled water and other common issues surrounding such water resources and elements that may impact them. While there may be opportunities to expand such partnerships in the future under other committee formations, the agencies common shared function is the recycled water service industry. Staff is of the opinion that the representation is fairly distributed and representative of all the partnering agencies. **NOT RECOMMENDED**

### **FISCAL IMPACT/FUNDING SOURCE**

There are no anticipated fiscal impacts from issuing direction to proceed in forming the proposed Committee, aside from nominal incidental costs associated with travel for the Committee. Should the formation or operation of the Committee result in costs impacting the City, then such actions will be brought before Council for consideration.

### **CONCLUSION**

Staff is recommending that the Council accept the invitation by the District and approve joining the other prospective Committee member organizations to partner and discuss recycled water and other common issues.

### **NEXT STEPS**

Should Council determine to proceed, Council will need to select two of its members to represent the City on the proposed Committee, with at least one of the representatives also serving on the SCRWA Board of Directors. Staff will then reach out to the District to advise them on the selection of the representatives, as well as assist in formulating the framework for the Committee.

### **Attachments:**

1. Invitation Letter

**City of Gilroy**  
**City Council Meeting Minutes**  
**February 6, 2017**

## **I. OPENING**

### **A. Call to Order**

Mayor Velasco called the meeting to order at 6:03 p.m.

The pledge of allegiance was led by Council Member Tucker.

The invocation was given by Carolos Perez of the Church of Latter Day Saints.

City Clerk Freels reported that the agenda had been posted on February 1, 2017 at 2:30 p.m.

### **Roll Call**

**Present: Mayor Pro Tempore Dion Bracco; Council Member Daniel Harney; Council Member Paul Kloecker; Council Member Peter Leroe-Muñoz; Council Member Fred Tovar; Council Member Cat Tucker; Mayor Roland Velasco**

### **B. Orders of the Day**

There were no agenda changes.

### **C. Employee Introductions**

Recreation Manager De Leon introduced newly hired Recreation Specialist Margarita Villarreal, Management Analyst Carina Baksa and Recreation Manager Adam Henig.

Captain Deras introduced newly hired Police Records Technician Vien Myles, Detention Services Officer Candice Wilson and Police Officer David Ludden.

## **II. CEREMONIAL ITEMS**

### **A. Proclamations, Awards, and Presentations**

Mayor Velasco presented a proclamation recognizing service dog Gusto for his service to the citizens of Gilroy.

Mayor Velasco read a proclamation providing support and assistance to the residents of the City of Gilroy.

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Public comment was opened.

Lorena Guzman was called to speak sharing her thoughts on the need for Gilroy to protect the immigrants in the City and suggested the proclamation be enhanced with stronger language.

Lizette Ortiz was called to speak and requested that the City protect the immigrants of the community.

Pat Reinhart was called to speak sharing the statistics of the undocumented immigrants in the city asking if immigrants would be protected, and not sent to immigration services.

Emmanuel DeLaTorre was called to speak sharing his thoughts on the support needed for the immigrants of the community.

Edwin was called to speak describing his experience growing up as a Hispanic; he then asked the Council to approve the proclamation.

Reymundo Armendariz was called to speak and thanked the Council for considering the adoption of the proclamation. He then asked for stronger language in the proclamation to support the undocumented families of Gilroy.

Arcelia O'Connor was called to speak and expressed her concerns with the hatred against immigrants at the Federal level.

Marlene Magana was called to speak in support of immigrants sharing the contributions they made to the community and economy, and the need for a stronger resolution to protect immigrants.

Sandra Cruz was called to speak in support of immigrants sharing the fear many immigrants felt with the new administration. She stated that the city needed to support the undocumented population more than symbolically.

Bob Sigala was called to speak sharing the need for support of the immigrants of the community and the fear felt throughout the area with the recent Federal order. He then asked the Council to make Gilroy a sanctuary city.

Susan Mister was called to speak describing that she believed that the City Council should not be spending time on something the city had no jurisdiction over, and asked that the proclamation be adopted as written.

Ron Kirkish was called to speak explaining that the Council Members themselves

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could be fined and held in contempt of a Federal order if the city was deemed a sanctuary city.

Public comment was then closed.

The Council Members shared their support of the proclamation and unanimously agreed to the presentation of the proclamation.

### **III. PRESENTATIONS TO THE COUNCIL**

#### **A. PUBLIC COMMENT BY MEMBERS OF THE PUBLIC ON ITEMS NOT ON THE AGENDA BUT WITHIN THE SUBJECT MATTER JURISDICTION OF THE CITY COUNCIL**

Kim Moyano presented the Council with a petition asking the Council to consider the removal of the traffic calming measures on Welburn Avenue and Mantelli, explaining that noticing and impact studies had not been done prior to installation.

Jill Vanni was called to speak sharing traffic safety concerns and issues drivers were having with the new traffic calming measures on Mantelli and Welburn and spoke on the change in the traffic circulation plan and need for a traffic study.

Melanie Troini was called to speak sharing her concerns with the new traffic calming measures on Welburn and Mantelli.

### **IV. REPORTS OF COUNCIL MEMBERS**

Council Member Kloecker spoke on the recent SCRWA meeting.

Council Member Harney explained that he had recently attended the Gilroy Gardens annual goal setting-strategic planning session.

Council Member Tovar spoke on the recent SCRWA meeting and a downtown mixer he had attended.

Council Member Leroe-Muñoz spoke on the recent Water District meeting explaining that the city was down 26% in total use in 2016. He then shared new businesses opening in Gilroy.

Mayor Velasco announced that the EDC and URM Task Force were both meeting later in the week.

### **V. FUTURE COUNCIL INITIATED AGENDA ITEMS**

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Council Member Harney asked that a future report be presented to Council on planned road repair and associated plans for public information of the repairs.

Mayor Velasco explained that the City Administrator had described during the recent strategic plan session that he would be bringing such a report to Council.

Mayor Pro Tempore Bracco suggested that direction be provided to the City Administrator on the amount of monies to budget for road repairs in the next budget cycle.

City Administrator explained that a report on street repairs along with planned budgeted funds would be presented.

Council Member Harney asked that Council consider holding a one hour workshop to review the Gilroy Gardens master plan.

The Council agreed to agendize the item.

## **VI. CONSENT CALENDAR**

### **A. Minutes of the January 23, 2017 Regular Meeting**

### **B. Certificates of Recognition for Chamber of Commerce Awardees**

### **C. Proposed Amendment to Contract with EPC IT Solutions**

### **D. California Assembly Bill (AB) 1600 Development Impact Fee Report for Fiscal Year 2015-16**

### **E. Appointment of Gilroy City Attorney Resolution 2017-06**

#### **Motion on the Consent Calendar**

**Motion: to approve Consent Calendar items A, B, C, D and E**

**Moved by Council Member Peter Leroe-Muñoz, seconded by Mayor Pro Tempore Dion Bracco.**

**Vote: Motion carried 7-0.**

**Yes: Mayor Pro Tempore Dion Bracco; Council Member Daniel Harney; Council Member Paul Kloecker; Council Member Peter Leroe-Muñoz; Council Member Fred Tovar; Council Member Cat Tucker; Mayor Roland Velasco**

## **VII. BIDS AND PROPOSALS**

There were none.

City Council Meeting Minutes  
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## **VIII. PUBLIC HEARINGS**

### **A. Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing Request For Approval of Tax-Exempt Revenue Bonds By California Municipal Finance Authority (CMFA) on behalf of MRW, L.P**

The staff report was presented by Community Development Director Abrams.

The public hearing was opened; there being no comments, it was then closed.

#### **Motion on Item VIII.A.**

**Motion: Adoption of Resolution 2017-03 of the City Council of the City of Gilroy Approving the Issuance of Revenue Bonds by the California Municipal Finance Authority (CMFA) in an Aggregate Principal Amount Not to Exceed \$8,000,000 for MRW, L.P. ("Borrower")**

**Moved by Council Member Peter Leroe-Muñoz, seconded by Council Member Daniel Harney.**

**Vote: Motion carried 6-0.**

**Yes: Mayor Pro Tempore Dion Bracco; Council Member Daniel Harney; Council Member Paul Kloecker; Council Member Peter Leroe-Muñoz; Council Member Fred Tovar; Council Member Cat Tucker; Mayor Roland Velasco**

### **B. Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing Request For Approval of Tax-Exempt Revenue Bonds By California Municipal Finance Authority (CMFA) on behalf of Redwoods Wheeler, L.P.**

The staff report was presented by Community Development Director Abrams.

The public hearing was opened; there being no comments, it was then closed.

#### **Motion on Item VIII.B.**

**Motion: Adoption of Resolution 2017-04 of the City Council of the City of Gilroy Approving the Issuance of Revenue Bonds by the California Municipal Finance Authority (CMFA) in an Aggregate Principal Amount Not to Exceed \$40,000,000 for the Benefit of Redwoodws Wheeler, L.P. ("Borrower")**

**Moved by Council Member Cat Tucker, seconded by Council Member Daniel Harney**

**Vote: Motion carried 7-0.**

**Yes: Mayor Pro Tempore Dion Bracco; Council Member Daniel Harney; Council Member Paul Kloecker; Council Member Peter Leroe-Muñoz; Council Member Fred Tovar; Council Member Cat Tucker; Mayor Roland Velasco**

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2/6/2017

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- C. Tentative Map approval to subdivide a 29.85-acre site located within the Glen Loma Ranch Specific Plan area to create the McCutchin Creek neighborhood (26 duet, or single-family attached, lots) and the Palomino neighborhood (33 single-family detached lots) on a property located Northeast of Santa Teresa Boulevard South of Club Drive, APN 808-43-002, 003 and 005 (TM 16-01)**

The staff report was presented by Planner II Durkin.

The public hearing was opened; there being no comments it was then closed.

**Motion on Item VIII.C.**

**Motion: Adoption of Resolution 2017-05 of the City Council of the City of Gilroy Approving Tentative map application TM 16-01 creating 59 single-family residential lots, one lot for future development, one remainder lot, nine private open space lots, one public open space lot and associated public and private streets located within the Glen Loma Ranch Specific Plan area, northeast of Santa Teresa Boulevard, south of Club Drive, APN's 808-43-002, 003 and 005. with additional modifications to the conditions**

**Moved by Council Member Peter Leroe-Muñoz, seconded by Council Member Fred Tovar.**

**Vote: Motion carried 7-0.**

**Yes: Mayor Pro Tempore Dion Bracco; Council Member Daniel Harney; Council Member Paul Kloecker; Council Member Peter Leroe-Muñoz; Council Member Fred Tovar; Council Member Cat Tucker; Mayor Roland Velasco**

**IX. UNFINISHED BUSINESS**

There were none.

**X. INTRODUCTION OF NEW BUSINESS**

The Council took a break at 8:00 p.m.

**A. City of Gilroy Community Development Department Organizational Review Report**

The staff report was introduced by Community Development Director Abrams.

Gary Walton was called to speak sharing his thoughts on supplementing the knowledge base of staff and described the importance of investing in technology and reducing regulations.

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2/6/2017

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Page 9 of 12

Bill O'Connor was called to speak sharing his thoughts on the need for sufficient staffing.

The Council received the report.

### **B. Police Department 9-1-1 Communication Center Proposed Reorganization**

The staff report was presented by Police Captain Deras.

There were no public comments.

#### **Motion on Item X.B.**

**Motion: Approve a budget re-appropriation of four part time Public Safety Communicator (dispatcher) positions to one full time Public Safety Communicator position; and,**

**Authorize addition of one (1) full time equivalent (FTE) Public Safety Communicator in the 9-1-1 Communication Center from 12 to 13**

**Moved by Council Member Cat Tucker, seconded by Mayor Pro Tempore Dion Bracco.**

**Vote: Motion carried 7-0.**

**Yes: Mayor Pro Tempore Dion Bracco; Council Member Daniel Harney; Council Member Paul Kloecker; Council Member Peter Leroe-Muñoz; Council Member Fred Tovar; Council Member Cat Tucker; Mayor Roland Velasco**

### **C. City of Gilroy Annual Financial Audit and Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2016**

The staff report was presented by Finance Director Forbis.

There were no public comments.

#### **Motion on Item X.C.**

**Motion: to Receive and accept: the City's Annual Financial Audit and Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016; the Federal Single Audit; the Transportation Development Act Fund Audit; and the Gann Report**

**Moved by Council Member Peter Leroe-Muñoz, seconded by Council Member Fred Tovar.**

**Vote: Motion carried 7-0.**

**Yes: Mayor Pro Tempore Dion Bracco; Council Member Daniel Harney; Council Member Paul Kloecker; Council Member Peter Leroe-Muñoz; Council Member Fred Tovar; Council Member Cat Tucker; Mayor Roland Velasco**

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D. Ordinance Amendment to Gilroy City Code Chapter 17A, Section 17A.20, entitled "Process for Gaining Access to Public Records - Administrative Appeals"  
The staff report was presented by City Attorney Faber.

There were no public comments.

**Motion on Item X.D.**

**Motion: to Direct the City Attorney to prepare an ordinance amending Gilroy City Code Section 17A.20 (d) and (e) regarding the timing of petitions (appeals) made to the City Administrator and the Open Government Commission.**

**Moved by Council Member Daniel Harney, seconded by Council Member Fred Tovar.**

**Vote: Motion carried 7-0.**

**Yes: Mayor Pro Tempore Dion Bracco; Council Member Daniel Harney; Council Member Paul Kloecker; Council Member Peter Leroe-Muñoz; Council Member Fred Tovar; Council Member Cat Tucker; Mayor Roland Velasco**

**E. Proposal to the City of Gilroy to Create a Joint City Council-SCRWA-Water District Board Committee on Recycled Water and Other Areas of Common Interest**

The staff report was presented by City Administrator Gonzalez.

There were no public comments.

**Motion on Item X.E.**

**Motion: to Approve becoming a member of the proposed Joint City Council-SCRWA-District Board Committee on Recycled Water and Other Areas of Common Interest.**

**Moved by Council Member Fred Tovar, seconded by Council Member Daniel Harney.**

**Vote: Motion carried 7-0.**

**Yes: Mayor Pro Tempore Dion Bracco; Council Member Daniel Harney; Council Member Paul Kloecker; Council Member Peter Leroe-Muñoz; Council Member Fred Tovar; Council Member Cat Tucker; Mayor Roland Velasco**

**X. INTRODUCTION OF NEW BUSINESS**

There was none.

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## **XI. CITY ADMINISTRATOR'S REPORTS**

There were none.

## **XII. CITY ATTORNEY'S REPORTS**

There were none.

The Council adjourned the meeting at 9:55 p.m.

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/s/ SHAWNA FREELS, MMC  
City Clerk

January 4, 2017

Gabriel Gonzalez  
City Administrator  
City of Gilroy  
7351 Rosanna St.  
Gilroy, CA 95020

Steve Rymer  
City Manager  
City of Morgan Hill  
17575 Peak Ave.  
Morgan Hill, CA 95037

Re: Joint City Council-SCRWA-District Board Committee on Recycled Water and  
Other Areas of Common Interest

Dear Mr. Gonzalez and Mr. Rymer:

Thank you for meeting with me and Director John Varela on December 16, 2016, to discuss the concept of forming a joint committee comprising members of the Santa Clara Valley Water District Board and the City Councils of Gilroy and Morgan Hill. As you will recall, on July 27, 2016 the District Board Chair wrote to the Mayors of Gilroy and Morgan Hill, and to the Chair of South County Regional Wastewater Authority (SCRWA), inviting all three agencies to nominate members to serve on a joint recycled water advisory committee with members of the District's Board. A copy of that letter is attached for your easy reference. The Water District understands that both of you have been very open to the Board's July request and suggested that we all meet before formally moving forward in a collaborative manner.

At our meeting on December 16, you both agreed that a joint committee would be beneficial for South County. The two of you suggested, and we concurred, that a joint committee of our elected officials should also address other matters of common interest, including groundwater management and water supply planning. This committee may also be beneficial to discuss other common concerns such as homelessness as it affects water resources in the South County.

We discussed the membership of this six person committee being comprised of two City Council members each from Gilroy and Morgan Hill and two District Board members. To involve SCRWA directly, at least one of the Gilroy City Council members of this committee should also be SCRWA Board members, and the same requirement would apply to Morgan Hill. Subject to adjustment and approval by the District Board as well as SCRWA and the City Councils of Gilroy and Morgan Hill, the purpose of the joint committee would be established as follows:

The purpose of the Committee shall be to advance common South County water interests and receive input from stakeholders and interested parties when undertaking the following: (1) review current practices and future needs for groundwater management in the Llagas groundwater sub-basin, (2) facilitate policy discussion and sharing of technical information on water supply planning for South County, (3) identify the current and future demand for recycled water as well as jointly identifying funding sources for implementation of the

Attachment 4

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Mr. Gonzalez and Mr. Rymer  
January 4, 2017  
Page 2

South County Recycled Water Master Plan (4) facilitate policy discussion and sharing of technical information on furthering development and use of recycled water in South County, (5) and facilitate policy discussion and sharing of socio-economic information on homelessness in South County.

Thank you for working together to develop a framework that can be presented to my Board of Directors and your city councils. Please let me know what the approval process and the timing may look like for City Council action so our four agencies (with SCRWA included) can form this committee at earliest convenience.

Thank you for your consideration.

Sincerely,



Norma J. Camacho  
Interim Chief Executive Officer

Attachment

cc: District Board of Directors (7), N. Camacho, J. Fiedler, R. Callender, C. Elias, G. Hall



**BOARD OF DIRECTORS**

[John L. Varela](#) / Vice Chair (District 1)  
[Barbara F. Keegan](#) / Chair (District 2)  
[Richard P. Santos](#) (District 3)  
[Linda J. LeZotte](#) (District 4)  
[Nai Hsueh](#) (District 5)  
[Tony Estremera](#) (District 6)  
[Gary Kremen](#) (District 7)

July 27, 2016

**INTERIM CHIEF EXECUTIVE OFFICER**

[Norma Camacho](#)

Mr. Dion Bracco  
Board Chair  
South County Regional Wastewater Authority  
1500 Southside Drive  
Gilroy, CA 95020

**CLERK OF THE BOARD**

[Michele L. King, CMC](#)

**Subject:** Letter of Invitation – Proposed Joint Recycled Water Advisory Committee – Santa Clara Valley Water District, City of Gilroy, City of Morgan Hill, and South County Regional Wastewater Authority

Dear Mr. Bracco:

In May of 2015, the Santa Clara Valley Water District (District) Board of Directors (Board) sent a letter to the South County Regional Wastewater Authority (SCRWA) presenting two options to facilitate policy-level discussions to advance the expansion of drought-proof recycled and purified water in the southern portion of Santa Clara County (South County). The District received a response from SCRWA, dated June 5, 2015, extending an interest in continuing with the existing collaborative structure or an ad-hoc committee to support delivery of recycled water in the South County. During this time, the District and SCRWA were working in partnership to develop the 2015 South County Recycled Water Master Plan Update (Master Plan Update).

The Master Plan Update, which includes approximately \$98 million in capital improvement recommendations related to the treatment, distribution, and delivery of recycled water in South County, was accepted independently by the SCRWA and District Boards in July 2016. Given the magnitude of this proposed investment, the need for a higher level of joint oversight is called for. The District invites SCRWA to join in the creation of a Joint Recycled Water Advisory Committee (SCRWA/City of Gilroy/City of Morgan Hill/SCVWD) to facilitate coordination of implementation of the Master Plan Update recommended projects. The District suggests the committee be composed of three members from the District Board and one elected official from each of the following: SCRWA Board, the City of Morgan Hill Council, and the City of Gilroy Council.

The District currently has successful collaboration with certain Cities in similar joint recycled water advisory committees: the Joint Recycled Water Committee (City of Palo Alto/SCVWD), the Joint Recycled Water Committee (City of Sunnyvale/SCVWD), and the Recycled Water Policy Advisory Committee (City of San José/SCVWD/City of Santa Clara). The District looks forward to building upon our existing collaborative structure and partnership through the proposed Joint Recycled Water Advisory Committee.

Mr. Dion Bracco  
Page 2  
July 27, 2016

I am sending similar invitation letters to the City of Gilroy Mayor and the City of Morgan Hill Mayor who are copied on this letter. To discuss SCRWA's interest in this invitation, and at your convenience, please feel free to contact me at (408) 813-2525.

Sincerely,



Barbara Keegan  
Chair/Board of Directors

cc: Board of Directors (7), N Camacho, J. Fiedler, G. Hall, H. Ashktorab  
The Honorable Perry Woodward, Mayor, City of Gilroy, 7351 Rosanna Street,  
Gilroy, CA 95020  
The Honorable Steve Tate, Mayor, City of Morgan Hill, 17575 Peak Avenue,  
Morgan Hill, CA 95037

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**BOARD OF DIRECTORS**

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Nai Hsueh (District 5)  
Tony Estremera (District 6)  
Gary Kremen (District 7)

July 27, 2016

**INTERIM CHIEF EXECUTIVE OFFICER**

Norma Camacho

The Honorable Perry Woodward  
Mayor of the City of Gilroy  
7351 Rosanna Street  
Gilroy, CA 95020

**CLERK OF THE BOARD**

Michele L. King, CMC

**Subject:** Letter of Invitation – Proposed Joint Recycled Water Advisory Committee – Santa Clara Valley Water District, City of Gilroy, City of Morgan Hill, and South County Regional Wastewater Authority

Dear Mayor Woodward:

The Santa Clara Valley Water District (District) Board of Directors (Board) is seeking a process to facilitate policy-level discussions on the implementation of capital improvement recommendations from the 2015 South County Recycled Water Master Plan Update (Master Plan Update) and for other opportunities to advance the expansion of drought-proof recycled and purified water in the southern portion of Santa Clara County. The District is driven by a goal of meeting 10 percent of the County's water demands with recycled and purified water by the year 2025.

The Master Plan Update, which includes approximately \$98 million in capital improvement recommendations related to the treatment, distribution, and delivery of recycled water in South County, was accepted independently by the South County Regional Wastewater Authority (SCRWA) and District Boards in July 2016. Given the magnitude of this proposed investment, the need for a higher level of joint oversight is called for. The District invites the City of Gilroy to join in the creation of a Joint Recycled Water Advisory Committee (SCRWA/City of Gilroy/City of Morgan Hill/SCVWD) to facilitate coordination of implementation of the Master Plan Update recommended projects. The District suggests the committee be composed of three members from the District Board and one elected official from each of the following: the City of Gilroy Council, the City of Morgan Hill Council, and SCRWA Board.

The District currently has successful collaboration with certain Cities in similar joint recycled water advisory committees: the Joint Recycled Water Committee (City of Palo Alto/SCVWD), the Joint Recycled Water Committee (City of Sunnyvale/SCVWD), and the Recycled Water Policy Advisory Committee (City of San José/SCVWD/City of Santa Clara). The District looks forward to building upon our existing collaborative structure and partnership through the proposed Joint Recycled Water Advisory Committee.

The Honorable Perry Woodward  
Page 2  
July 27, 2016

I am sending similar invitation letters to the City of Morgan Hill Mayor and SCRWA Board Chair who are copied on this letter. To discuss the City of Gilroy's interest in this invitation, and at your convenience, please feel free to contact me at (408) 813-2525.

Sincerely,



Barbara Keegan  
Chair/Board of Directors

cc: Board of Directors (7), N Camacho, J. Fiedler, G. Hall, H. Ashktorab  
The Honorable Steve Tate, Mayor, City of Morgan Hill, 17575 Peak Avenue, Morgan Hill,  
CA 95037  
Mr. Dion Bracco, Board Chair, SCRWA, 1500 Southside Drive, Gilroy, CA 95020

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**BOARD OF DIRECTORS**

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Linda J. LeZotte (District 4)  
Nai Hsueh (District 5)  
Tony Estremera (District 6)  
Gary Kremen (District 7)

July 27, 2016

**INTERIM CHIEF EXECUTIVE OFFICER**

Norma Camacho

The Honorable Steve Tate  
Mayor, City of Morgan Hill  
17575 Peak Avenue  
Morgan Hill, CA 95037

**CLERK OF THE BOARD**

Michele L. King, CMC

**Subject:** Letter of Invitation – Proposed Joint Recycled Water Advisory Committee – Santa Clara Valley Water District, City of Gilroy, City of Morgan Hill, and South County Regional Wastewater Authority

Dear Mayor Tate:

The Santa Clara Valley Water District (District) Board of Directors (Board) is seeking a process to facilitate policy-level discussions on the implementation of capital improvement recommendations from the 2015 South County Recycled Water Master Plan Update (Master Plan Update) and for other opportunities to advance the expansion of drought-proof recycled and purified water in the southern portion of Santa Clara County. The District is driven by a goal of meeting 10 percent of the County's water demands with recycled and purified water by the year 2025.

The Master Plan Update, which includes approximately \$98 million in capital improvement recommendations related to the treatment, distribution, and delivery of recycled water in South County, was accepted independently by the South County Regional Wastewater Authority (SCRWA) and District Boards in July 2016. Given the magnitude of this proposed investment, the need for a higher level of joint oversight is called for. The District invites the City of Morgan Hill to join in the creation of a Joint Recycled Water Advisory Committee (SCRWA/City of Gilroy/City of Morgan Hill/SCVWD) to facilitate coordination of implementation of the Master Plan Update recommended projects. The District suggests the committee be composed of three members from the District Board and one elected official from each of the following: the City of Morgan Hill Council, the City of Gilroy Council, and SCRWA Board.

The District currently has successful collaboration with other recycled water producer and retailers in similar joint recycled water advisory committees in each of the other three public recycled water systems in the County: the Joint Recycled Water Committee (City of Palo Alto/SCVWD), the Joint Recycled Water Committee (City of Sunnyvale/SCVWD), and the Recycled Water Policy Advisory Committee (City of San José/SCVWD/City of Santa Clara). The District looks forward to building upon our existing collaborative structure and partnership through the proposed Joint Recycled Water Advisory Committee.

The Honorable Steve Tate  
Page 2  
July 27, 2016

I am sending similar invitation letters to the City of Gilroy Mayor and SCRWA Board Chair who are copied on this letter. To discuss the City of Morgan Hill's interest in this invitation, and at your convenience, please feel free to contact me at (408) 813-2525.

Sincerely,



Barbara Keegan  
Chair/Board of Directors

cc: Board of Directors (7), N Camacho, J. Fiedler, G. Hall, H. Ashktorab  
The Honorable Perry Woodward, Mayor, City of Gilroy, 7351 Rosanna Street, Gilroy, CA  
95020  
Dion Bracco, Board Chair, SCRWA, 1500 Southside Drive, Gilroy, CA 95020

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## **JOINT WATER RESOURCES COMMITTEE**

*Dion Bracco, Mayor Pro Tempore, City of Gilroy and Board Vice Chairman, SCRWA\**

*Cat Tucker, Council Member, City of Gilroy*

*Larry Carr, Mayor Pro Tem, City of Morgan Hill and Board Chairman, SCRWA\**

*Rene Spring, Council Member, City of Morgan Hill and Board Member, SCRWA\**

*John L. Varela, Board Chair, Santa Clara Valley Water District*

*Richard P. Santos, Board Vice Chair, Santa Clara Valley Water District*

*\*SCRWA = South County Regional Wastewater Authority*

# **JOINT WATER RESOURCES COMMITTEE**

Wednesday, May 24, 2017



**SOUTH COUNTY REGIONAL  
WASTEWATER AUTHORITY**

# Item 4.1

## Review and Discuss Committee Formation, Purpose, Roles and Responsibilities

## 4.1 - Committee Formation and Purpose

### **Advise respective governing bodies on:**

1. Review of current practices and future needs for groundwater management in the Llagas groundwater subbasin
2. Facilitating policy discussion and sharing of technical information on water supply planning for South County
3. Identifying the current and future demand for recycled water as well as jointly identifying funding sources for implementation of the South County Recycled Water Master Plan
4. Facilitating policy discussion and sharing of technical information on furthering development and use of recycled water in South County
5. Facilitating policy discussion and sharing of socio-economic information on homelessness in South County

# 4.1 - Committee Roles and Responsibilities

## For Committee discussion:

### 1. Committee Term:

- ✓ Limited purpose, dissolve once committee purpose has been achieved

### 2. Committee Membership:

- ✓ Two representatives per agency
- ✓ At least one of the representatives from each City must be a member of the SCRWA Board

### 3. Alternative Members:

- ✓ To be determined

### 4. Committee Officers:

- ✓ Elect Chair and Vice Chair annually



# 4.1 - Committee Roles and Responsibilities

## For Committee discussion: (continued)

### 5. Quorum:

- ✓ Minimum = 50% plus 1 Committee Members
- ✓ At least one representative from each agency (District, City of Gilroy, City of Morgan Hill)

### 6. Meeting Frequency and Durations:

- ✓ Frequency: As called by Committee Chair, at a minimum once per calendar year
- ✓ Location: Rotate amongst participating agencies

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Committee:	Joint Water Resources
Meeting Date:	05/24/17
Agenda Item No.:	4.2
Unclassified Manager:	Garth Hall
Email:	<a href="mailto:ghall@valleywater.org">ghall@valleywater.org</a>

## COMMITTEE AGENDA MEMO

**SUBJECT:** Develop Committee Work Plan

**RECOMMENDED ACTION:**

Receive information and discuss next steps.

**SUMMARY:**

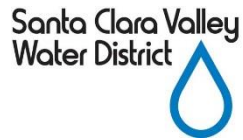
Staff recommends that this first committee meeting focus on development of a committee work plan. A blank committee work plan outline is provided as Attachment 1.

An annual work plan establishes a framework for committee discussion and action during meetings. The committee work plan is a dynamic document, subject to change as external and internal issues are discussed with respect to the committee purpose to advance common water interests in the southern portion of Santa Clara County.

**ATTACHMENT(S):**

Attachment 1: Committee Work Plan Outline





## 2017 Joint Water Resources Committee – DRAFT Work Plan

The annual work plan establishes a framework for committee discussion and action during the annual meeting schedule. The committee work plan is a dynamic document, subject to change as external and internal issues impacting the District occur and are recommended for committee discussion. Subsequently, an annual committee accomplishments report is developed based on the work plan and presented to the District Board of Directors.

ITEM	WORK PLAN ITEM	MEETING DATE	ACTION ITEMS AND OUTCOME

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Committee:	Joint Water Resources
Meeting Date:	05/24/17
Agenda Item No.:	4.3
Unclassified Manager:	Garth Hall
Email:	<a href="mailto:ghall@valleywater.org">ghall@valleywater.org</a>

## COMMITTEE AGENDA MEMO

**SUBJECT:** Update on Llagas Subbasin Groundwater Levels and Use

### RECOMMENDED ACTION:

Receive information and discuss next steps.

### SUMMARY:

The Cities of Morgan Hill and Gilroy rely on the Llagas Groundwater Subbasin to meet nearly all water demands, as do many thousands of private well owners in San Martin and other unincorporated areas. Groundwater pumping in the subbasin averages about 44,000 acre-feet per year (AFY) over the long-term. Because natural recharge is insufficient to balance pumping, the District replenishes the Llagas Subbasin with local and imported surface water through various managed recharge facilities. This managed recharge averages about 24,000 AF of water per year, and results in long-term balance within the subbasin.

During the recent drought, groundwater levels declined by 50-60 feet in many areas due to reduced managed and natural recharge. However, above-normal recharge in 2016 and impressive water use reduction by the community has resulted in recovered groundwater levels and storage. The District continues to coordinate with the Cities of Morgan Hill and Gilroy on future water demand projections to ensure continued groundwater sustainability in the Llagas Subbasin.

### BACKGROUND:

The Llagas Subbasin covers a surface area of about 74 square miles, extending from near Cochrane Road in Morgan Hill to the Pajaro River south of Gilroy. The subbasin is filled with unconsolidated gravel, sand, silt and clay that eroded from adjacent mountain ranges by flowing water and were deposited into the valley. The subbasin ranges in thickness from about 500 feet in the north to over 1,000 feet thick beneath the Pajaro River. Groundwater movement generally follows surface water patterns, draining south toward the Pajaro River at the boundary with San Benito County. Locally, groundwater also moves toward areas of heavy pumping.

Groundwater is the primary water supply source in the Llagas Subbasin and is the sole source for drinking water. A small, but growing, portion of water use is served by recycled water, and a small amount of raw surface water is also put to beneficial use. The long-term average pumping in the Llagas Subbasin from 2003 to 2012 is 44,000 AFY. Groundwater use is nearly evenly split between agricultural uses (50%) and municipal and industrial uses (45%), with about 5% used for domestic purposes. Pumping by water the Cities of Morgan Hill and Gilroy typically accounts for about 35% of pumping in the Llagas Subbasin.

Recharge sources in the Llagas Subbasin include District managed recharge and natural, or uncontrolled, recharge from the deep percolation of rainfall, septic system and/or irrigation return flows, and natural seepage through creeks. District managed recharge facilities in the Llagas Subbasin include the Main Avenue Ponds,

San Pedro Ponds, Church Ponds, Madrone Channel, Llagas Creek, and Uvas Creek. The long-term average District managed recharge in the Llagas Subbasin is 24,000 AFY, which helps maintain long-term sustainable groundwater levels and storage in the Llagas Subbasin.

Groundwater demands in the Llagas Subbasin are projected to increase to 53,000 AFY by 2035 based on water retailers' Urban Water Management Plans and projections for independent pumping. The District is coordinating with water retailers and other interested stakeholders during development of the Water Supply Master Plan, which will recommend actions and investments needed to address projected future shortfalls during multi-year droughts. The District is scheduled to complete the Water Supply Master Plan by early 2018.

**ATTACHMENT(S):**

Attachment 1: Presentation

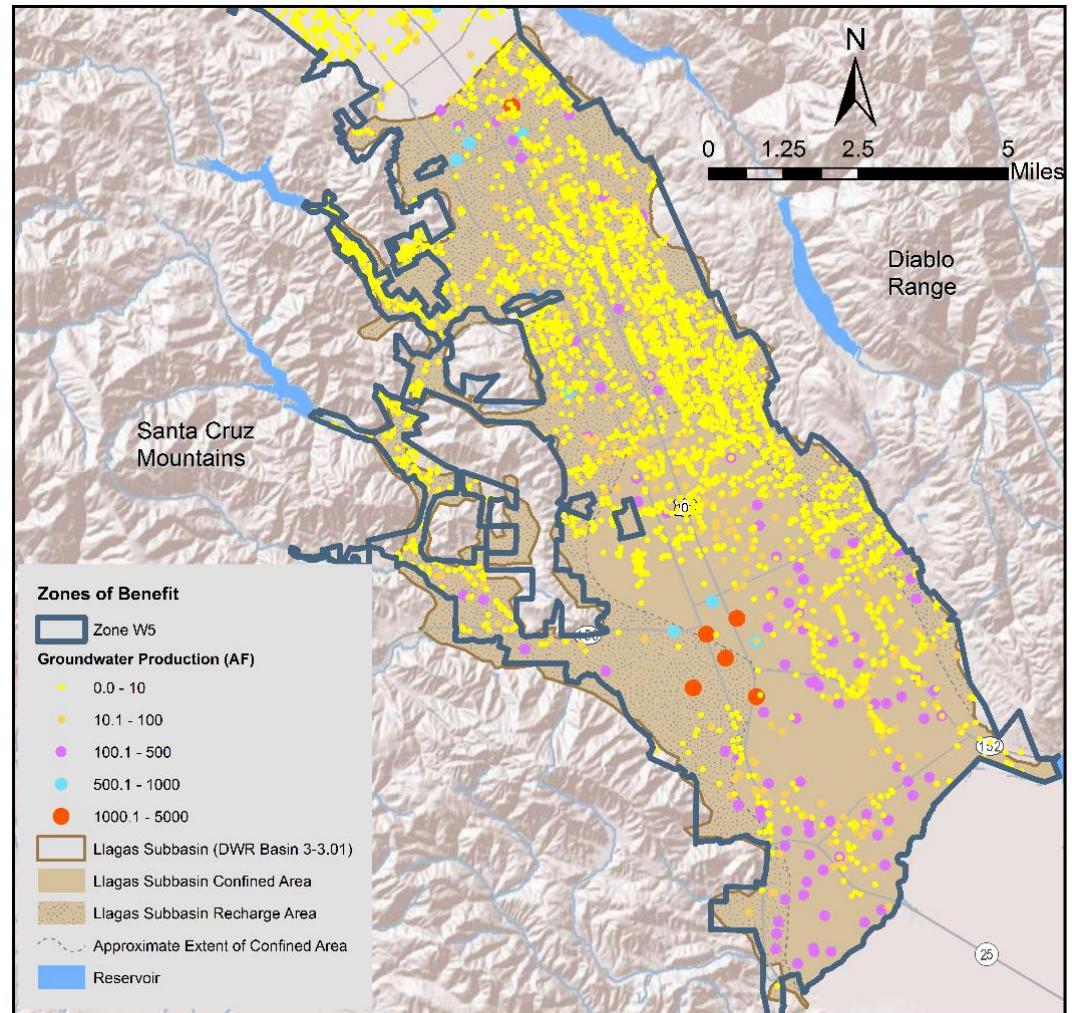


# Item 4.3

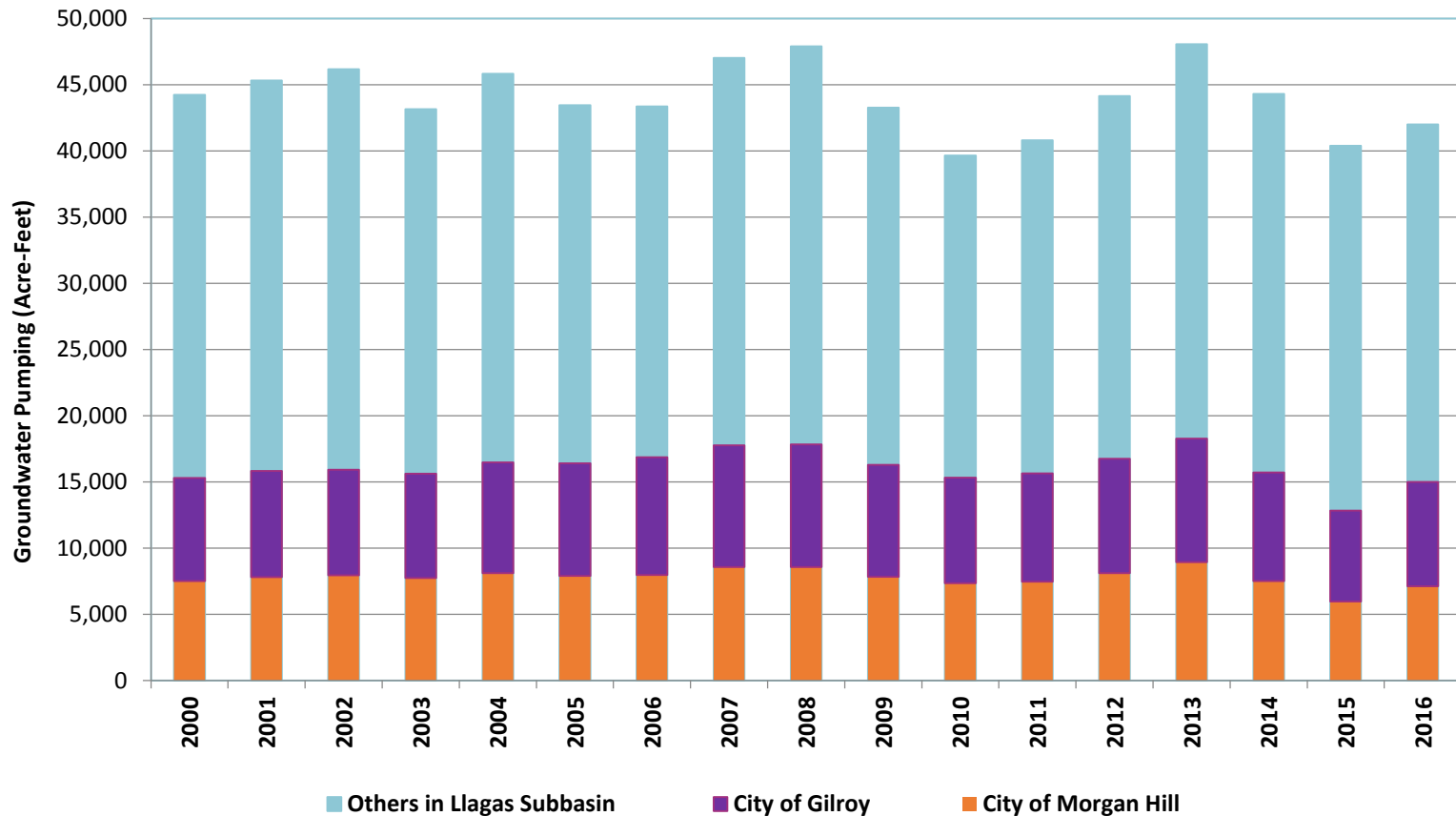
## Update on Llagas Subbasin Groundwater Levels and Use

# Llagas Subbasin Pumping

- Groundwater is the sole source of drinking water
- Over 3,000 pumping wells
- Average pumping of 44,000 acre-feet per year



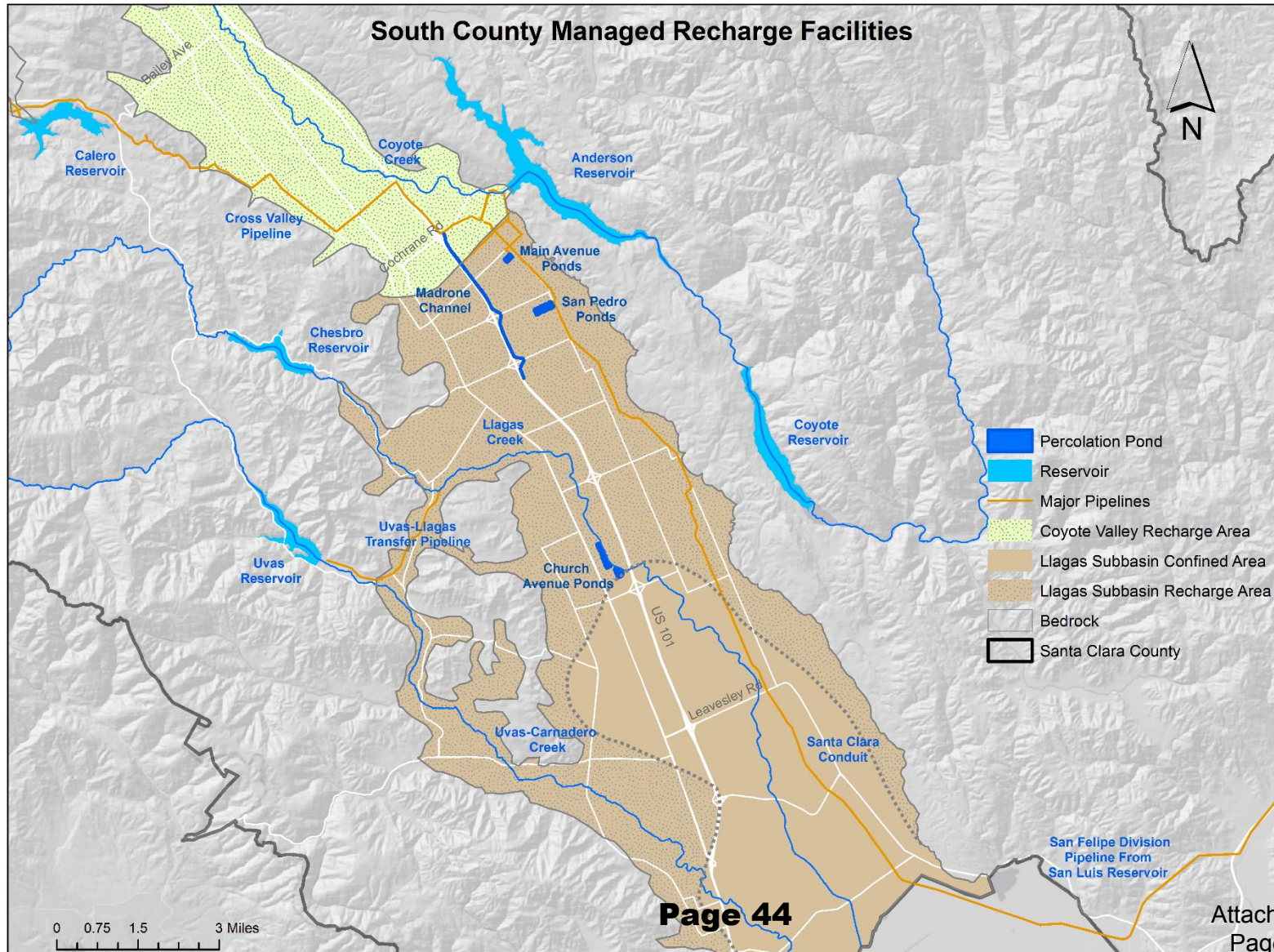
# Llagas Subbasin Pumping



Typically, about 50% of pumping is for agriculture, 45% is for municipal/industrial uses, and 5% is for domestic use.

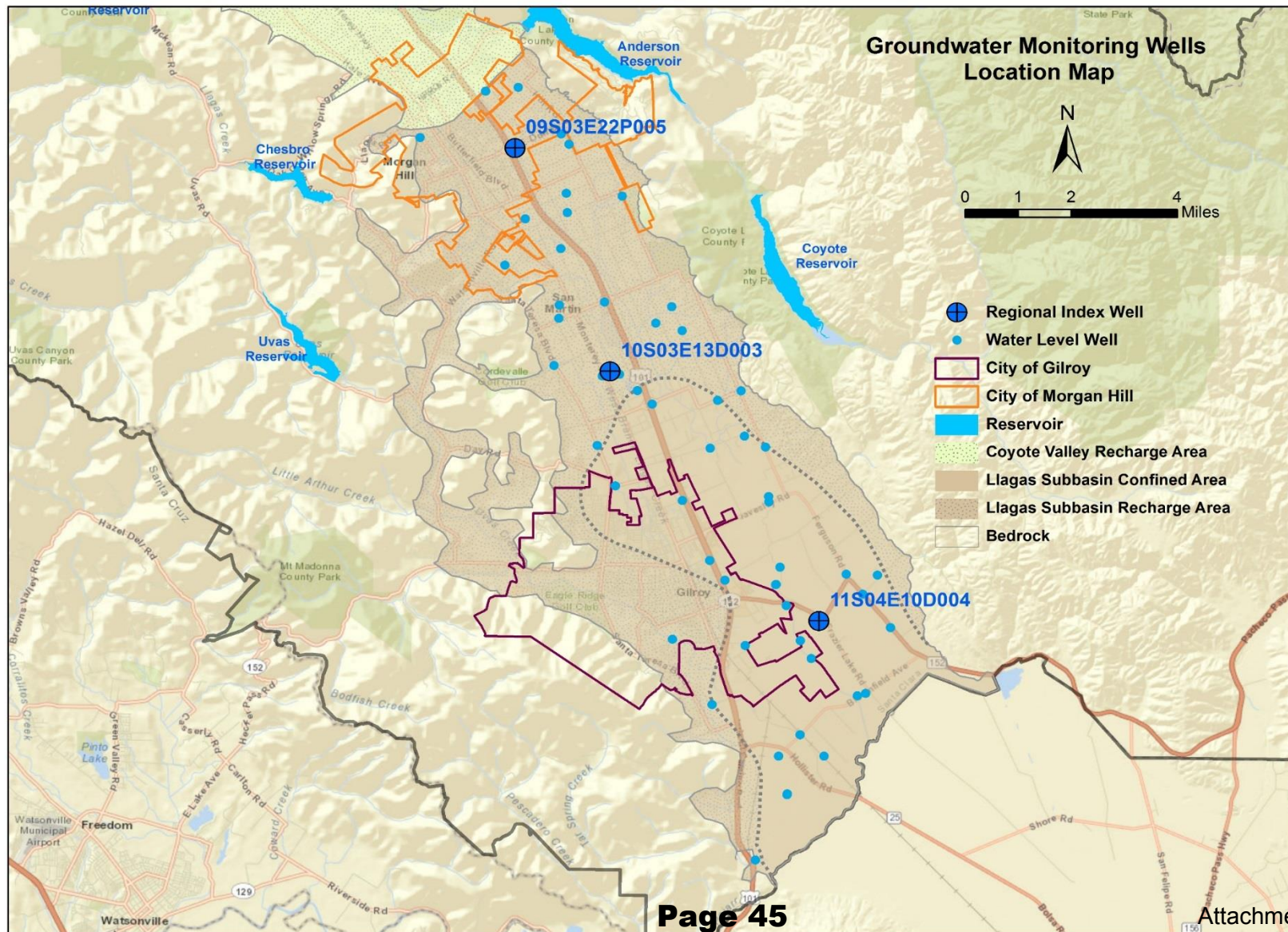


# Managed Recharge Helps Balance Pumping



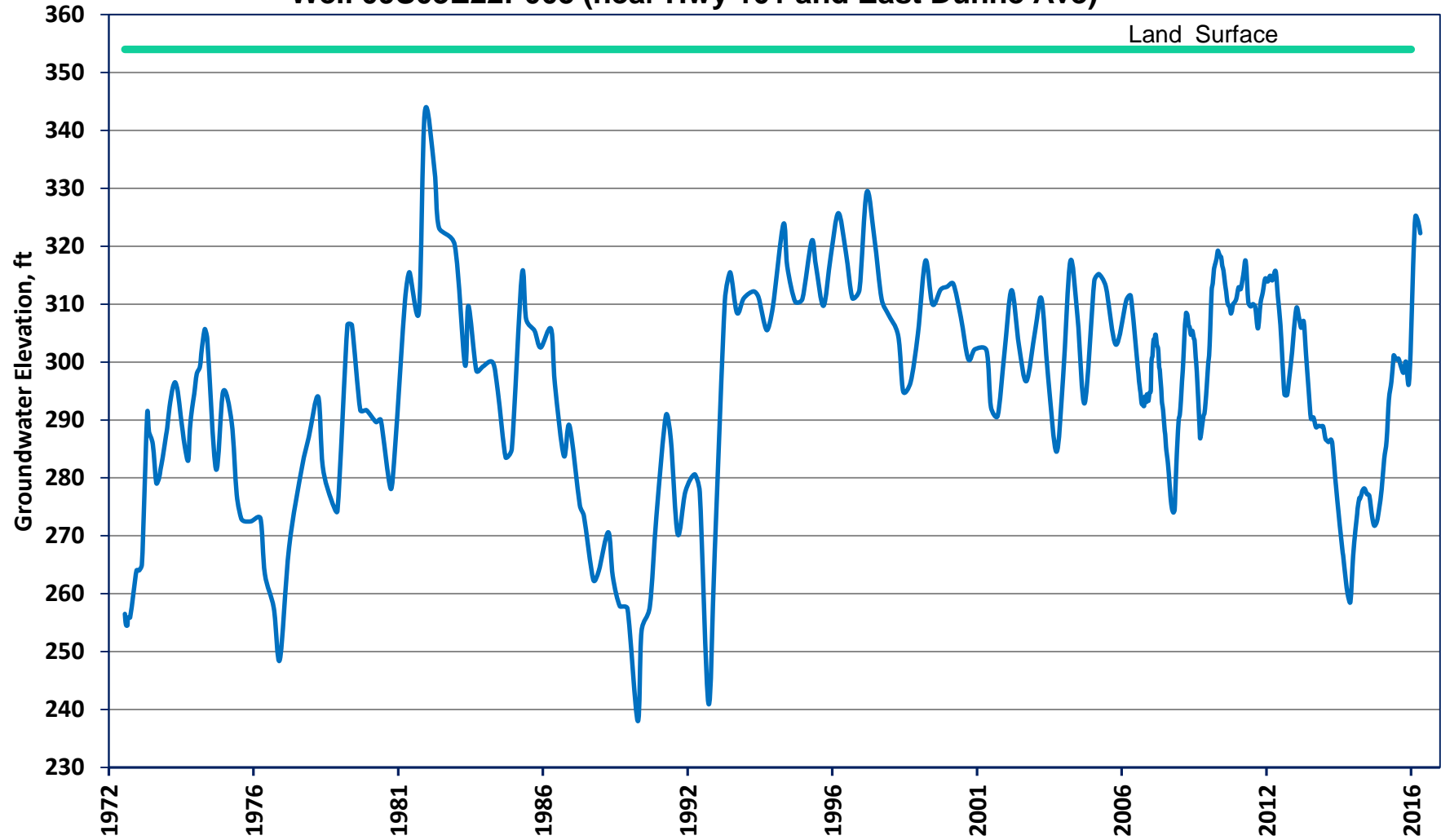


# Groundwater Level Monitoring



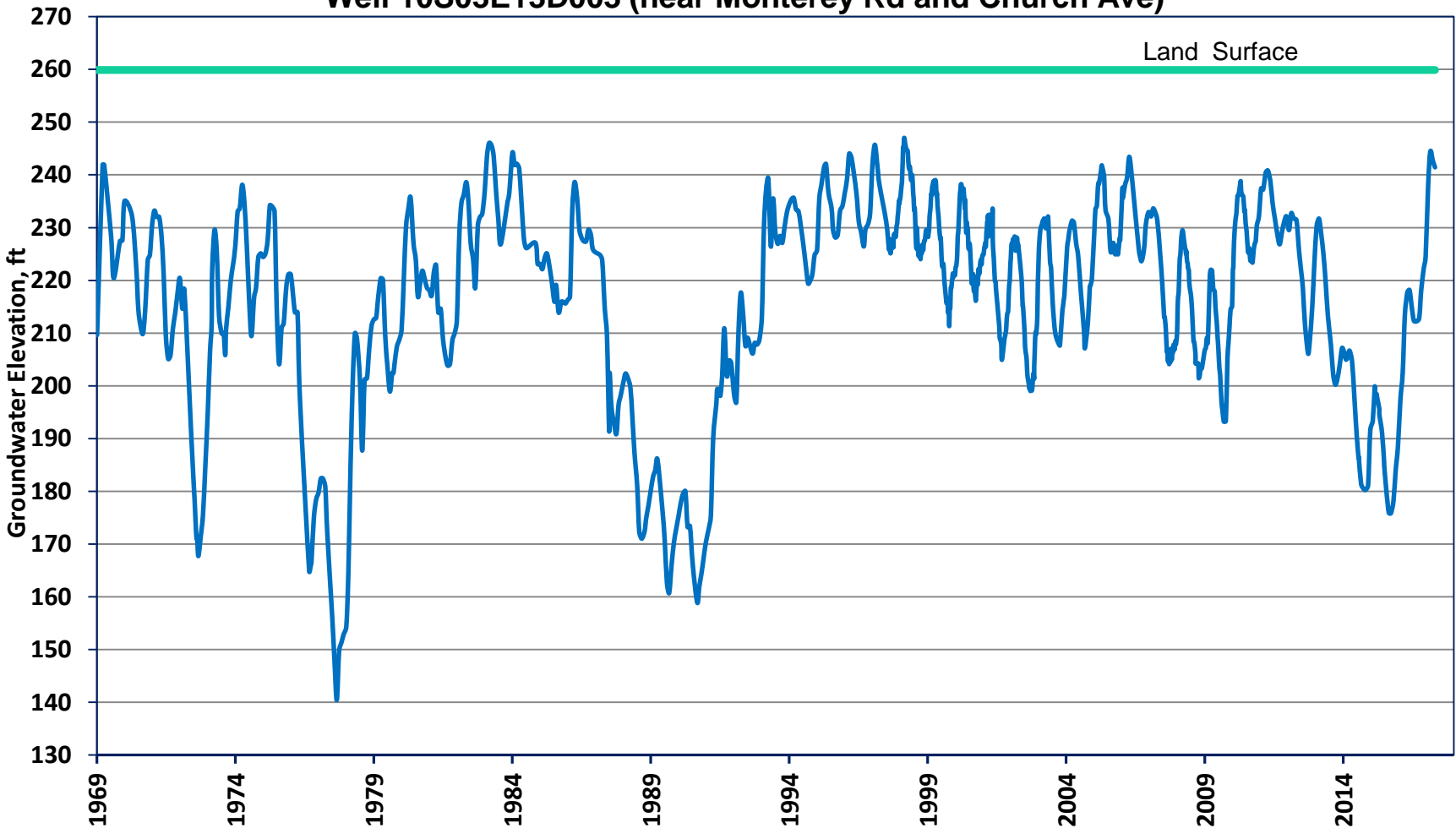
# Groundwater Levels - Morgan Hill Area

Well 09S03E22P005 (near Hwy 101 and East Dunne Ave)

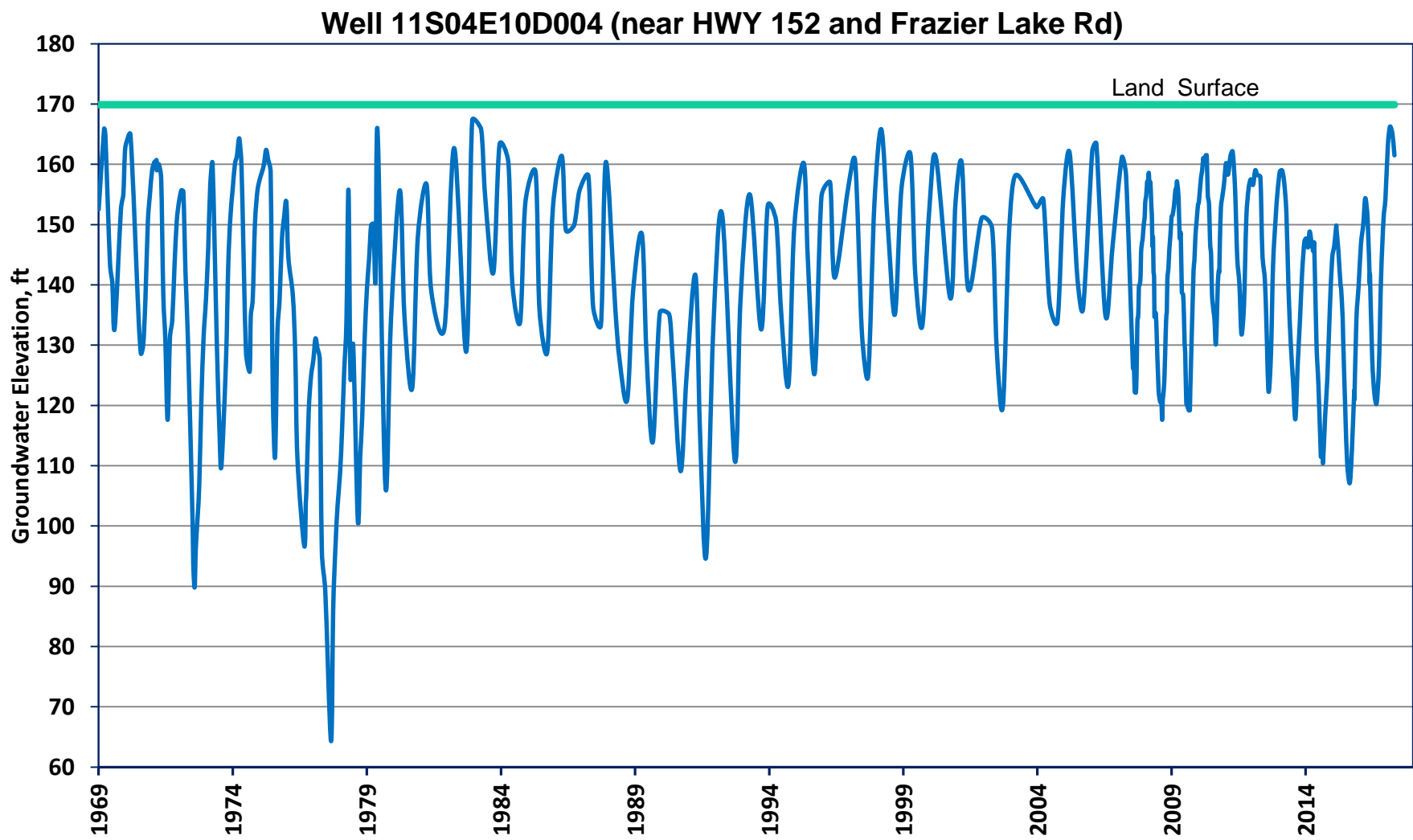


# Groundwater Levels – San Martin Area

Well 10S03E13D003 (near Monterey Rd and Church Ave)



# Groundwater Levels – Gilroy Area





# Long-Term Sustainability

- Comprehensive monitoring and management
- Coordination on future demands and land use
- Collaboration on water supply reliability and related investments



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Committee:	Joint Water Resources
Meeting Date:	05/24/17
Agenda Item No.:	4.4
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## COMMITTEE AGENDA MEMO

**SUBJECT:** Update on South County Recycled Water System

### RECOMMENDED ACTION:

Receive information and discuss next steps.

### SUMMARY:

This agenda memo presents an update on the South County Recycled Water System (RW System). During calendar year 2016, the total demand for non-potable recycled water served by the RW System was approximately 2,000 acre-feet.

The partnership between the District and the South County Regional Wastewater Authority (SCRWA) on the RW System dates back to 1977, when the Gilroy Reclamation and Irrigation Project pipeline was constructed. In 1999, the District entered into partnership agreements (“Producer-Wholesaler-Retailer agreements”), with SCRWA and the cities of Gilroy and Morgan Hill to develop a marketable recycled water program, which included expansion of the Wastewater Treatment and Reclamation Plant (WWTP), located in Gilroy, and the recycled water SCRWA distribution system. Under the Producer-Wholesaler-Retailer agreements, SCRWA is the recycled water producer, the District is the wholesaler, and the cities of Morgan Hill and Gilroy are the retailers.

The District, in partnership with SCRWA and in collaboration with the cities of Gilroy and Morgan Hill, prepared an update of the South County Recycled Water Master Plan, dated May 2016 (Master Plan). This master planning update evaluates opportunities to provide reliability, redundancy, and expansion of the recycled water system within Gilroy and, further, evaluates alternatives to provide service to Morgan Hill. The Master Plan recommends an estimated \$98 million capital improvement program for expansion of the treatment and distribution of non-potable recycled water to the southern portion of Santa Clara County.

Implementation of the Master Plan recommendations affecting Gilroy would support an estimated average daily demand of 3,700 acre feet per year of recycled water. In addition, implementation of the Master Plan would provide a net benefit to Gilroy (reduction in groundwater usage) and Morgan Hill (improvement of groundwater levels) by offsetting groundwater pumping demands in the Llagas Subbasin. The proposed recommendations for capital improvements are presented in Table 1. A map of the existing recycled water system and recommended improvements is included in Attachment 1.

**Table 1: Master Plan Capital Improvement Recommendations**

Phases	Capital Improvement Projects 1	Cost Estimate
Immediate-Term	<ul style="list-style-type: none"> <li>• 26,600 feet of 8-inch to 30-inch pipe</li> </ul> <u>Planned Wastewater Treatment Plant (WWTP) Improvements</u> <ul style="list-style-type: none"> <li>• 9 Million Gallon per Day (MGD) Ultraviolet (UV) Treatment Facility</li> <li>• 3-MGD upgrade to Area 94 WWTP pump station</li> </ul>	\$14.3 Million  <u>WWTP</u> \$4.5 Million
Short-Term	<ul style="list-style-type: none"> <li>• 21,860 feet of 8-inch to 30-inch pipe</li> </ul> <u>Planned WWTP Improvements</u> <ul style="list-style-type: none"> <li>• Chlorine contact basin and Area 98 pump station upgrade</li> <li>• 4.6-MGD upgrade to Area 93 WWTP pump station</li> <li>• 6 MG Reservoir and pump station expansion at WWTP</li> <li>• Automated flow measurement and smart meter conversion</li> </ul>	\$10 Million  <u>WWTP</u> \$8.4 Million
Long-Term	<ul style="list-style-type: none"> <li>• 7,010 feet of 18-inch pipe</li> <li>• New 1.5 MG Storage Tank</li> <li>• New 2.1-MGD pump station</li> </ul> <u>Planned WWTP Improvements</u> <ul style="list-style-type: none"> <li>• 2.5 MGD WWTP Phase 2 expansion (secondary treatment – Membrane Bioreactor)</li> <li>• Recycled water fill station (commercial &amp; residential)</li> </ul>	\$10 Million  <u>WWTP</u> \$50.9 Million
	Total Estimated Costs	\$98.1 Million

Footnote: 1. The cost estimates for the “Planned WWTP Improvements” UV Treatment Facility and Area 94 pump station projects are derived from construction bids. The remaining cost estimates for the “Planned WWTP Improvements” are planning level estimates prepared by SCRWA.

#### Funding Opportunities:

On September 19, 2016, the District received award of a \$4 million federal grant for the design and construction of approximately 14,500 linear feet recycled water pipeline expansion in the RW System. The grant was issued through the US Bureau of Reclamation (Reclamation) WaterSMART, Title XVI Program. The District submitted a subsequent application to Reclamation for an additional \$1.7 million in Title XVI Program federal grant funding for the same project in December 2016.

The District and City of Gilroy continue on-going collaborations on cost-saving opportunities for the design and construction of approximately 18,100 linear feet and 4,500 linear feet of recycled water pipelines and service connections, respectively within with Glen Loma Ranch and Meritage Homes land developments. The proposed recycled water pipelines are included in the Master Plan capital improvement recommendations.

Next Steps:

District staff looks forward to discussing with the cities of Gilroy and Morgan Hill collaboration opportunities for the continued implementation of the Master Plan, including selection of projects, pursuit of funding opportunities, and cost sharing.

**ATTACHMENT(S):**

Attachment 1: Presentation

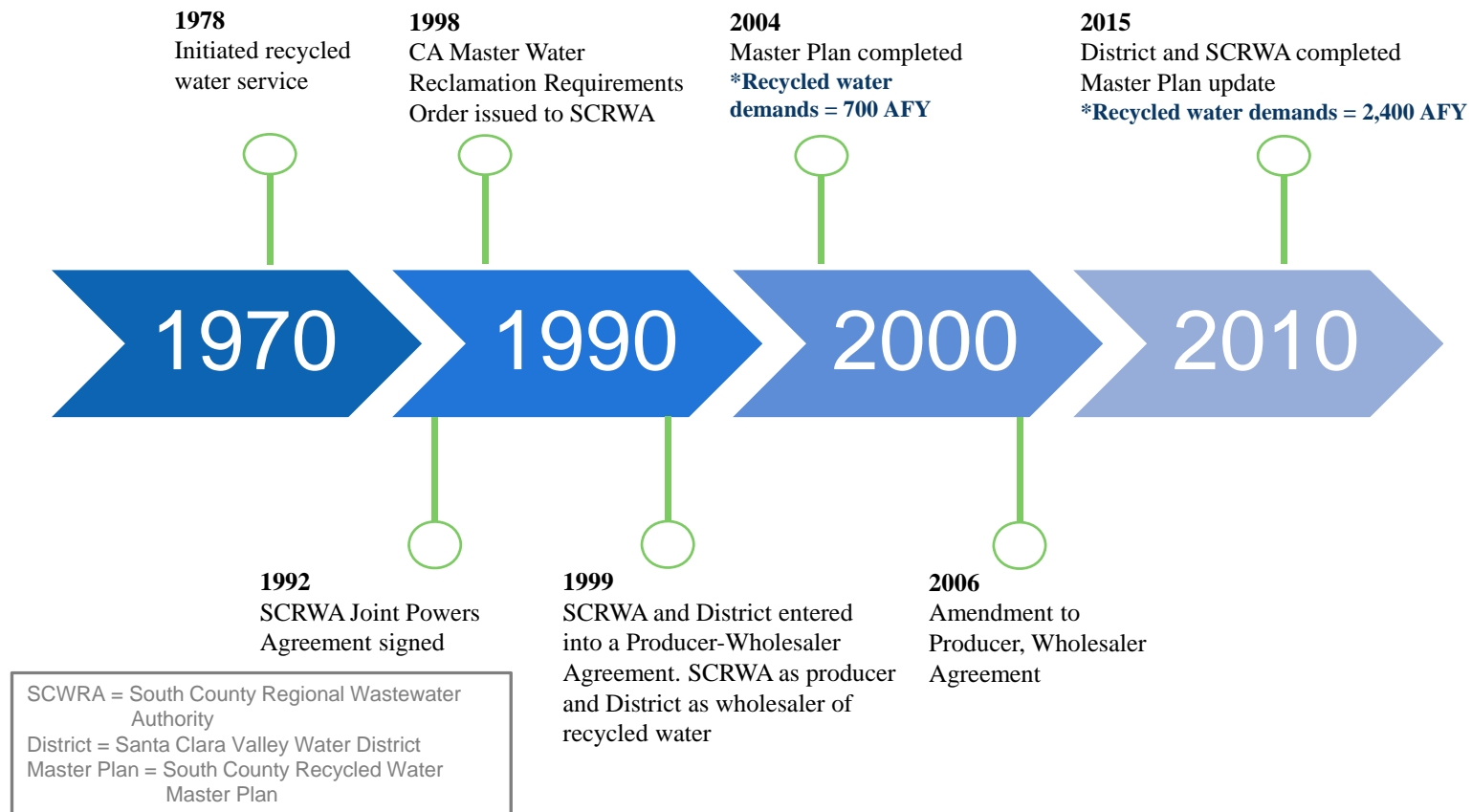


## Item 4.4

# Update on South County Recycled Water System

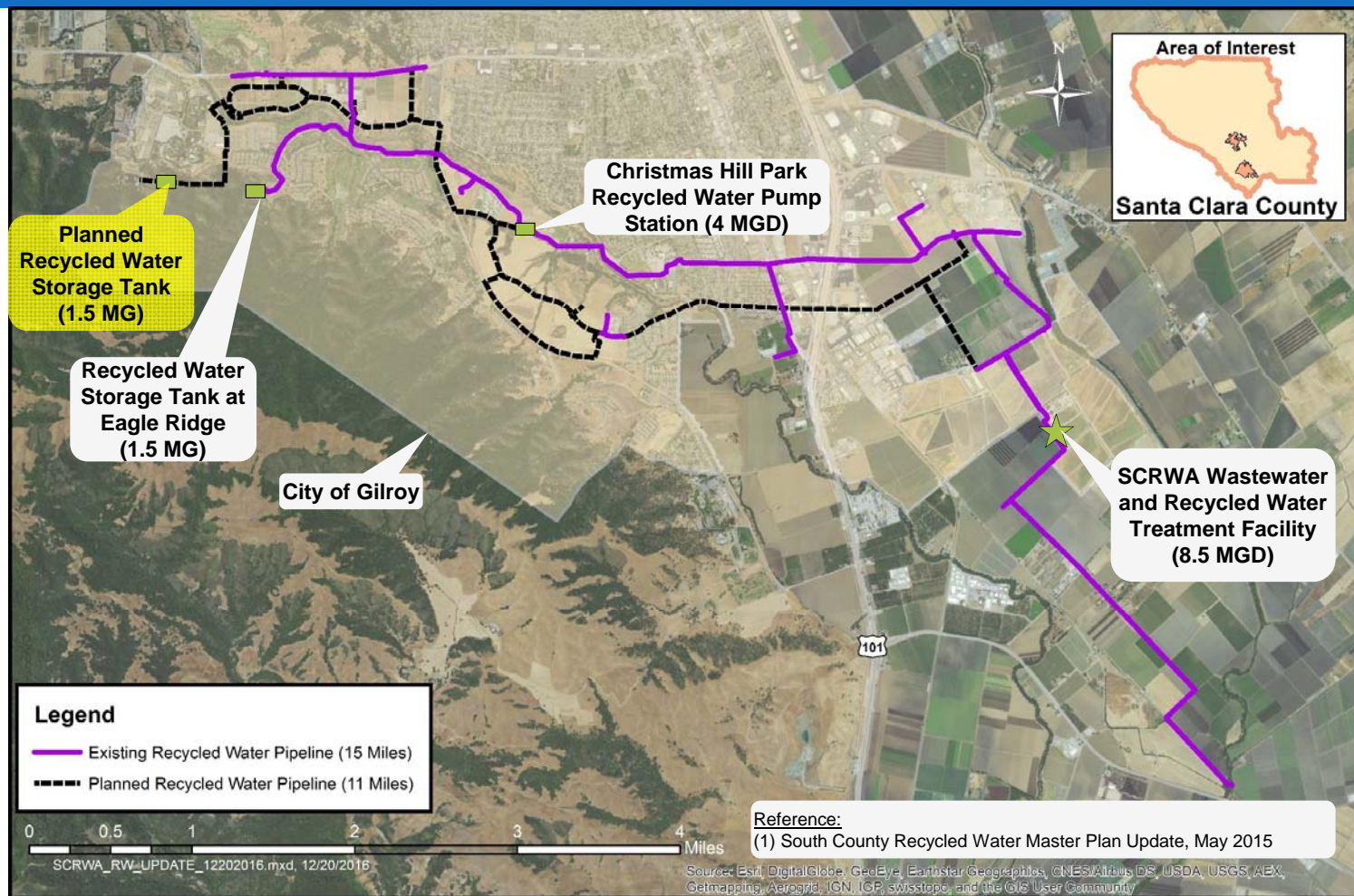
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## 4.4 – History and Timeline





## 4.4 – Map of South County Recycled Water System



## 4.4 – Master Plan Capital Improvement Recommendations

Segments	Capital Improvement Projects (2015 Master Plan update)	Cost Estimate
Immediate -Term	<ul style="list-style-type: none"> <li><b>Distribution:</b> 26,600 foot pipeline extension</li> <li><b>Wastewater Treatment Plant (WWTP):</b> UV Treatment, pump station upgrade</li> </ul>	<b>\$ 14.3 Million</b>  <u>WWTP</u> <b>\$ 4.5 Million</b>
Short- Term	<ul style="list-style-type: none"> <li><b>Distribution:</b> 21,860 foot pipeline extension</li> <li><b>WWTP:</b> Chlorine contact basin upgrade, pump station upgrades, meter conversion (Gilroy/District), 6 mgd reservoir expansion (District)</li> </ul>	<b>\$ 10.0 Million</b>  <u>WWTP</u> <b>\$ 8.4 Million</b>
Long- Term	<ul style="list-style-type: none"> <li><b>Distribution:</b> 7,010 foot pipeline extension, 1.5 mgd storage tank, and booster pump station</li> <li><b>WWTP:</b> 2.5 mgd secondary treatment expansion (SCRWA) and recycled water fill station (commercial / residential) (City of Gilroy/District)</li> </ul>	<b>\$ 10.0 Million</b>  <u>WWTP</u> <b>\$ 50.9 Million</b>
	<b>Total Cost Estimate</b>	<b>\$ 98.1 Million</b>

mgd = million gallons per day

**Cost per Additional Acre-foot = \$2,901**

## 4.4 – Grant and Other Funding Opportunities

### Federal: Title XVI

- ✓ Awarded: \$4 Million grant – 15,000 feet pipeline expansion (September 2016)
- ✓ Applied: An additional \$1.7 Million grant (December 2016)

### State: Proposition 1/Clean Water State Revolving Fund

- ✓ Applied: \$6.7 Million grant (August 2016)

### Cost share (City of Gilroy/Land Development)

- ✓ Glen Loma Ranch (GLR): \$0.2 Million cost savings – 1,900 feet pipeline expansion (February 2015)
- ✓ Meritage Homes (MH): \$0.9 Million cost savings – 9,200 feet pipeline expansion (February 2015)
- ✓ Future phases of development for GLR and MH: Cost savings TBD - 22,600 feet pipeline expansion (Estimated 2017)

## 4.4 – Next Steps

	Action	Schedule
1	Discuss opportunities for collaboration for implementation of the Master Plan <ul style="list-style-type: none"> <li>Pursue funding opportunities</li> <li>Review and amend partnership and/or cost share agreements</li> </ul>	On-going
2	Continue negotiations on cost saving opportunities within areas of development: <ul style="list-style-type: none"> <li>Glen Loma Ranch: 18,100 feet pipeline expansion</li> <li>Meritage Homes: 4,500 feet pipeline expansion</li> </ul>	2017
3	District – Solicit construction proposals (pipeline expansion) <ul style="list-style-type: none"> <li>3,500 feet pipeline expansion – Complete</li> <li>11,000 feet pipeline expansion – <i>Solicit construction proposal</i></li> </ul>	2019-2020
4	Initiate additional CEQA documentation for master plan	As-Needed