

Safe, Clean Water and Natural Flood Protection Program

Independent Monitoring Committee

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February 14, 2018

To: Santa Clara Valley Water District Board of Directors,

The Independent Monitoring Committee (IMC) is pleased to present its fourth annual report of its review of the *Safe, Clean Water and Natural Flood Protection Program (SCW) Fiscal Year (FY) 2016-2017* to the Board.

The IMC consists of members of the public appointed by the Board. Its annual report is intended to add further transparency and public accountability to the implementation of the SCW program. The IMC reviews the SCW annual report after it has been presented to and accepted by the Board. The IMC report looks back at the prior year to ensure that funds from SCW are spent according to the voter approved priorities identified in Measure B and that projects are moving forward in a timely manner. The IMC understands the importance of its role and is committed to a thoughtful and thorough review of the SCW program annual report. The IMC's findings also include recommendations to help meet the priorities of the program within the approved budget. Its report is presented to the Board and is available to the public.

The IMC met on December 6, 2017 to begin its fourth annual SCW review process and agreed to continue the subcommittee reporting process and re-elected the Chair and Vice Chair. In response to requests by the IMC, District staff presented information regarding the Audit Report conducted by Moss Adams; United States Army Corps of Engineers partnership projects; and an update on the 2017 flood event on Coyote Creek and subsequent project modification. The IMC also welcomed three new committee members.

Subcommittees met with District staff during the first half of January 2018 and presented the findings to the IMC as a whole on January 24, 2018. At the suggestion and urging of the Chair, subcommittee members were encouraged to volunteer for a new subcommittee to bring new, fresh eyes to the review process. IMC members agreed that Chairs of each subcommittee led by the Chair of the IMC draft the fourth IMC report to the Board. The draft report was presented to the IMC as a whole on February 14, 2018 for final review and approval.

The IMC recommendations regarding the information provided in the SCW annual report continue to refine and improve the report, to standardize information, and provide further details in a way intended to be easily understood by the public. As in our prior reports, IMC comments and recommendations for each individual project are included in the attached document.

The IMC would like to let the Board know that while most of our comments and recommendations directed to the SCW FY 2016-2017 report are minor suggestions for improving the clarity of the report we had lengthy discussions on the following:

- Due to low demand for the Nitrate System Rebate Program, the IMC recommends the Board reevaluate this project and possibly reallocate all or a portion of these funds to other projects.
- The IMC recommends that staff provide more information about how the data collected in Project C2 (Emergency Response Upgrades) will be incorporated in Project E2 (Emergency Response Planning).

The IMC would also like to call special attention to the following:

- Project B4 - Good Neighbor Program: Encampment Cleanup. The high demand from cities and the community for encampment cleanups in the first four years severely impacted the long-term project budget. At the current level of demand, there will not be funding beyond FY 2018-2019 through the SCW program. On May 15, 2017, the Homeless Encampment Ad Hoc Committee recommended that beginning in FY 2019-2020, up to 90% of the net rental income from properties purchased through Watersheds (Fund 12) be used to fund Project B4 through FY 2027-2028. The Board of Directors approved this recommendation on August 8, 2017. Given the continued high demand for encampment cleanups, the IMC recognizes that the District may need to continue to explore other additional funding options for this project.
- Project E1 – Vegetation Control and Sediment Removal for Flood Protection (page 98 of the SCW report). While we commonly refer to the program as “Safe, Clean Water,” the full name includes “and Natural Flood Protection.” The work done by the District to remove sediment at 17 sites along 12 creeks prior to the heavy rains of FY 2016-2017 maintained the flood conveyance capacity and prevented more extensive flooding.
- Watersheds Capital Projects: The IMC recognizes that there are projects with KPIs that allow for local-funding-only and preferred projects, which require federal funding. If a decision is made to proceed without federal funding, this should be clearly communicated. The IMC suggests that the District continue to communicate with the public and keep them as well informed as possible.

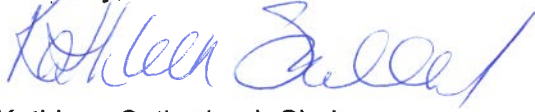
We would also like to commend District staff for continuing to move projects forward, while adjusting to the unpredictable challenges brought by severe drought, followed by catastrophic flood, significant homeless encampments, uncertain federal funding, and new statutes and regulations.

With its review of the Safe, Clean Water and Natural Flood Protection Program FY 2016-2017 complete, the IMC finds that funds from Measure B are being spent in accordance with the voter approved priorities identified in the measure and that the District is acting responsibly to ensure projects move forward in a timely manner. We would like to thank District staff for the support they give the IMC. The review of each project by the subcommittees are thorough and subcommittee members ask very detailed questions. The answers provided by staff help the IMC craft suggestions designed to improve the clarity of the yearly report.

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We thank the Board for the support they have shown our past recommendations and we look forward to returning next year.

Sincerely,



Kathleen Sutherland, Chair
Independent Monitoring Committee

Attachments: Challenges, Concerns and IMC General Recommendations
IMC Fiscal Year 2016-2017 Annual Report

cc: Independent Monitoring Committee Members