

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 2026-

**APPROVING THE MODIFICATION OF PROJECT E5:
SAN FRANCISQUITO CREEK FLOOD PROTECTION IN THE SAFE, CLEAN WATER
AND NATURAL FLOOD PROTECTION PROGRAM**

WHEREAS, on July 21, 2020, the Board of Directors of the Santa Clara Valley Water District (District or Valley Water) adopted Resolution No. 20-64 Providing for the Continuation and Levy of a Special Tax to Pay the Cost of the Safe, Clean Water and Natural Flood Protection Program in the Combined Flood Control Zone of the Santa Clara Valley Water District Subject, Nevertheless, to Specified Limits and Conditions (Resolution No. 20-64); and

WHEREAS, the purpose of the special tax is to supplement other available but limited revenues to keep Valley Water's flood protection system of levees, channels, drains, debris basins, and other improvements in a safe and effective condition; to enable Valley Water to respond to emergencies; to perform maintenance and repair; to acquire, restore, and preserve habitat; to provide recreation; to conduct environmental education; to protect and improve water quality; and, to construct and operate flood protection storm drainage facilities; including in each case the cost of financing such activities; support public health and public safety as it relates to Valley Water's mission; and

WHEREAS, in November 2020, Valley Water's Measure S was overwhelmingly approved by more than a two-thirds majority vote of the electorate of Valley Water, renewing a special tax, the proceeds of which are used solely to support the six funding priorities of the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program), which are as follows: Priority A: Ensure a Safe, Reliable Water Supply; Priority B: Reduce Toxins, Hazards, and Contaminants in Our Waterways; Priority C: Protect Our Water Supply and Dams from Earthquakes and Other Natural Disasters; Priority D: Restore Wildlife Habitat and Provide Open Space; Priority E: Provide Flood Protection to Homes, Businesses, Schools, Streets, and Highways; and Priority F: Support Public Health and Public Safety for Our Community; and

WHEREAS, Project E5: San Francisquito Creek Flood Protection (Project E5) is included under Priority E of the Safe, Clean Water Program and is led by the San Francisquito Creek Joint Powers Authority (SFCJPA), of which Valley Water is a member agency; and

WHEREAS, the Safe, Clean Water Program identifies the Key Performance Indicators (KPIs) for Project E5 as follows:

- "1. Preferred project with federal, state and local funding: Protect more than 3,000 parcels by providing 1% (100-year) flood protection.
2. With state and local funding only: Protect approximately 3,000 parcels by providing 1% (100-year) flood protection downstream of Highway 101, and approximately 1.4% (70-year) protection upstream of Highway 101."; and

WHEREAS, Finding 7 of the Safe, Clean Water Program Audit found that the existing Project E5 KPIs are misaligned with Valley Water's role and authority because they hold Valley Water accountable for delivery of a specific community outcome (protecting parcels from 70-year flood event) even though Valley Water does not have direct control or authority to ensure that outcome is achieved, and because the KPIs do not accurately reflect Valley Water's role as a funding partner; and

WHEREAS, the Auditor recommended that Valley Water re-evaluate the KPIs for Project E5 and consider shifting from an outcome-based metric to a metric that measures Valley Water's specific, controllable contributions, such as a funding- or partnership-based deliverable; and

WHEREAS, staff agrees that Valley Water is not the lead agency responsible for delivery of Project E5 and that the existing KPIs imply that project delivery is within Valley Water's control; and

WHEREAS, staff recommends replacing existing KPIs #1 and #2 with a single modified KPI that focuses on a deliverable within Valley Water's control and allows for greater flexibility in project planning and design, and incorporation of other SFCJPA member agencies' requirements, as the SFCJPA continues to implement the remainder of the project; and

WHEREAS, the proposed modified KPI focuses on Valley Water's funding contribution and clarifies that Valley Water's contribution should be commensurate with the value of the project benefits provided to Santa Clara County; and

WHEREAS, Valley Water's Resolution No. 20-64 authorizes modifications to proposed projects. Paragraph N. reads as follows: "The Board of Directors may direct that proposed projects in the Safe, Clean Water and Natural Flood Protection Program be modified or not implemented depending upon a number of factors, including federal and state funding limitations and the analysis and results of CEQA environmental review and permitting by state and federal regulatory agencies. The Board of Directors must hold a formal, public hearing on the matter, which will be noticed by publication and notification to interested parties, before adoption of any such decision to modify or not implement a project"; and

WHEREAS, at its regular Board meeting on June 23, 2026, Valley Water's Board of Directors set a time and place for a formal public hearing on July 14, 2026, and to be continued to August 11, 2026. At that time, the Board will consider the Proposed Modification to Project E5: San Francisquito Creek Flood Protection.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District as follows:

1. Pursuant to the requirements stated in the District Act (Section 12(a)) for public notice requirements, staff prepared and published advertisements in Santa Clara County newspapers of general circulation.
2. Pursuant to the requirements stated in Valley Water's Resolution No. 20-64, Paragraph N., a noticed public hearing was held.
3. Existing KPIs #1 and #2 for Project E5: San Francisquito Creek Flood Protection, as set forth in the Safe, Clean Water Program, are deleted and replaced with the following modified KPI:

"Provide the San Francisquito Creek Joint Powers Authority a portion of funds commensurate with the project's benefits to Santa Clara County, to provide flood protection along San Francisquito Creek."

Valley Water's Safe, Clean Water and Natural Flood Protection Program Project E5: San Francisquito Creek Flood Protection KPIs are hereby modified as stated in Exhibit A.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on August 11, 2026:

AYES: Directors

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

TONY ESTREMER
Chair, Board of Directors

ATTEST

CANDICE KWOK-SMITH
Clerk, Board of Directors

EXHIBIT A COVERSHEET

MODIFIED KEY PERFORMANCE INDICATOR

No. of Pages: 2

Exhibit Attachments: None

EXHIBIT A

PROJECT E5

SAN FRANCISQUITO CREEK FLOOD PROTECTION, SAN FRANCISCO BAY TO UPSTREAM OF HIGHWAY 101— PALO ALTO

This project is led by the San Francisquito Creek Joint Powers Authority (SFCJPA), of which Valley Water is a member agency, in partnership with the U.S. Army Corps of Engineers (USACE).

Preferred project: A federal-state-local partnership

The project is to construct improvements along San Francisquito Creek from San Francisco Bay to Middlefield Road and additional detention of floodwaters upstream of Highway 280 to provide 1% (100-year event) flood protection, ecosystem protection and recreational benefits to surrounding communities.

Local-state-limited federal funding partnership

San Francisco Bay to Highway 101 (Reach 1)

In 2019, Valley Water completed the construction of the San Francisco Bay to Highway 101 reach of the project to provide 1% flood protection and ecosystem benefits to the neighboring communities. Major improvements included construction of approximately 4,600 feet of floodwalls, 6,100 feet of levees, and encompassed a total of 58 acres, creating a significantly wider creek marsh plain.

Highway 101 to Pope-Chaucer Bridge (Reach 2)

This stretch of the project will remedy channel constrictions and replace bridges at Newell Road and Pope/Chaucer streets to allow the channel to contain floodwaters of approximately 7,500 cubic feet per second, equivalent to approximately a 1.4% flood event (70-year event). Allowing this level of water to flow through the channel will protect approximately 3,000 parcels in Palo Alto from a flood event close to the February 1998 flood, the largest on record. Currently, the channel can only convey between a 4-10% flood event (10- to 25-year event).

The USACE is studying the San Francisquito Creek through its Continuing Authorities Program, Section 205 (CAP 205), which allows the USACE to study, design, and construct small flood risk reduction projects in partnership with non-federal agencies with a maximum project cost of \$10 million. The level of protection provided is still being studied, but will likely be less than 1%.

The Newell Road bridge replacement, unlike the rest of the project elements in this stretch, is led by the City of Palo Alto, which has applied for funding through Caltrans' Highway Bridge Program (HBP). The project has been programmed by Caltrans to fund approximately 89% of the total cost for replacing the Newell Road bridge, while the local match funds, approximately 11% of the total cost, will be funded by Valley Water through the Safe, Clean Water Program. The City of East Palo Alto and the SFCJPA continue to provide input on the Newell Road Bridge replacement.

The SFCJPA continues to pursue partnerships with federal, state, and local agencies for additional construction funding for the Reach 2 Project.

Benefits

- Provides 1% flood protection to approximately 3,000 homes and businesses in Palo Alto
- Local-state-funding-only project provides approximately 1.4% (70-year event) flood protection for approximately 3,000 homes and businesses in Palo Alto
- Reduces bank erosion and sedimentation-related impacts along San Francisquito Creek
- Provides new or improved habitats for endangered species
- Improves water quality
- Enhances recreational opportunities for the community
- Minimizes operational and maintenance requirements
- Leverages dollars via cost-shares and grants from the state Department of Water Resources and the California Department of Transportation
- Addresses climate change as the project is designed to increase flow capacity, thereby reducing flood risks from storm events projected to become more frequent and intense due to climate change. Furthermore, the project accounts for 2 feet of sea level rise

Key Performance Indicators (KPIs), FY22–36

- ~~1. Preferred project with federal, state and local funding: Protect more than 3,000 parcels by providing 1% (100-year) flood protection.~~
 - ~~2. With state and local funding only: Protect approximately 3,000 parcels by providing 1% (100-year) flood protection downstream of Highway 101, and approximately 1.4% (70-year) protection upstream of Highway 101.~~
1. Provide the San Francisquito Creek Joint Powers Authority a portion of funds commensurate with the project's benefits to Santa Clara County, to provide flood protection along San Francisquito Creek.

Geographic Area of Benefit: Palo Alto