



Watershed Project Implementation Pathways

November 25, 2025

Introduction

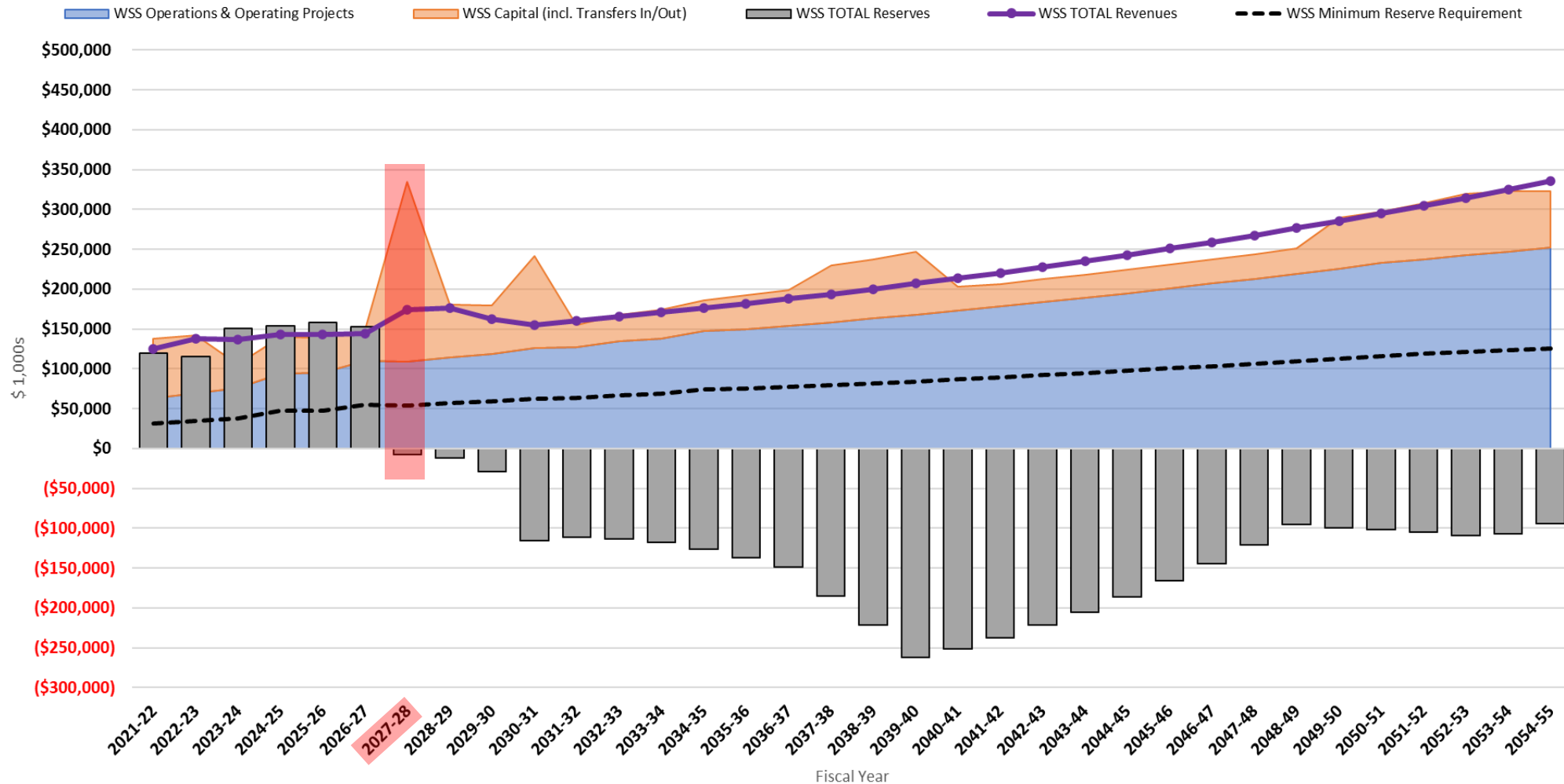
- Watershed Projects
- Watershed Stream Stewardship Fund - 12
- Safe Clean Water Fund - 26

Overview

- Path to Financial Sustainability
- Strategic Changes to Balance the CIP
- Recommendations and Next Steps

Current Financial Projection

Watersheds Stream Stewardship Fund 12



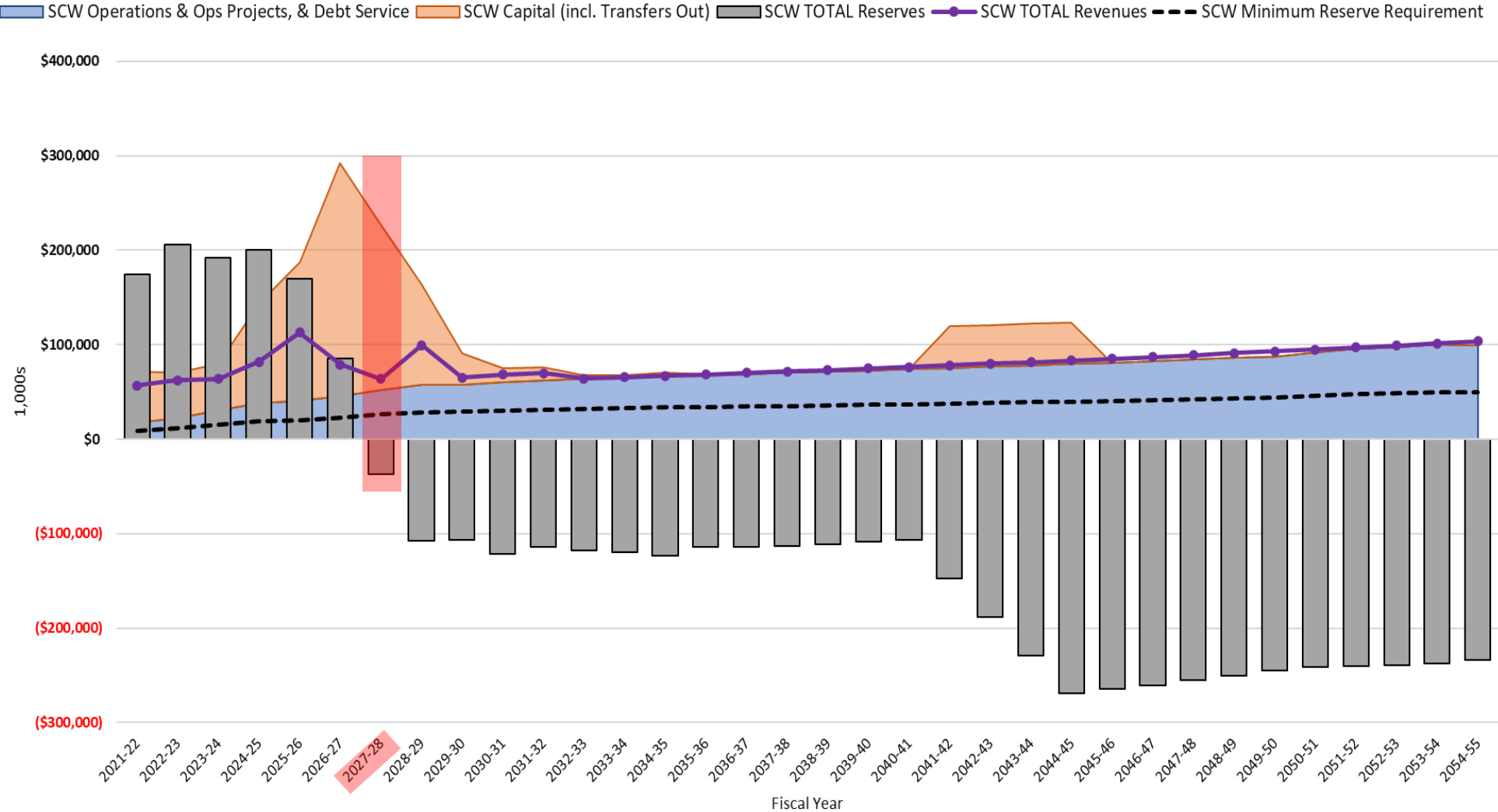
Key Incremental Assumptions:

Placeholder for Potential future increase:

+ \$203M additional Shoreline costs

Current Financial Projection

Safe, Clean Water Fund 26



Key Incremental Assumptions:

+ \$43M Coyote Creek

+ \$62M Sunnyvale E&W

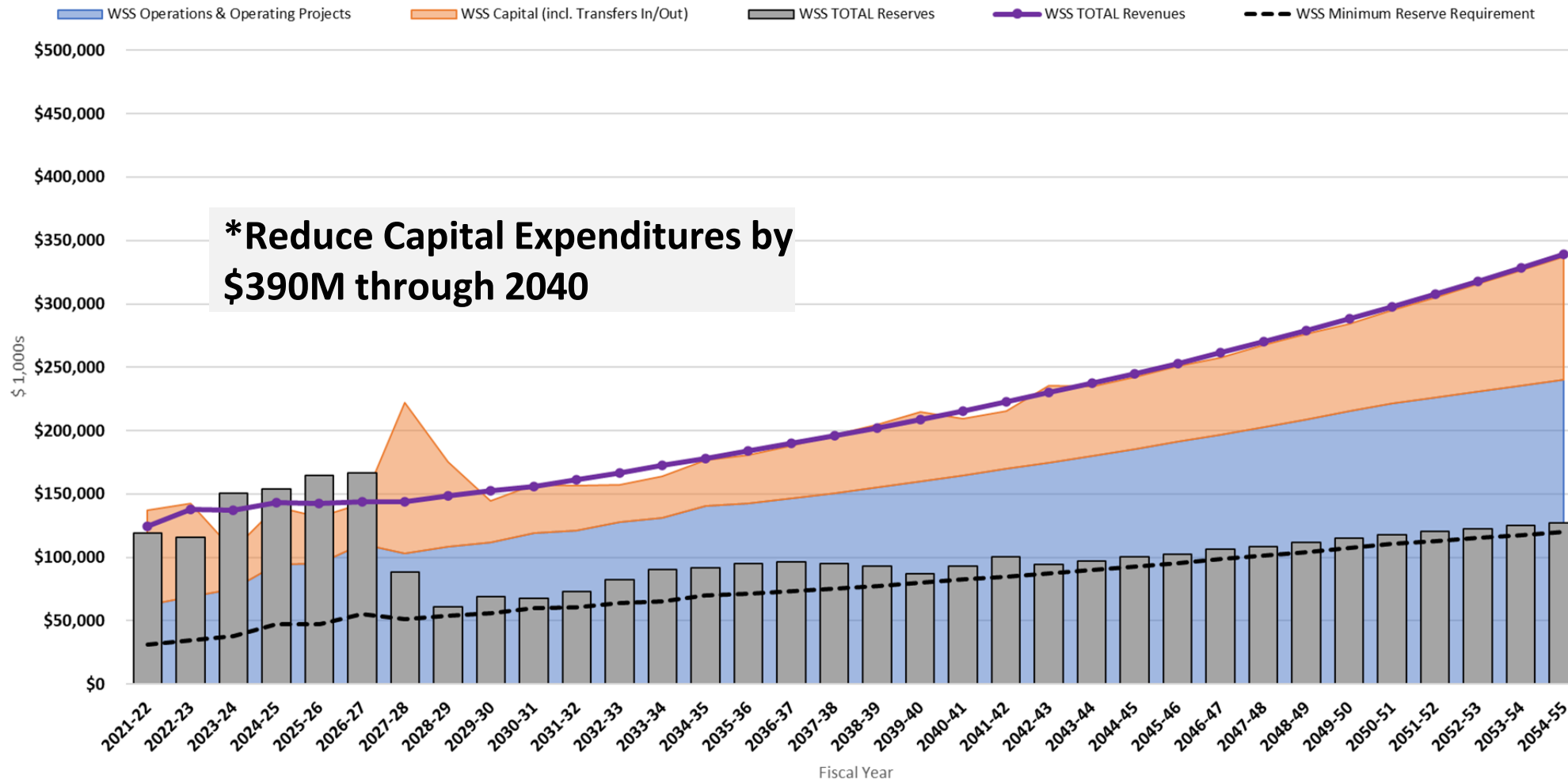
+ \$76M Upper Penitencia Phases I, II & III

Potential Future Challenges:

→ Upper Guadalupe River Flood Protection Reach 6: revised cost estimates expected 2028

Potential Path to Financial Sustainability

Watersheds Stream Stewardship Fund 12



Key Incremental Assumptions vs Current with Cost Increases:

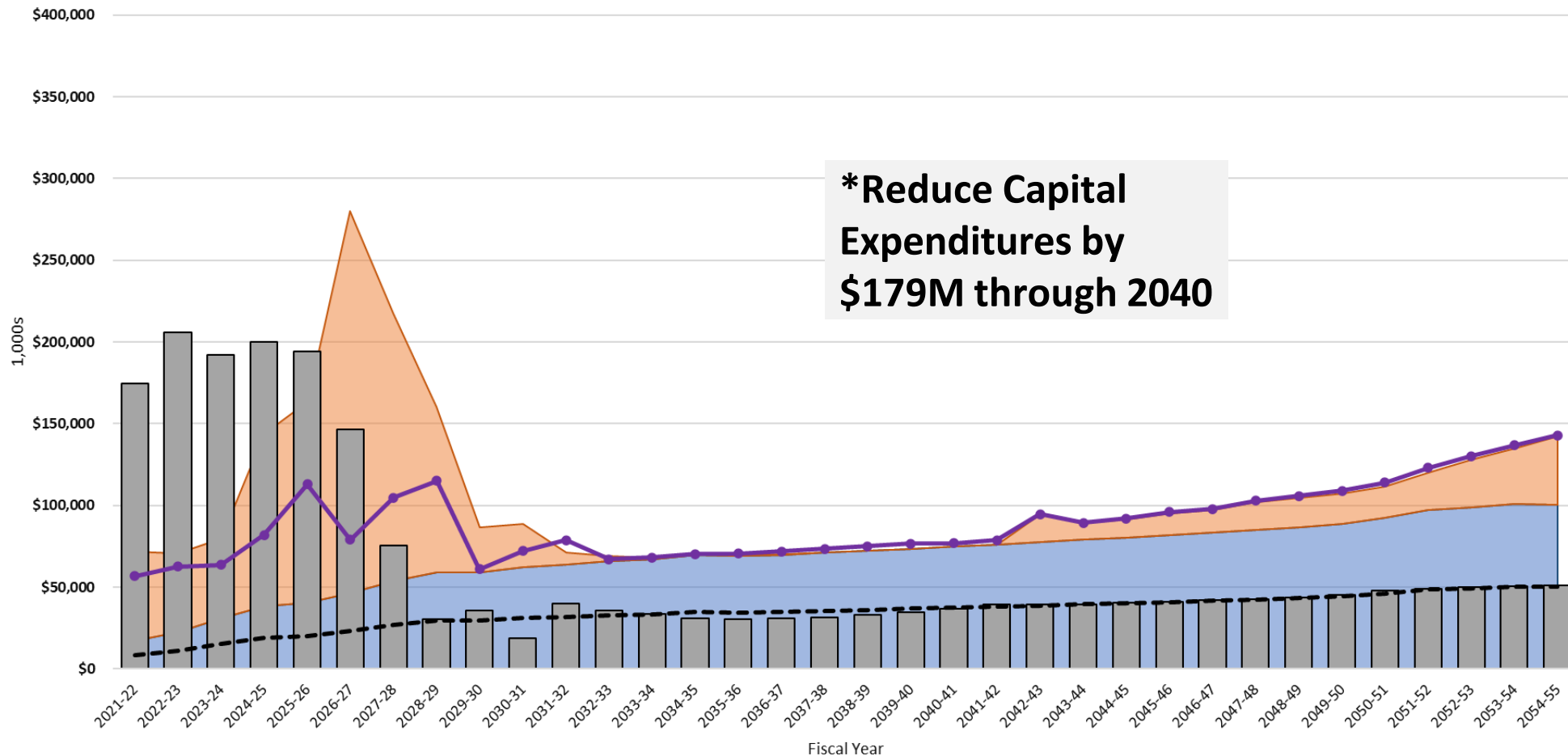
- Reduce capital cost by \$390M through FY 40
- Reduce Encampment Management Program to \$3M/year from \$8M/year
- Transfer \$79M to SCW FY 28 – FY 32
- Maintains ongoing O&M projects and WARP [asset renewal]
- Creates capacity for ~\$231M investments FY 43 & beyond → transferred to SCW Fund 26 for capital project delivery

*Supplemental Attachment 1

Potential Path to Financial Sustainability

Safe, Clean Water Fund 26

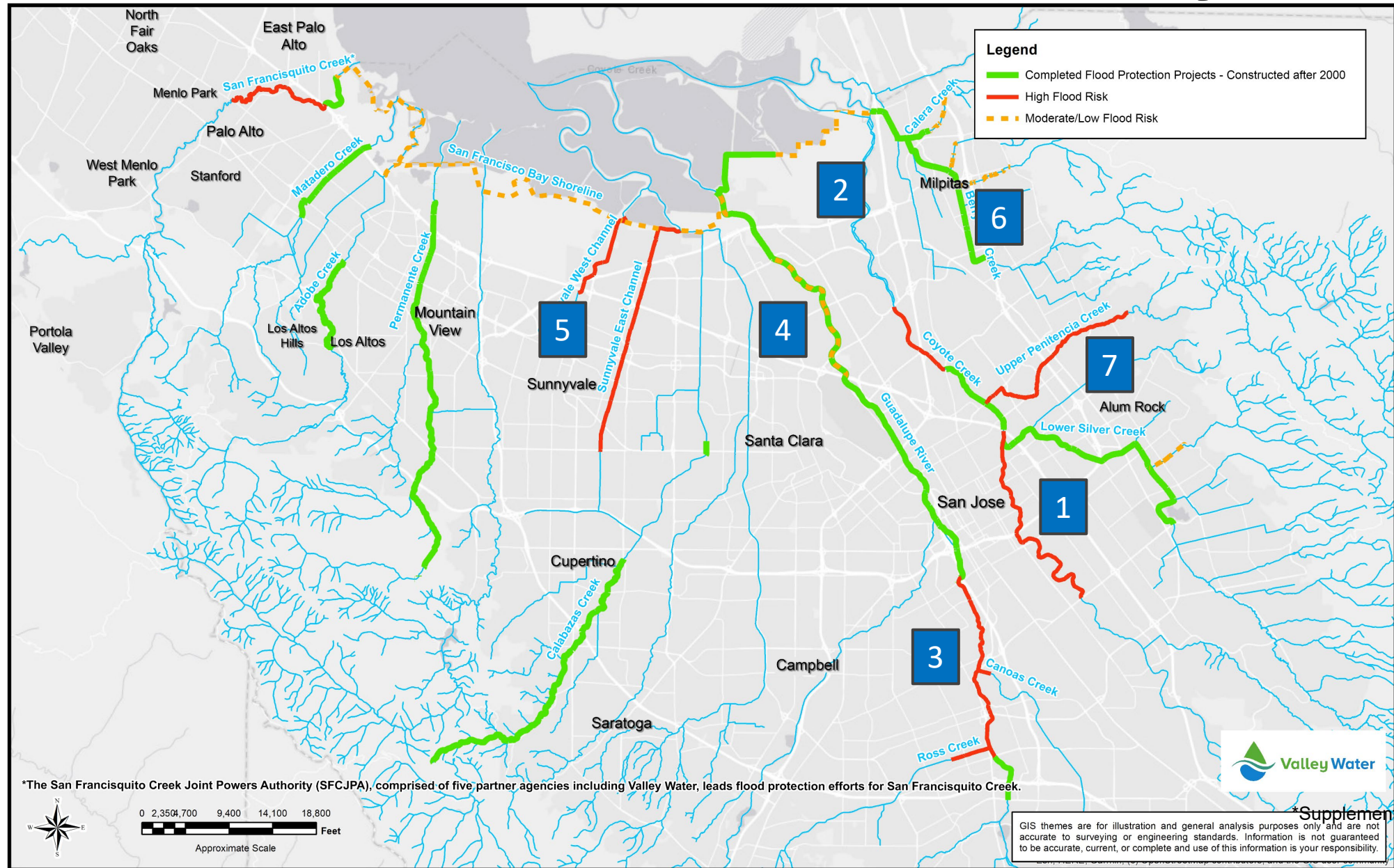
SCW Operations & Ops Projects, & Debt Service SCW Capital (incl. Transfers Out) SCW TOTAL Reserves SCW TOTAL Revenues SCW Minimum Reserve Requirement



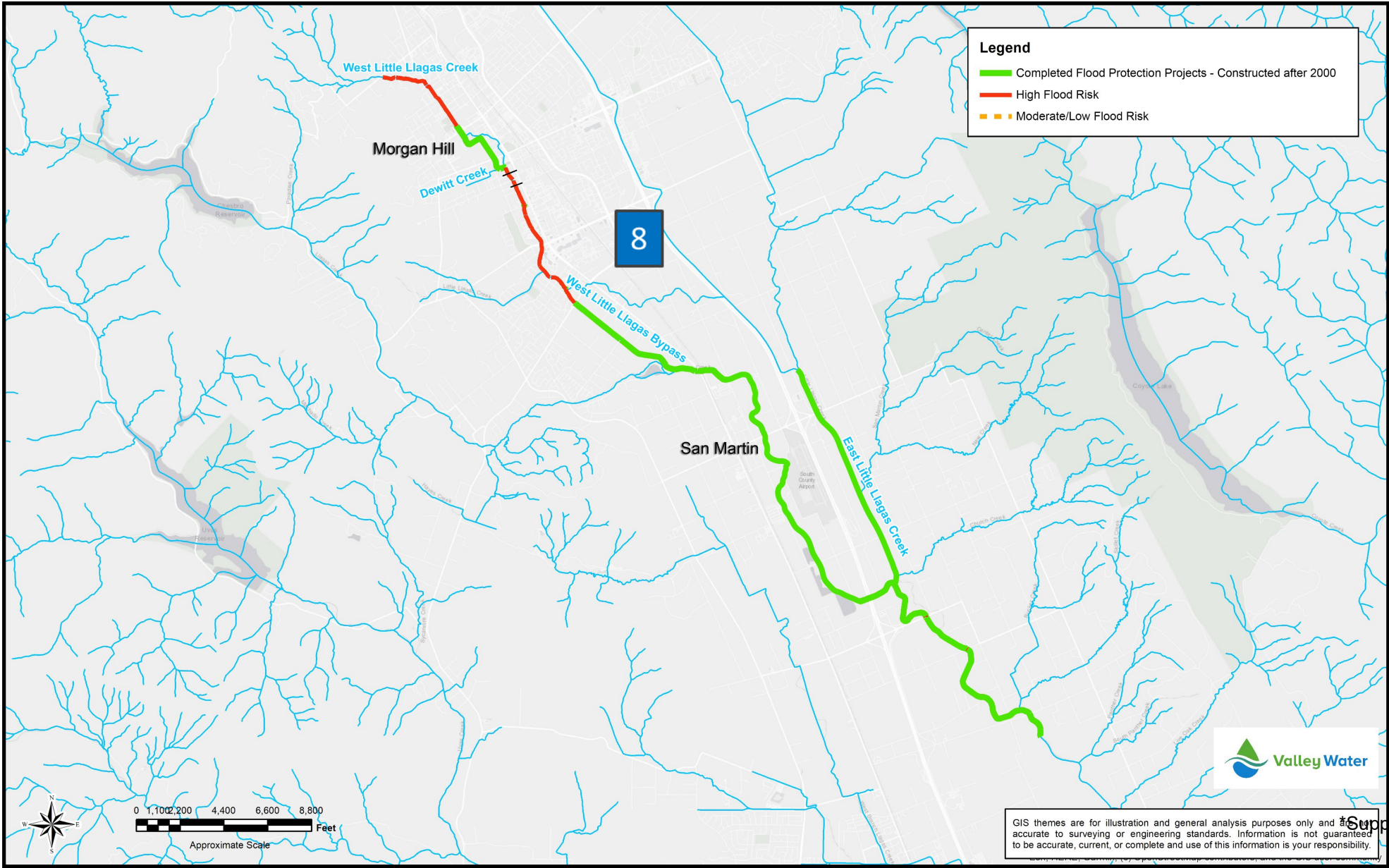
Key Incremental Assumptions vs Current with Cost Increases:

- Reduce capital cost by \$179M
- Receive \$79M transfer from WSS Fund

Flood Risk Reduction: North County



Flood Risk Reduction: South County



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Coyote Creek: Montague Expressway to Tully Road (E1)*

Approximate Total Project Cost	\$270 M
Estimated Remaining Expenditures through 2040	\$203 M
Funding Sources	Fund 26, DWR Grant WIFIA Loan
Current Level of Protection	<20 year
Design Level of Protection	20 year
Additional Considerations	- Phase 1 is already constructed - Must complete before Anderson Dam Stage 2 diversion tunnel

*(Exx) Denotes Safe Clean Water Funded Projects

Staff Recommendation: Continue

2 San Francisco Bay Shoreline, EIA 11 (Phase 1) (E7)

Approximate VW Share of Total Project Cost	\$250M - \$350M
Estimated Remaining VW Share	\$200M - \$300M
Funding Sources	USACE, Fund 12 & 26, Measure AA, Grants
Current Level of Protection	N/A
Design Level of Protection	Coastal and provides for sea level rise
Additional Considerations	• UPRR Crossing • Reach 1-3 and Lower Coyote/Guad reduced risks • Future USACE funding uncertain

EIA - Economic Impact Area

2 San Francisco Bay Shoreline, EIA 11 (Phase 1) (E7)

- Reaches 1-3 Levee Completed - November 2025
- Elements of Reaches 1-3/Reaches 4-5 Design Underway
- Updated Cost estimate - Fall 2026
- USACE Funding Uncertainties
- Lower flood risk (Lower Coyote/Lower Guad and Shoreline-Reaches 1-3)



Staff Recommendation: Continue Design/Delay Reach 4-5 Construction

3 Guadalupe River-Upper: Interstate 280 to Blossom Hill Road (E8)

Approximate VW Share of Total Project Cost	\$135 M
Estimated Remaining VW Share through 2040	\$21.3* M
Funding Sources	USACE, Fund 12 & 26
Current Level of Protection	10 - 100 year
Design Level of Protection	100-year
Additional Considerations	• Flood hot spot • Partnership with USACE

*Cost increase anticipated

3 Guadalupe River-Upper: Interstate 280 to Blossom Hill Road (E8)

Project Options	Elements	Estimated remaining VW Costs	Estimated USACE Costs ¹
USACE Project	Channel widening, bridge extensions, new culverts, floodwalls	\$21.3 M ²	\$119 ² M
25 - Year	Floodplains, Bridge Extensions, new culverts and additional feet of floodwalls	\$72.1 M ³	-
50 - Year	Larger Floodplains, additional extensions and culverts, and longer and taller floodwalls	\$100.4 M ³	-

1. Per USACE project scope and costs presented as of July 2024; Will change because of further refinement of project scope (**Now 100 Year project)
2. VW previously purchased property accounts for a large share of our cost share contribution, thus reducing remaining contributions
3. Rough order of magnitude costs in 2025 dollars developed for the purposes of this presentation – needs additional feasibility analysis and development of project scope

3 Guadalupe River-Upper: Interstate 280 to Blossom Hill Road (E8)

- Reaches of Project Already Constructed
- USACE Study Completion – January 2028
- Potential Cost Mitigating Options:
 - Detention at Martial-Cottle Park
 - Detention in Valley Water Recharge Facilities
 - Grants for Bridges



Staff Recommendation: Continue USACE Partnership

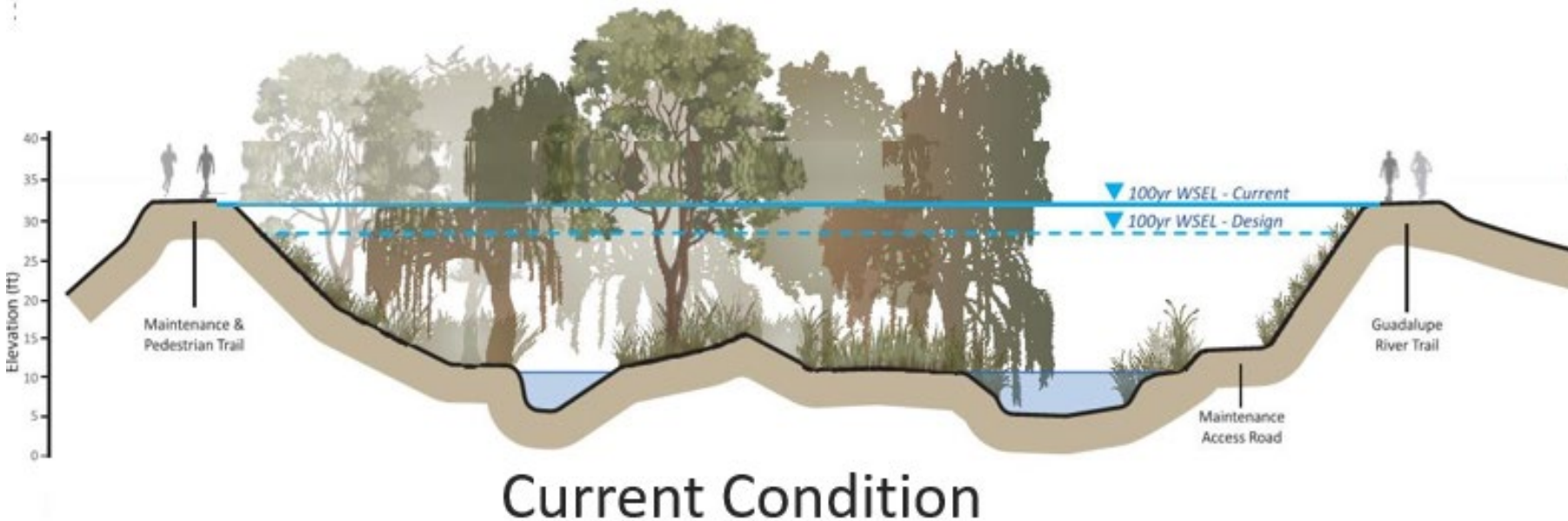
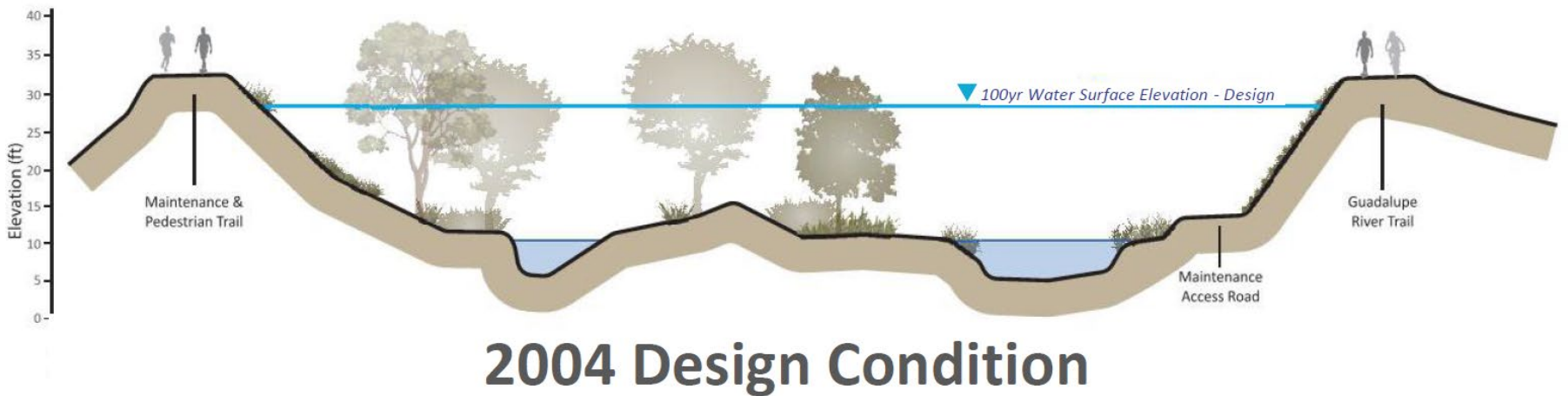
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Lower Guadalupe River Capacity Restoration Project

Approximate Total Project Cost	\$110 M
Estimated Remaining Expenditures through 2040	\$91 M
Funding Sources	Fund 12
Current Level of Protection	<100-year
Design Level of Protection	100-year
Additional Considerations	• Capacity of original project decreased due to excessive vegetation • Reduced scope (~\$20M) is a possibility

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Lower Guadalupe River Capacity Restoration Project



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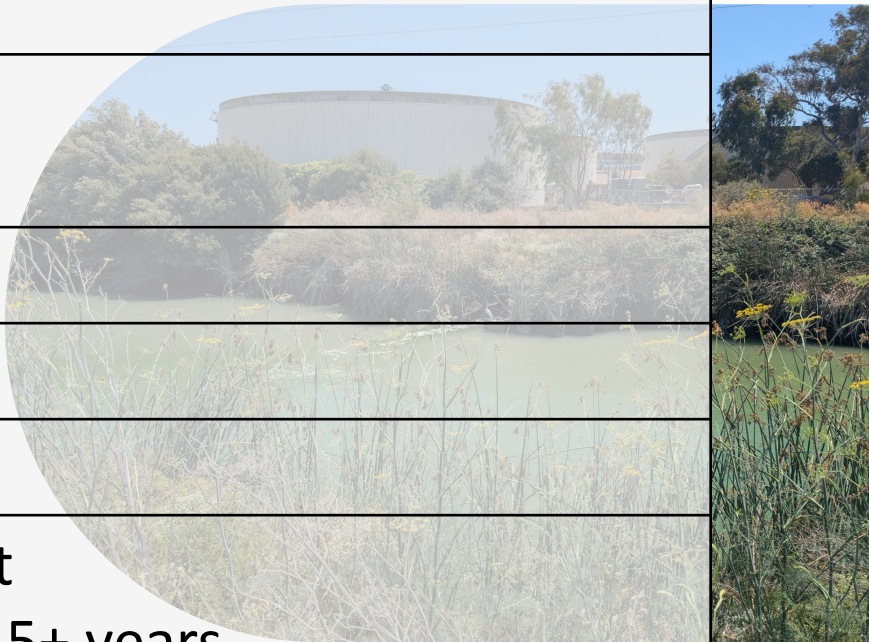
Lower Guadalupe River Capacity Restoration Project

Option	Approximate Cost	Considerations
Current Project: Full restoration to 100-year with freeboard	\$110.4M	- Investing \$110.4 million to restore freeboard - Retain original 100-year protection
Re-evaluate Scope (Maintenance or Small Capital) Remove some vegetation to further reduce risk	~\$20M	- Adds 1-1.5 ft. freeboard to reduce risk of flooding - Potential impact to FEMA certification - Additional mitigation costs may be incurred
No Project/Postpone Project	\$0	- Potential impact to FEMA certification - No reduction in risk

Staff Recommendation: Re-Evaluate Scope

5 Sunnyvale East and West Channels (E2)

Approximate Total Project Cost	\$155 M
Estimated Remaining Expenditures through 2040	\$127 M
Funding Sources	Fund 26
Current Level of Protection	10-year
Design Level of Protection	100-year
Additional Considerations	• Flood hot spot • In design for 15+ years



5 Sunnyvale East and West Channel (E2)

- Project Design – 100%
- Permit Negotiations Final
- Partial Reaches Constructed
- Partnerships
 - Google
 - City of Sunnyvale – Treatment Plant



Sunnyvale West Channel, facing south towards Google's Sunnyvale campus

Staff Recommendation: Continue

6 Berryessa Creek: Lower Penitencia Creek to Calaveras Blvd (E3)

Approximate Total Project Cost	\$216 M
Estimated Remaining Expenditures through 2040	\$70 M
Funding Sources	Fund 12 & 26, DWR Grant
Current Level of Protection	10-25 years
Design Level of Protection	100-year
Additional Considerations	• Phase 1 & 2 are complete • Risk is low

6 Berryessa Creek: Lower Penitencia Creek to Calaveras Blvd, Phase 3 (E3)

- Upper Calera Creek - 25 to 50-Year
- Tularacitos Creek – 100-Year with 2 feet Freeboard
- No historical flooding on either creek – low risk



Upper Calera Creek

Staff Recommendation: Start/Evaluate Scope

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Upper Penitencia Creek: Coyote Creek to Dorel Drive (E4)

Approximate Total Project Cost	\$176 M
Estimated Remaining Expenditures through 2040	\$171 M
Funding Sources	Fund 26
Current Level of Protection	< 10-year
Design Level of Protection	100-year
Additional Considerations	- Flood hot spot - Latest flooding in 2024

Staff Recommendation: Start/Implement Targeted Risk Reduction Measures

8 Llagas Creek-Upper: Buena Vista Ave to Llagas Road (E6)

Approximate Total Project Cost	\$394 M
Estimated Remaining Expenditures through 2040	\$100 M
Funding Sources	Fund 12, Fund 26, State, & NRCS Grant
Current Level of Protection	2-10 year
Design Level of Protection	100 year
Additional Considerations	• Project is currently in construction • Addresses known flood hot spots • NRCS Grant

Staff Recommendation: Continue

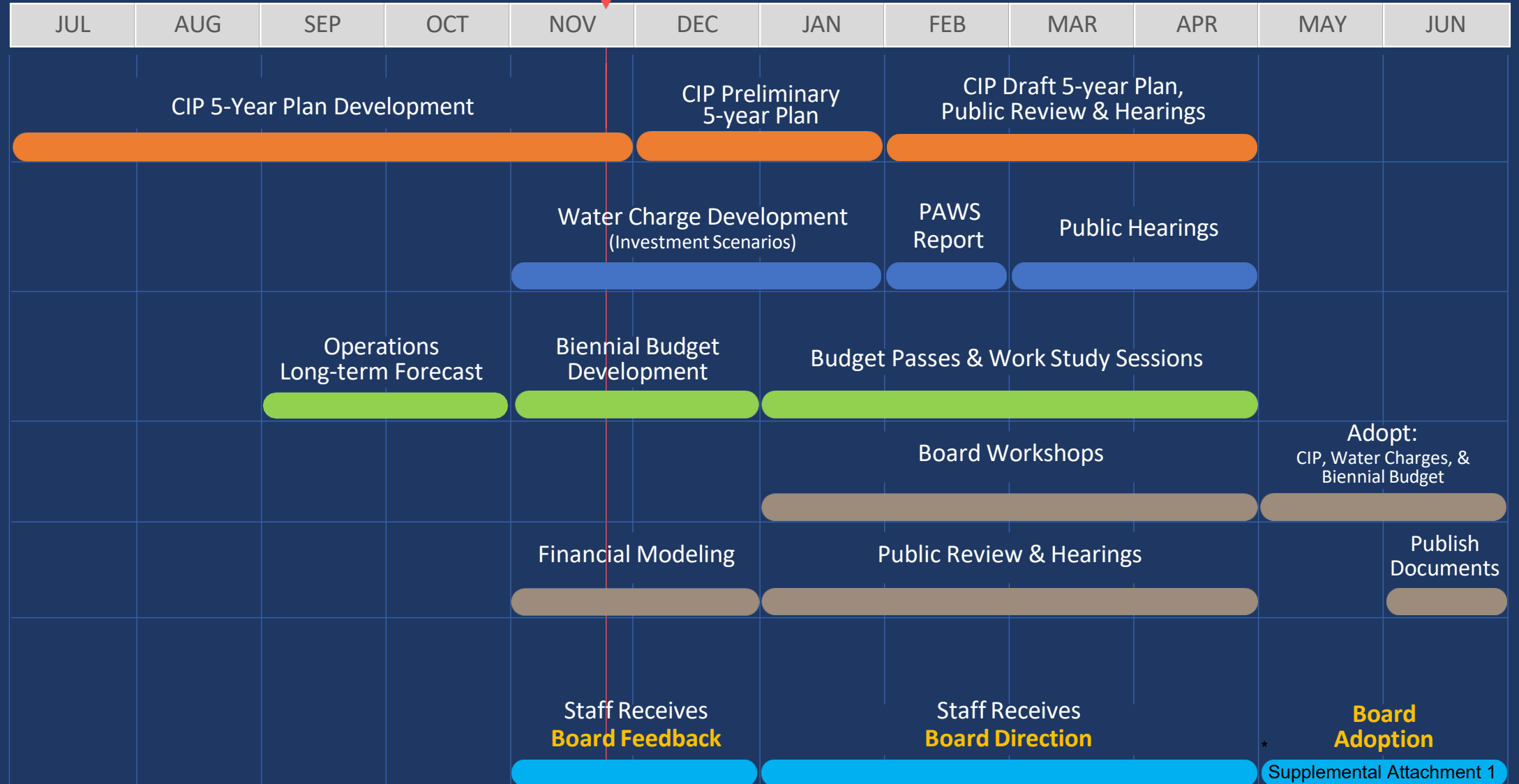
Summary

Project	Risk	Construction Ready?	External Funds	Recommendation
Coyote Creek: Montague Expressway to Tully Road (E1)	High	✓	✓	Continue
Guadalupe River-Upper: 280 to Blossom Hill Road (E8)	High		✓	Continue USACE Partnership
Sunnyvale East and West Channel (E2)	High	✓	✓	Continue
Upper Penitencia Creek: Coyote Creek to Dorel Drive (E4)	High			Start/Implement Targeted Risk Reduction Measures
Llagas Creek-Upper: Buena Vista Ave to Llagas Rd (E6)	High	✓	✓	Continue
San Francisco Bay Shoreline, EIA 11 (Phase 1) (E7)	Low	✓	✓	Continue Design/ Delay Reach 4-5 Construction
Lower Guadalupe River Capacity Restoration Project	Low			Re-Evaluate Scope
Berryessa Creek: Lower Penitencia Creek to Calaveras Blvd,. Ph3 (E3)	Low			Start/Evaluate Scope

*Supplemental Attachment 1

ANNUAL CIP, BIENNIAL BUDGET & WATER CHARGES DEVELOPMENT TIMELINE

We are here



* Supplemental Attachment 1

Discussion and Questions



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