





Watershed Project Implementation Pathways

November 25, 2025



Introduction

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

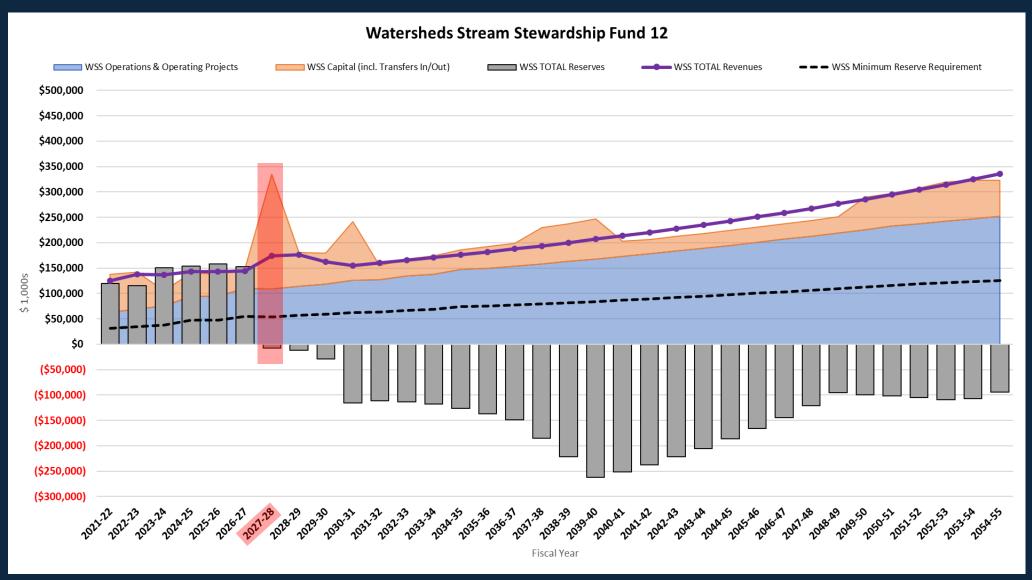


Overview

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



Current Financial Projection



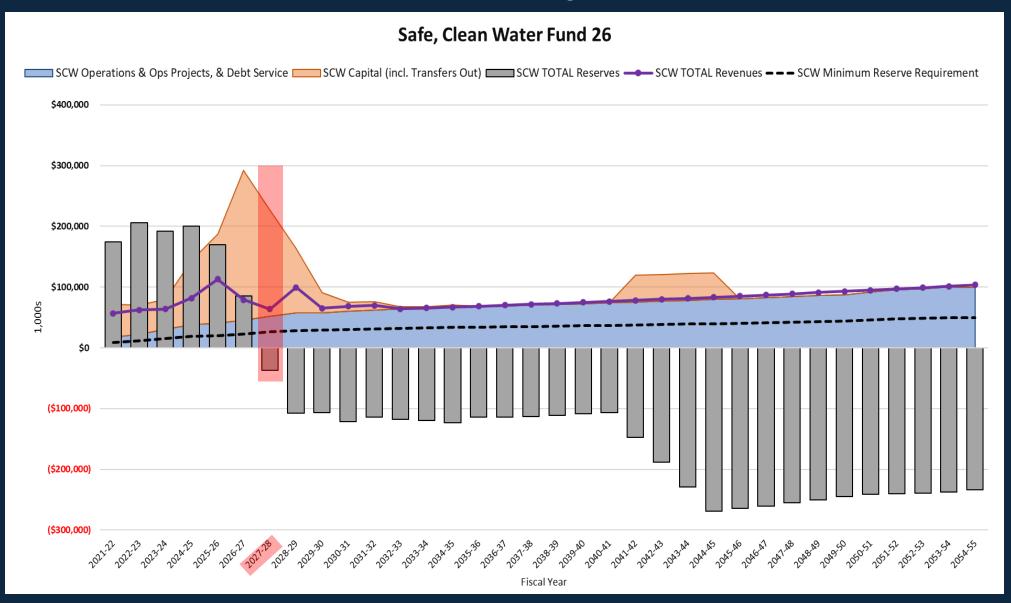
Key Incremental Assumptions:

Placeholder for Potential future increase:

+ \$203M additional Shoreline costs



Current Financial Projection



Key Incremental Assumptions:

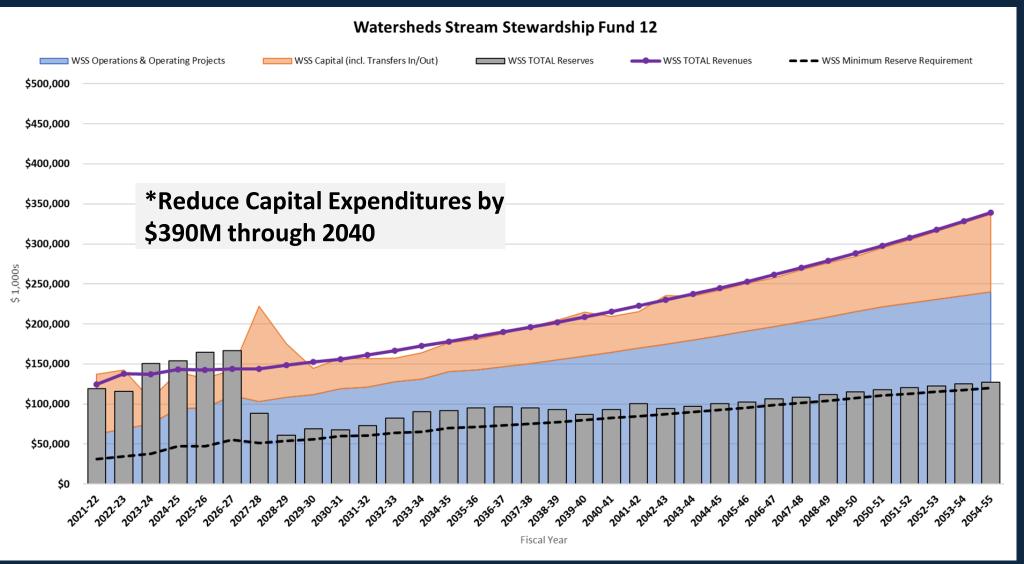
- + \$43M Coyote Creek
- + \$62M Sunnyvale E&W
- + \$76M Upper Penitencia Phases I, II & III

Potential Future Challenges:

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



Potential Path to Financial Sustainability



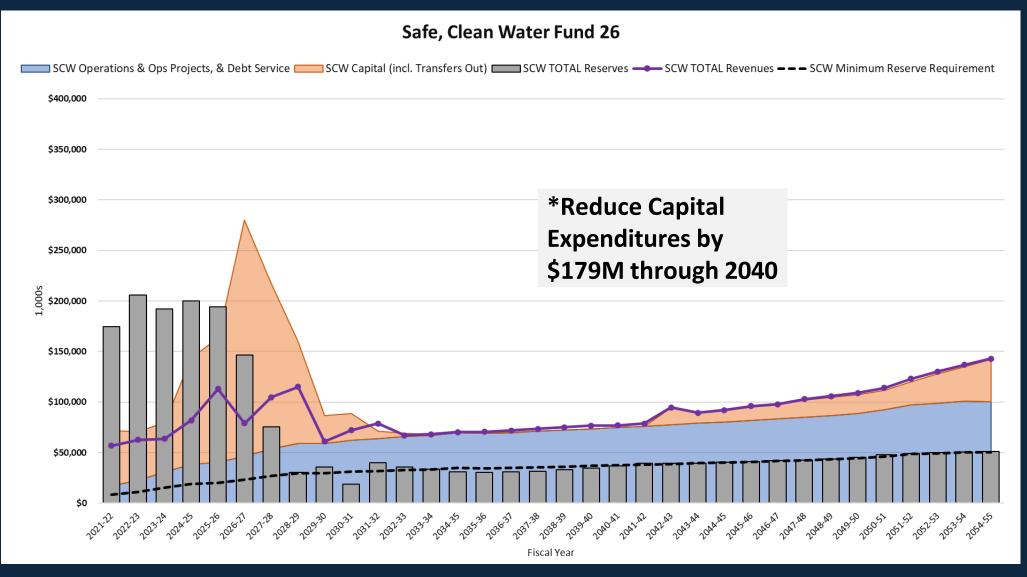
Key Incremental
Assumptions vs Current
with Cost Increases:

- 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

789769 Water

Potential Path to Financial Sustainability

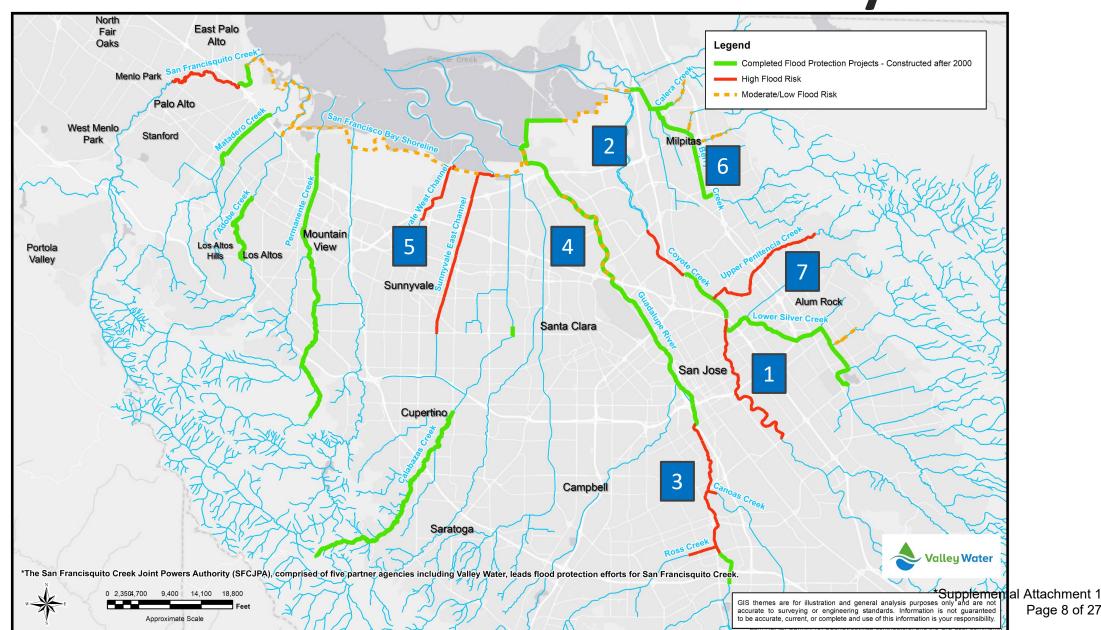


Key Incremental
Assumptions vs Current
with Cost Increases:

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

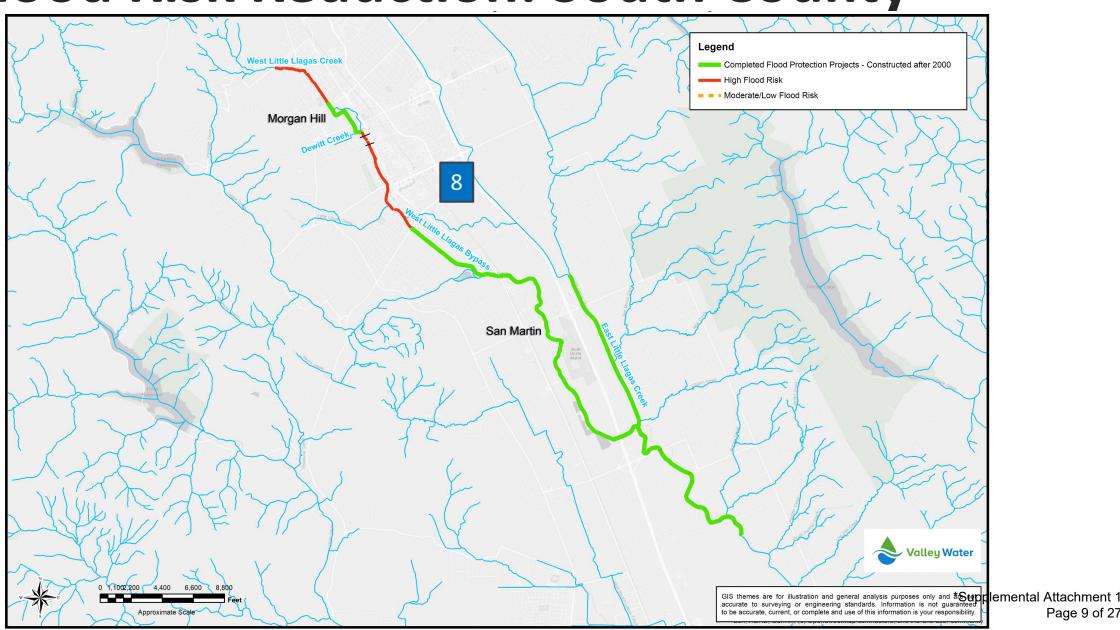


Flood Risk Reduction: North County



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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 |
| • | 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





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





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





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 spotPartnership with USACE |

^{*}Cost increase anticipated



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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

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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



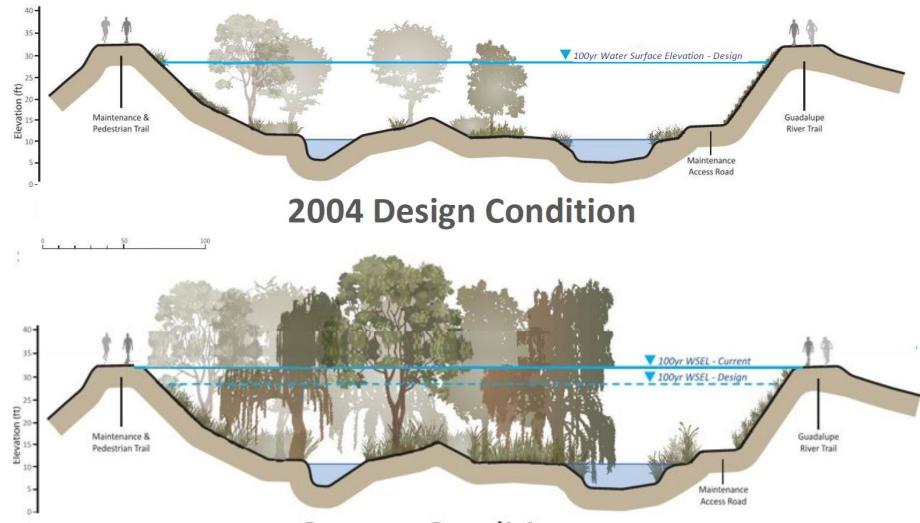


Lower Guadalupe River Capacity Restoration Project

| 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 | |



Lower Guadalupe River Capacity Restoration Project







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 certificationNo reduction in risk |

Staff Recommendation: Re-Evaluate Scope



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 spotIn design for 15+ years | |



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



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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 completeRisk is low | | | | |



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





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 spotLatest flooding in 2024 |

Staff Recommendation: Start/Implement Targeted Risk Reduction Measures



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 | | |

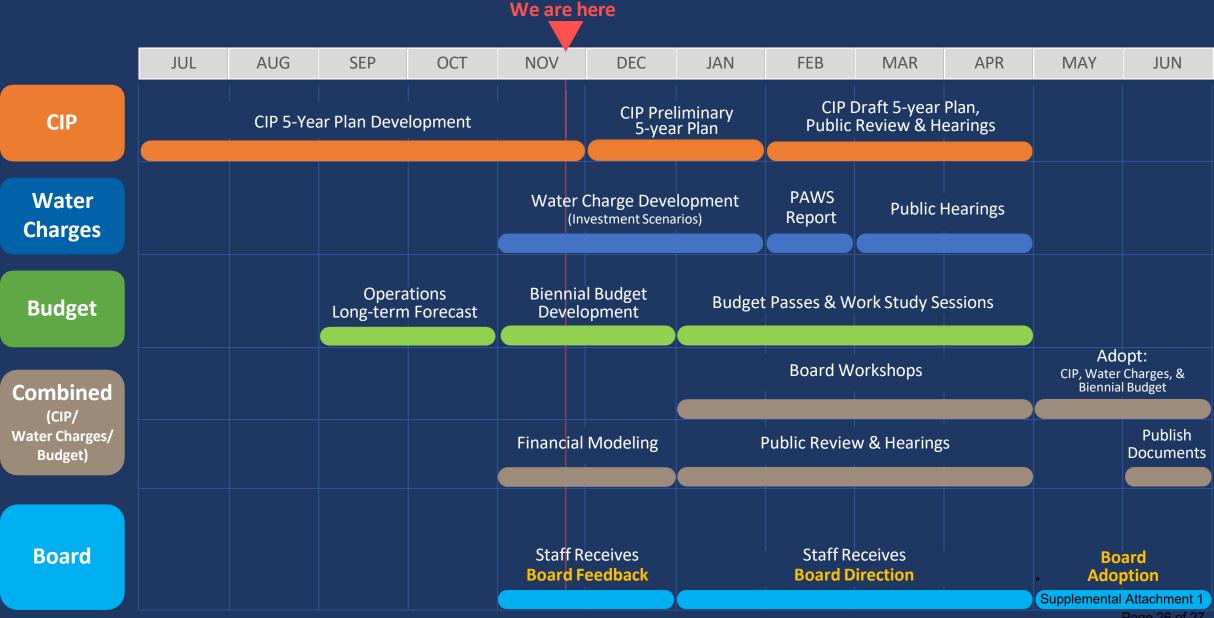
Staff Recommendation: Continue



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



Discussion and Questions



