



## Independent Monitoring Committee

Jeffrey Hare, Chair  
Susan M. Landry, Vice Chair

Hon. Patrick S. Kwok  
Bill Chuan  
Will Ector

George Fohner  
Rebecca Gallardo  
Bill Hoeft

Forest Peterson  
Marc Rauser  
Kathy Sutherland

February 19, 2025

To: Santa Clara Valley Water District Board of Directors  
Subject: Independent Monitoring Committee Report of Safe, Clean Water and Natural Flood Protection FY2023-2024 Annual Report

### SUMMARY

The Independent Monitoring Committee (IMC) presents its annual review of the renewed Safe, Clean Water and Natural Flood Protection Program (Program) for Fiscal Year 2023-2024 to the Santa Clara Valley Water District (Valley Water) Board of Directors (Board). The IMC members wish to state their appreciation and recognition of Staff for their timely responses and assistance in preparing this report.

### PROCESS

The IMC met on December 4, 2024, to begin its FY2023-2024 Program review process and elected a Chair and Vice Chair. The IMC set up subcommittees to review the Safe, Clean Water Program progress by reviewing Valley Water's Safe, Clean Water Program Annual report for fiscal year (FY) 2023-24. The IMC set up subcommittees for priorities A and C, B, D, E, and F. It also established a Finance Subcommittee to review program-level financial information contained in "Appendix A: Financial Information" and "Appendix B: Inflation Assumptions."

The six subcommittees met with Valley Water Staff from January 6 to 10, 2025. Each subcommittee elected a Chair, heard presentations by Staff, asked questions, and held discussions. The subcommittee chairs presented their findings to the full IMC on January 31, 2025.

IMC members agreed that the subcommittee chairs, led by the Chair of the IMC, would draft the IMC report to the Board. The draft report was presented to the IMC on February 19, 2025, for final edits and approval. The IMC report consists of three parts: overview concerns/recommendations about the Program (included in this letter), specific project recommendations for Board review (Attachment 1), and notes for Staff for future Program reports (Attachment 2).

### GENERAL RECOMMENDATIONS

This section is divided into three parts: A. Procedural Recommendations; B. Program Recommendations; and C. Specific Recommendations. Measure S expressly authorizes the IMC to

make recommendations to the Board regarding reasonably necessary measures to meet the Priorities of the Program.

Overall, the IMC members agreed with the status of the projects as reported in the FY2023-24 Safe, Clean Water Program Annual Report.

A. Procedural Recommendations

As previously noted in our 2024 report, the IMC encourages the Directors to take steps to make sure that each District has two representatives appointed and actively participating on the Committee. Due to vacancies, coupled with the inherent scheduling challenges faced by individual members who are often very involved and busy with other activities in their respective communities, securing a quorum to conduct the tasks mandated by Measure S becomes an issue, and invariably shifts the workload burden to the other members. The Committee urges each Director to do their part to ensure both the spirit and intent of the voter-approved measure is achieved as intended.

Overall, the Committee acknowledged that Staff had responded to prior requests to explain and clarify more specifically how the benefits of several of the individual projects addressed climate change. This resulted in a number of text adjustments to the projects but did not affect their status. The Committee continues to recommend, as a general matter, that as the public is becoming more and more aware of the impacts of climate change, Staff should provide more specific details on how some of these projects are actually beneficial in this context. The Committee feels that providing more specific details would serve to highlight and explain the significance of the ongoing work of Valley Water in this regard.

The Committee felt it would be helpful if the Annual Report included some additional information concerning Anderson Reservoir, including that it can provide water directly to a treatment plant, and its significant role in terms of providing water supply to Santa Clara Valley. The Committee felt that this explanation would help to emphasize the importance of the seismic retrofit project.

The Committee continues to recommend that Staff work on improving the presentation of the Annual Report. Some of the graphs and charts were confusing, as indicated in the Notes, and in some cases, the selection of colors made it difficult for some members to read. In the same sense, some of the fonts used were exceptionally small and difficult to read. Overall, the Committee recommended that steps be taken to improve the accessibility elements of the presentation of the Report. In some instances, the Committee noted that additional photos, for example depicting examples of invasive species rather than broad landscape scenes, would be helpful for the reader. Staff also noted that the majority of individuals who access the Annual Report do so online, which allows for the individual reader to enlarge the text for greater legibility. Staff responded that they will continue to work on the optimum balance of providing information and graphics in the most legible and comprehensive format.

**B. Program Recommendations**

In 2023, the IMC recommended that an audit be scheduled in order to maintain the five-year schedule as originally adopted by the voters in the 2012 Program. On December 4, 2024, an audit performed in conjunction with the closeout of the 2012 Safe Clean Water and Natural Flood Protection Program was presented to the Committee. As reflected in the Minutes of that meeting, the Committee received the information and took no formal action. The Revised Safe, Clean Water and Natural Flood Protection Program was approved by the voters in 2020, and the Committee anticipates that a five-year audit will be provided to the Committee by the time it reconvenes in December 2025.

Generally, the Committee recommends that the Annual Report should provide greater clarity as to the specific sources of funding for the different projects and include a more detailed explanation or description of these sources, such as the Water Utility Enterprise Fund, the Watershed Stream Stewardship Fund, as well as the Safe, Clean Water and Natural Flood Protection Fund. In addition, the Committee noted that there are several references to the WIFIA loan program. However, the term is not defined in the List of Abbreviations in the Report, and although Valley Water touts the low interest rates as one of the benefits of this program, the rates are not provided. In response to a question from the Committee, staff responded that the WIFIA rate for the Anderson Dam Retrofit Project was 3.77%, and for the Pacheco Reservoir Expansion Project, 5.08%. Since these costs are borne by the taxpayers, the Committee recommends overall that additional details about the funds and costs associated with the various projects and programs funded, in whole or in part by Measure S, should be spelled out.

**C. Specific Recommendations**

Again, this year, the Safe, Clean Water Annual Report describes Opportunities and Challenges associated with “Jurisdictional Complexities,” including permitting, external funding, and inflationary factors. Based on their ongoing impact on the cost and time for completion of diverse Safe, Clean Water projects, it is apparent that these challenges are a systemic obstacle to achieving the Safe, Clean Water Priorities. The Committee requests a presentation from Staff about the relative overall impact of “Jurisdictional Complexities” on progress toward Safe, Clean Water priorities and about the innovative approaches that the Committee understands Valley Water is already taking to address those complexities.

With respect to the Financial Appendices, the Committee requested that the summary chapter include information explaining the purpose and importance of long-term debts, repayment timeline, debt costs, the different financing options available, and how they support the program goals.

February 19, 2025

## **TOURS AND PRESENTATIONS**

IMC members gain a greater understanding of Safe, Clean Water projects through tours and presentations. For FY2024-25, the IMC suggests the following:

### **Site Tours**

1. Saratoga Creek Hazard Tree Removal and Restoration Project
2. Anderson Dam Seismic Retrofit Project
3. Coyote Creek Flood Protection Project
4. Hale Creek Enhancement Pilot Project

### **Presentation:**

1. Jurisdictional Complexities

Sincerely,

A handwritten signature in black ink, appearing to read "JB Hare".

Jeffrey Hare, Chair  
Independent Monitoring Committee

### **Attachments:**

1. IMC Fiscal Year 2023-2024 Annual Report
2. IMC Notes for Future Program Annual Reports

cc: Independent Monitoring Committee Members