



Santa Clara Valley Water District

CONFORMED COPY

File No.: 25-0627

Agenda Date: 8/12/2025

Item No.: 7.1.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Approve a Portion of Santa Clara Valley Water District's Fiscal Year 2025-26 Annual Member Contribution to the San Francisquito Creek Joint Powers Authority Operating Budget for "Operations/Administration and Reserves" in the Amount of \$329,097.18 (Palo Alto, District 7).

RECOMMENDATION:

Approve a portion of Santa Clara Valley Water District's Fiscal Year 2025-2026 annual member contribution to the San Francisquito Creek Joint Powers Authority operating budget for "Operations/Administration and Reserves" in the amount of \$329,097.18.

SUMMARY:

The Santa Clara Valley Water District (Valley Water) is one of five (5) public entity member agencies (Member Entities) that created the San Francisquito Creek Joint Powers Authority (SFCJPA) in 1999, along with the Cities of East Palo Alto, Menlo Park, Palo Alto, and the San Mateo County Flood and Sea Level Rise Resiliency District (One Shoreline). The SFCJPA operations are funded by equal annual contributions from the Member Entities, subject to each agency's approval. The purpose of this item is to recommend approval of the operations portion of Valley Water's Fiscal Year 2025-26 (FY 26) annual member contribution. The Board will receive additional information from the SFCJPA in a presentation at the September 23, 2025, Board meeting, which will assist the Board in its decision regarding approval of the capital portion.

Background and History

The SFCJPA has been working with the Member Entities to implement the San Francisquito Creek Flood Protection Project to enhance flood protection along the San Francisquito Creek. The Project is part of Valley Water's Safe, Clean Water and Natural Flood Protection Program that voters renewed in November 2020. Construction downstream of Highway 101 (Reach 1 Project) was completed in May 2019 to provide 100-year flood protection. Planning and design are in progress to provide 70-year flood protection upstream of Highway 101 (Reach 2 Project).

SFCJPA Annual Operations Budget

Section 12. Operating Budget, of the current JPA Agreement (Attachment 1), requires the SFCJPA Board of Directors to adopt an annual operating budget, which shall be separate from any capital

budget, that includes the proposed member contribution from each Member Entity. The operating budget shall not be effective unless and until the governing body of each Member Entity approves that Member Entity's contribution to the operating budget. In addition, Section 7. Capital Project Participation states that each Member Entity shall have the right to determine independently whether to participate in any capital project.

At their Board Meeting on June 26, 2025, the SFCJPA Board of Directors voted to adopt the SFCJPA FY 26 operating budget. The budget identified anticipated expenditures of \$4,665,485.91. Of this amount, \$1,645,485.91 was identified for "Operations/Administration and Reserves", and the remaining \$3,020,000.00 was identified for "Reach 2 Project Planning and Design ("capital" expenditures)". This results in a total per-member contribution of \$933,097.18, of which \$329,097.18 is for "Operations/ Administration and Reserves", and \$604,000.00 is for "Reach 2 Project Planning and Design ("capital" expenditures)". Additional details are provided in the June 26, 2025, SFCJPA Board Agenda Item 6.A - Draft Budget Memo (Attachment 2).

On July 1, 2025, the SFCJPA submitted an invoice package (Attachment 3) to Valley Water's CEO for the annual member contribution in the amount of \$933,097.18. At this time, staff recommends approval of only the "Operations/Administration and Reserves" portion of the member contribution in the amount of \$329,097.18, which will allow SFCJPA operations to continue.

Next Steps

The Board will receive additional information from the SFCJPA in a presentation at the September 23, 2025, Board meeting which will assist the Board in its decision regarding approval of Valley Water's FY26 annual member contribution for "Reach 2 Project Planning and Design ("capital" expenditures)" in the amount of \$604,000.00.

ENVIRONMENTAL JUSTICE IMPACT:

There are no environmental justice impacts associated with this item.

FINANCIAL IMPACT:

The San Francisquito Creek, San Francisco Bay to Middlefield Road (E3) Project (Project No. 26284002) is included in Valley Water's Capital Improvement Program (CIP) Fiscal Year (FY) 2026-30 Five-Year Plan and in the FY 2025-26 (FY 26) Adopted Budget.

Valley Water's total member agency contribution for FY 26 is \$933,097.18. The recommended Board action seeks approval for payment of only the Operations/Administrative and Reserves portion of the FY 26 invoice, which totals \$329,097.18. Funding for this \$329,097.18 expenditure is available and included in the FY 26 Adopted Budget and does not impact the overall total project cost as reflected in the CIP FY 2026-30 Five-Year Plan.

The remaining \$604,000.00 of Valley Water's FY 26 requested member agency contribution-representing the capital portion of the invoice-is not currently budgeted. Staff anticipates returning to the Board for consideration of the requested member agency capital contribution on September 23,

2025. Staff further anticipates seeking a budget adjustment for the capital portion of the FY 26 requested member agency capital contribution upon or following Board approval of that contribution.

The Project is funded by the Safe, Clean Water and Natural Flood Protection Program Fund (Fund 26).

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Agreement

Attachment 2: 06252025 SFCJPA Board Agenda Item 6.A

Attachment 3: SFCJPA FY25-26 Contribution Invoice Package

UNCLASSIFIED MANAGER:

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