

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

**RESOLUTION NO. 23-**

**APPROVING THE MODIFICATION TO THE SUNNYVALE EAST AND WEST CHANNELS  
FLOOD PROTECTION PROJECT OF 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 (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 for the purpose of supporting 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 E2: Sunnyvale East and West Channels Flood Protection Project (Project E2) is included under Priority E of the Safe, Clean Water Program; and

WHEREAS, the Safe, Clean Water Program describes the primary objective of the Project as follows: "This project is to upgrade approximately 6.4 miles of the existing Sunnyvale East Channel to provide 1% flood protection (100-year event) to 1,618 parcels and approximately three (3) miles of the existing West Channel to provide 1% flood protection for 47 acres of highly valuable industrial lands, including the Onizuka Air Force Base. The Sunnyvale East Channel and Sunnyvale West Channel improvement projects have been combined into a single flood protection project with a single Environmental Impact Report (EIR) to reduce construction costs and improve efficiencies. Both projects decrease channel turbidity and sediment by repairing erosion sites, thereby improving water quality and reducing sediment to the San Francisco Bay. In 2018, Valley Water entered into a Memorandum of Understanding with Google, LLC (Google) to incorporate Google's proposed enhancement effort along 1,100 linear feet of the Sunnyvale West Channel into the project. This portion of the project will also be part of Google's Caribbean Campus Project. Valley Water has completed 100% design and has submitted all required permit applications for the project. Once all permits are received, Valley Water will begin construction.."; and

WHEREAS, the Safe, Clean Water Program identifies the Key Performance Indicator (KPI) for Project E2 as follows:

- “1. Provide 1% (100-year) flood protection for 1,618 properties and 47 acres (11 parcels) of industrial land, while improving stream water quality and working with other agencies to incorporate recreational opportunities.”; and

WHEREAS, Project E2 has a 15-Year Funding Allocation of approximately \$49.268 million; and

WHEREAS, infrastructure construction projects in the Safe, Clean Water Program are experiencing significant cost increases; and

WHEREAS, these increased costs are impacting the Safe, Clean Water Program Fund's (Fund 26) financial health, resulting in staff's recommendation that the Valley Water Board of Directors provide direction on balancing the overall Fund and delivering the voter-approved Safe, Clean Water Program; and

WHEREAS, as a result of construction cost escalations, staff is recommending modifying Project E2 funding allocation to reallocate construction-related planned expenditures for the Sunnyvale East Channel portion of the Project to the Fund 26 Operating and Capital Reserves; and

WHEREAS, modifying the 15-Year Funding Allocation to reallocate construction-related planned expenditures for the Sunnyvale East portion of the Project would reduce the allocation to approximately \$23.075 million, which would impact Valley Water's ability to construct the Project and fully deliver the KPI; and

WHEREAS, Valley Water will reassess the availability of funding on an annual basis as part of the Capital Improvement Program's financial planning process, through which the Board may reallocate construction funding to Project E2, when and if, funding becomes available; 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 conducted on January 10, 2023, Valley Water's Board of Directors set a time and place for a formal public hearing to occur on January 24, 2023, at which time the Board will consider the Proposed Modification to Project E2: Sunnyvale East and West Channels Flood Protection Project of the Safe, Clean Water and Natural Flood Protection Program.

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 California Government Code section 6066, 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. Modify the funding allocation for Project E2: Sunnyvale East and West Channels Flood Protection Project, as set forth in the Safe, Clean Water Program, as follows:

E2: Sunnyvale East and West Channels Flood Protection Project Financial Summary (\$ Thousand)	
15-Year Allocation	Modified 15-Year Allocation (approx.) *
\$49,268	\$23,075

*\*The modified funding allocations are approximated at this time and will be finalized through the development and Board approval of the Capital Improvement Program's FY 2024-28 Five-Year Plan.*

4. Valley Water's Safe, Clean Water and Natural Flood Protection Program's Project E2: Sunnyvale East and West Channels Flood Protection Project, is hereby modified as stated in Exhibit A, Modified 15-Year Funding Allocation, hereto, which includes the approved approximated Modified 15-Year Allocation, which will be finalized through the development and Board approval of the Capital Improvement Program's Fiscal Years 2024-28 Five-Year Plan.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on January 24, 2023:

AYES: Directors

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

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JOHN L. VARELA  
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

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Clerk, Board of Directors

# **EXHIBIT A COVERSHEET**

## **MODIFIED 15-YEAR FUNDING ALLOCATION**

No. of Pages: 1

Exhibit Attachments: None

## PROJECT E2

### SUNNYVALE EAST AND SUNNYVALE WEST CHANNELS FLOOD PROTECTION

This project is to upgrade approximately 6.4 miles of the existing Sunnyvale East Channel to provide 1% flood protection (100-year event) to 1,618 parcels and approximately three (3) miles of the existing West Channel to provide 1% flood protection for 47 acres of highly valuable industrial lands, including the Onizuka Air Force Base.

The Sunnyvale East Channel and Sunnyvale West Channel improvement projects have been combined into a single flood protection project with a single Environmental Impact Report (EIR) to reduce construction costs and improve efficiencies. Both projects decrease channel turbidity and sediment by repairing erosion sites, thereby improving water quality and reducing sediment to the San Francisco Bay.

In 2018, Valley Water entered into a Memorandum of Understanding with Google, LLC (Google) to incorporate Google's proposed enhancement effort along 1,100 linear feet of the Sunnyvale West Channel into the project. This portion of the project will also be part of Google's Caribbean Campus Project. Valley Water has completed 100% design and has submitted all required permit applications for the project. Once all permits are received, Valley Water will begin construction.

#### Benefits

- Provides 1% flood capacity for approximately 6.4 miles of channel along Sunnyvale East and approximately three (3) miles of channel along Sunnyvale West within the City of Sunnyvale, protecting 1,618 properties (Sunnyvale East) and 47 acres (11 properties) of industrial land (Sunnyvale West)
- Improves channel water quality by providing erosion control measures to decrease sediment and turbidity
- Identifies recreational opportunities that can be integrated by the City of Sunnyvale and others as appropriate
- Addresses climate change

#### Key Performance Indicator (FY22–36)

1. Provide 1% (100-year) flood protection for 1,618 properties and 47 acres (11 parcels) of industrial land, while improving stream water quality and working with other agencies to incorporate recreational opportunities.

#### Geographic Area of Benefit: Sunnyvale

#### Modified Funding Allocation

Project E2: Sunnyvale East and Sunnyvale West Channels Flood Protection Financial Summary (\$ Thousand)	
15-Year Allocation	Modified 15-Year Allocation (approx.) *
\$49,268-	\$23,075

*\*The modified funding allocations are approximated at this time and will be finalized through the development and Board approval of the Capital Improvement Program's FY 2024-28 Five-Year Plan.*

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