



Safe, Clean Water and Natural Flood Protection Program Changes - Countywide



- What:** Public Hearing on Changes to the Safe, Clean Water and Natural Flood Protection Program
- Who:** Santa Clara Valley Water District (Valley Water)
- When:** Tuesday, April 9, 2024, at 1:00 p.m.
- Where:** Valley Water Headquarters Building Boardroom
5700 Almaden Expressway, San Jose, CA
Or by Zoom Teleconference at <https://valleywater.zoom.us/j/84454515597>

Valley Water invites you to a Public Hearing regarding proposed changes to the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program).

Infrastructure construction projects within the Safe, Clean Water Program have experienced significant cost escalation, while community expectations for other projects are increasing, resulting in funding gaps.

Project E2: Sunnyvale East and Sunnyvale West Channels Flood Protection (Project E2) has the funding to construct Phase 1, but Phase 2 awaits construction funding. Valley Water expects to receive regulatory permits for the project by the end of 2024, making the project shovel-ready for construction in 2025. The project, which voters first approved in November 2000 as part of the Clean, Safe Creek and Natural Flood Protection Plan, entails upgrading approximately three (3) miles of the existing West Channel (Phase 1) to provide 1% (100-year event) flood protection for 47 acres of highly valuable industrial lands, including the Onizuka Air Force Base, and approximately 6.4 miles of the existing Sunnyvale East Channel (Phase 2) to provide 1% flood protection to 1,618 parcels.

Phase 1 construction is slated for 2025, but Phase 2 requires funding to commence construction. Constructing both phases without delaying Phase 2 will allow Valley Water to complete the entire project, thus providing 1% flood protection and helping the community to be removed from the FEMA flood zone. Bundling Phase 1 and 2 constructions will also result in potential cost savings, such as saving on leasing costs by utilizing the same large construction staging area for a shorter period. By moving forward with Phase 2 construction without delay, Valley Water will also limit the impact of anticipated future construction cost escalations.

Construction of Phase 2 will also fulfill Valley Water's Joint Use Agreement with the City of Sunnyvale for trail improvements and recreational uses along the Sunnyvale West and Sunnyvale East Channels. Under the agreement, the city is committed to providing funding (\$500,000) to pave the maintenance road on each channel for use as a public trail. After the project is completed, the city will maintain the public trails.

Furthermore, in response to community demands and the directives of the Board, Valley Water has initiated actions to strengthen Project F5: Good Neighbor Program: Encampment Cleanup (Project F5) to clean up encampment-generated trash, debris, and hazardous pollutants along waterways. In August 2023 (FY2023-24), Valley Water launched the Portable Toilet Facilities Program, installing portable toilets and wash stations at critical locations along local creeks. Additionally, Valley Water is developing the Clean Camps, Clean Creeks Program, which will provide debit cards to incentivize unsheltered residents to maintain camp areas free of trash and debris. Although these initiatives will better equip Valley Water to confront challenges posed by encampments of unsheltered people, Project F5 requires increased funding to sustain this level of service.

Even with Valley Water successfully securing external grants and low-cost loans, Project E2 and Project F5 do not have adequate funding. This funding gap has prompted staff to recommend that the Board provide direction on balancing the Safe, Clean Water Fund (Fund 26) to ensure the delivery of the renewed Safe, Clean Water Program.

In addition, the renewed Safe, Clean Water Program's Independent Monitoring Committee (IMC), an external monitoring committee, has recommended that Project E8: Upper Guadalupe River Flood Protection Key Performance Indicator (KPI) #2 be modified to include aquatic habitat improvement benefiting all native species. Staff concurred with the recommendation, and on March 12, 2024, the Board directed staff to pursue the modification.

Finally, Valley Water staff has identified the need to modify Project F9: Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship (Project F9) to expand the project to initiate a new Creekside Neighbor Rebate Program in response to community need.

Therefore, staff is recommending not implementing the fund transfer under Project A1: Pacheco Reservoir Expansion, resulting in the project being removed from the renewed Safe, Clean Water Program, and modifying Project E8: Upper Guadalupe River Flood Protection and Project F9: Grants and Partnerships.

Project A1: Pacheco Reservoir Expansion (A1)

Project A1 is one of the three renewed Safe, Clean Water projects with a fiscal-based KPI, where the deliverable is not to construct a project directly but to allocate a portion of funding to support project construction. In this instance, the project KPI is to "Provide a portion of funds, up to \$10 million, to help construct the Pacheco Reservoir Expansion Project. The Safe, Clean Water Program funding of \$10 million constitutes less than half a percent (0.36%) of the estimated cost of \$2.75 billion (Capital Improvement Program's Draft FYs 2025-2029 Five-Year Plan.) Furthermore, the funding is scheduled to be transferred to the Water Utility Fund over seven years, from FY26 to FY32, amounting to approximately \$1.4 million annually.

The reservoir expansion project is primarily funded by the Water Utility Fund and has continued to progress without any contributions from the renewed Safe, Clean Water Program. Additionally, the project, a strategic and long-term investment toward ensuring a more reliable supply of safe, clean drinking water in the face of climate change, is eligible for a \$505 million California Water Commission (CWC) funding.

Given the project's other funding sources and relatively minor contributions from the renewed Safe, Clean Water Program, the absence of a \$10 million allocation will have an insignificant impact on its advancement and will have a negligible impact on water rates.

Therefore, staff is recommending the following:

A1 – Not Implement the project and its KPI #1 to “Provide a portion of funds, up to \$10 million, to help construct the Pacheco Reservoir Expansion Project” under the renewed Safe, Clean Water Program.

Project E8: Upper Guadalupe River Flood Protection (E8)

Project E8 continues a project in partnership with the U.S. Army Corps of Engineers (USACE) to plan, design, and construct improvements along 5.5 miles of the channel extending from Interstate 280 to Blossom Hill Road.

The project’s KPI #2, with local funding only, is to “Construct flood protection improvements along 4,100 feet of Guadalupe River between the Southern Pacific Railroad (SPRR) crossing, downstream of Willow Street, to the Union Pacific Railroad (UPRR) crossing, downstream of Padres Drive, and provide gravel augmentation along approximately 800 linear feet of the Upper Guadalupe River in San José, from approximately the Union Pacific Railroad Bridge to West Virginia Street Bridge to improve aquatic habitat for migrating steelhead and channel stability.”

During its Fiscal Year 2022-23 Safe, Clean Water Program review, the IMC recommended that the KPI be modified to include protecting all native fish species. The KPI currently mentions only steelhead because steelhead are federally protected species within the creek according to the Endangered Species Act. However, the improvements targeted to better the habitat for protected steelhead, specifically adding gravels and providing habitat for rearing their young, spawning, and providing food sources, benefit all native fish species. Hence, staff is recommending that the Board modify KPI #2 to include all native fish species. Below is the proposed modification.

E8 – KPI #2: With local funding only: Construct flood protection improvements along 4,100 feet of Guadalupe River between the Southern Pacific Railroad (SPRR) crossing, downstream of Willow Street, to the Union Pacific Railroad (UPRR) crossing, downstream of Padres Drive, and provide gravel augmentation along approximately 800 linear feet of the Upper Guadalupe River in San José, from approximately the Union Pacific Railroad Bridge to West Virginia Street Bridge to improve aquatic habitat for migrating steelhead and all native fish species and channel stability.

Project F9: Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship (F9)

Project F9 provides grants and partnerships for agencies, organizations, and individuals for water conservation, pollution prevention, creek cleanups and education, wildlife habitat restoration and wildlife corridors and crossings, and access to trails and open space. Eligible projects include water conservation; recycled water programs and infrastructure; pollution prevention programs; watershed stewardship; creek cleanups; education; and developing plans and/or implementing projects that create or enhance wetland, riparian and tidal marsh habitat; protect special status species; improve fish passage and habitat; remove non-native, invasive plant species; plant native species; partnerships to remove flood-inducing blockages, and provide access to creekside trails or trails that provide a significant link to the creekside trail network.

The project has four KPIs providing grants and partnerships. While Valley Water has successfully awarded grants and partnerships under KPIs #1, 2, and 3, we have not had any success in delivering KPI #4, which is restricted to partnerships with “small municipalities (defined as under 50,000 people in the most recent census available), or special districts with boundaries substantially within the footprint of small cities.” Meanwhile, community members have expressed interest in receiving Valley Water assistance with implementing watershed

activities, such as bank repair, sediment removal, and downed tree management, with community benefits. Therefore, staff is recommending that the Board modify KPI #4 to broaden access beyond small municipalities and special districts and include individuals, with a rebate program covering watershed stewardship activities. Below is the proposed modification.

F9 – KPI #4: Provide up to \$3 million per 15-year period for a creekside Neighbor Rebate Program for watershed activities, including bank repair, sediment removal, and downed tree management.

This meeting is being held in accordance with the Brown Act. The 1:00 p.m. April 9, 2024, Public Hearing will be held during a Board Meeting and is accessible for public in-person participation at the time, date, and location shown above or by public virtual participation at the Zoom link above. Document(s) associated with this hearing are available for public inspection prior to the meeting in the Clerk of the Board's Office or online at <http://www.valleywater.org> and will be available at the meeting.

For more information, contact Meenakshi Ganjoo, Program Administrator, at **408-630-2295**.

Important Notices:

Valley Water, in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in Valley Water Board meetings to please contact the Clerk of the Board's office at (408) 630-2711, at least 3 business days before the scheduled Valley Water Board meeting to ensure that Valley Water may assist you. Reasonable efforts will be made to accommodate persons with disabilities.

重要通知：

Valley Water 遵守美國殘疾人法案 (ADA)，要求需要特殊便利才能訪問和/或參加 Valley Water 委員會會議的個人請致電 (408) 630-2711 聯繫委員會辦公室的書記員，網址為在預定的 Valley Water 委員會會議召開前至少 3 個工作日，以確保 Valley Water 可以為您提供幫助。將做出合理的努力以容納殘疾人。

Thông báo quan trọng:

Valley Water, để tuân thủ Đạo luật Người Mỹ Khuyết tật (ADA), yêu cầu những cá nhân cần điều chỉnh đặc biệt để tiếp cận và/hoặc tham gia các cuộc họp của Hội đồng Valley Water vui lòng liên hệ với Văn phòng Thư ký của Hội đồng theo số (408) 630-2711, tại ít nhất 3 ngày làm việc trước cuộc họp đã lên lịch của Hội đồng Valley Water để đảm bảo rằng Valley Water có thể hỗ trợ bạn. Những nỗ lực hợp lý sẽ được thực hiện để hỗ trợ người khuyết tật.

Aviso Importantes:

Valley Water, en cumplimiento de la Ley de Estadounidenses con Discapacidades (ADA), solicita a las personas que requieren adaptaciones especiales para acceder y/o participar en las reuniones de la Junta de Valley Water que se comuniquen con la oficina del Secretario de la Junta al (408) 630-2711, al menos 3 días hábiles antes de la reunión programada de la Junta de Valley Water para asegurarse de que Valley Water pueda ayudarlo. Se harán esfuerzos razonables para acomodar a las personas con discapacidades.