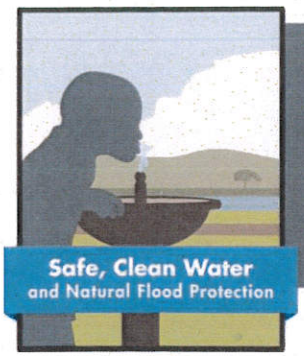

Safe, Clean Water and Natural Flood Protection Program

Independent Monitoring Committee

February 28, 2017

To: Santa Clara Valley Water District Board of Directors,

The Independent Monitoring Committee (IMC) is pleased to present its third annual report in review of the *Safe, Clean Water and Natural Flood Protection Program* (SCW) *for Fiscal Year 2015-16* to the Board.

The IMC consists of members of the public appointed by the Board. Its annual report is intended to add further transparency and public accountability to the implementation of the SCW program. The IMC reviews the SCW annual report after it has been presented to and accepted by the Board. The IMC report looks back at the prior year to ensure that funds from SCW are spent according to the voter approved priorities identified in Measure B and that projects are moving forward in a timely manner. The IMC understands the importance of its role and is committed to a thoughtful and thorough review of the SCW program annual report. The IMC's report also includes recommendations to help meet the priorities of the program within the approved budget. Its report is presented to the Board and is available to the public.

The IMC met on December 7, 2016 to begin its third annual SCW review process and agreed to continue the subcommittee reporting process and re-elected the Chair and Vice Chair. In response to requests by the IMC, Santa Clara Valley Water District (District) staff presented information regarding the Change Control Process, the Nitrate Treatment System Rebate Program, a Trash Map, and information regarding plant palettes and possible users at this meeting. Staff also presented an update from the Board's Homeless Encampment Ad Hoc Committee.

Subcommittees met with District staff during the first two weeks of January 2017 and presented the findings to the IMC as a whole on January 25, 2017. IMC members agreed that Chairs of each subcommittee led by the Chair of the IMC, draft the third IMC report to the Board. The draft report was presented to the IMC as a whole on February 15, 2017 for final review, edits and approval.

The IMC recommendations regarding the information provided in the SCW Annual Report continue to refine and improve the report, to standardize information, and provide further details in a way intended to be easily understood by the public. As in our prior reports, IMC comments and recommendations for each individual project are included in the attached document.

The IMC would like to let the Board know that while most of our comments and recommendations directed to the SCW 2015-2016 report are minor suggestions for improving the clarity of the report, we have had lengthy discussions on the following:

- The Nitrate System Rebate Program and the low number of rebate requests vs the staff time and cost spent to promote the program. While there was once again robust discussion regarding this program, the IMC decided to not recommend changes until next year to incorporate recommendations into the next 5 Year Implementation Plan.

- While the SCW Anderson Dam Project's Key Performance Indicator to provide funding remains the same, recent geotechnical and geologic investigation results have necessitated more extensive earthwork on the existing embankments to address seismic deficiencies. Questions from the IMC were about the expanded dam project.
- Project E4 (Upper Penitencia Creek Flood Protection Coyote Creek to Dorel Drive – San Jose) It is important to note that the IMC does not agree with the status of Project E4. The SCW 2015-2016 report identifies the status of the project as "Adjusted". The Key Performance Indicators for this project identify a preferred project with federal and local funding and a local funding only project. Project E4 is moving forward as a local funding only project and is on target as such. The IMC recommends the status of this project change from "Adjusted" to "On Target".

The Challenges, Concerns and IMC General Recommendations from Years 1 and 2 regarding Permitting and Capital Funding Partnerships have taken on a new complexity and uncertainty given the priorities and values of the new administration. District staff face an unknown and unpredictable federal funding future. Our recommendations will hopefully provide the general public insight as to the complexity of many of the SCW projects and the inter-dependence many District projects share with our local, state and federal partners.

With its review of the *Safe, Clean Water and Natural Flood Protection Program for Fiscal Year 2015-2016* report complete, the IMC finds that funds from Measure B are being spent in accordance with the voter approved priorities identified in the measure and that the District is acting responsibly to ensure projects are moving forward in a timely matter. The IMC is pleased to find their recommendations from Years 1 and 2 incorporated in this report.

We would also like to thank staff for the strong support they give the IMC. The review of each project by the subcommittees are thorough and subcommittee members ask very detailed questions. The answers provided by staff help the IMC craft suggestions designed to improve the clarity of the yearly report.

We thank the Board for the support they have shown our recommendations and look forward to returning next year.

Sincerely,

Kathleen Sutherland, Chair
Independent Monitoring Committee

Attachments: Challenges, Concerns and IMC General Recommendations
IMC Fiscal Year 2015-2016 Annual Report (project by project review)

cc: Independent Monitoring Committee Members