

VALLEY WATER & US ARMY CORPS OF ENGINEERS

Valley Water Board
Annual USACE Briefing
26 March 2019

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South San Francisco Bay Shoreline (Phase I Study-Construction)

MISSION and FUNDING

Multi-purpose coastal flood risk management, ecosystem restoration and recreation project. Project manages flood risk for 5,500 residents and 1,100 structures, restores 2,900 acres of tidal wetlands, and provides key connections to the iconic SF Bay Trail.

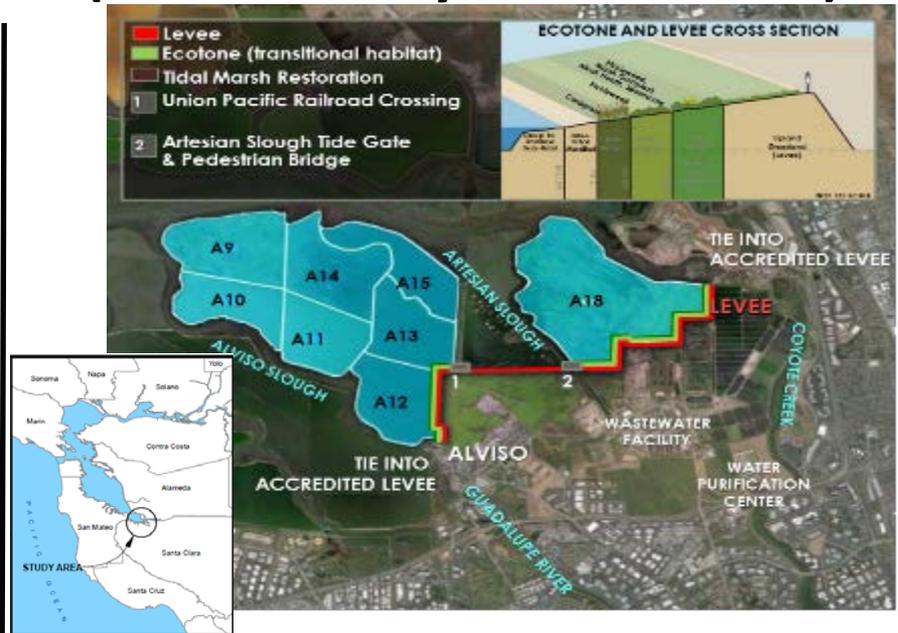
Est. Project Cost (Oct 2018): \$193.7M (\$74.7Fed/\$119M Non-Fed)

Funded through Initial Construction (2027): \$65.6M (Fed)*

FY28-FY44 Optimal Schedule Funding: \$9.1M (Fed)**

*2018 Bipartisan Budget Act

**future regular Construction General (CG) appropriations



STATUS/CHALLENGES

Status:

- Project Partnership Agreement (PPA) executed 14 Feb 2019.
- Environmental approvals complete for Reach 1.
- Valley Water to start levee fill delivery by 1 April 2019.
- Reach 1 100% design completion is scheduled for April 2019.
- Bay Conservation and Development Commission hearing for Reach 2/3 scheduled for 4 April 2019.
- Reach 2/3 design completion is scheduled for November 2019.

Challenges:

- Obtaining sufficient quantities of clean engineered fill in a timely manner.
- Real Estate: UPRR has provided limited response. Negotiating right of way agreement with County Parks for Reach 1 construction. Negotiating with City of San Jose for Pond A18 and access to Pond A18 for stockpiling.

Way Ahead:

- Have fill delivered ahead of construction contract.
- Continue with obtaining real estate – possible executive engagement with UPRR.
- Continue with in-house design of Reach 2/3 and award design work for remaining sections (Railroad Closure Structure, Artesian Slough, Reach 4/5, ecotone).
- Determine in mid-March if award of Reach 1 is possible to execute in June (ahead of schedule).

PM: LTC David Kaulfers/Michael Mercado

MILESTONES

Key Milestones	Scheduled	Current/Actual
100% Design Received – Reach 1	April 2019	April 2019
Solicit Reach 1/2/3	December 2019	December 2019
Award Reach 1	January 2020	January 2020
Award Reach 2/3 as Option	April 2020	April 2020

- Estimated levee construction completion to manage flood risk: Oct 2023
- Estimated pond breaching to restore tidal wetlands: 2023-2032
- Estimated monitoring/adaptive management: 2032-2042



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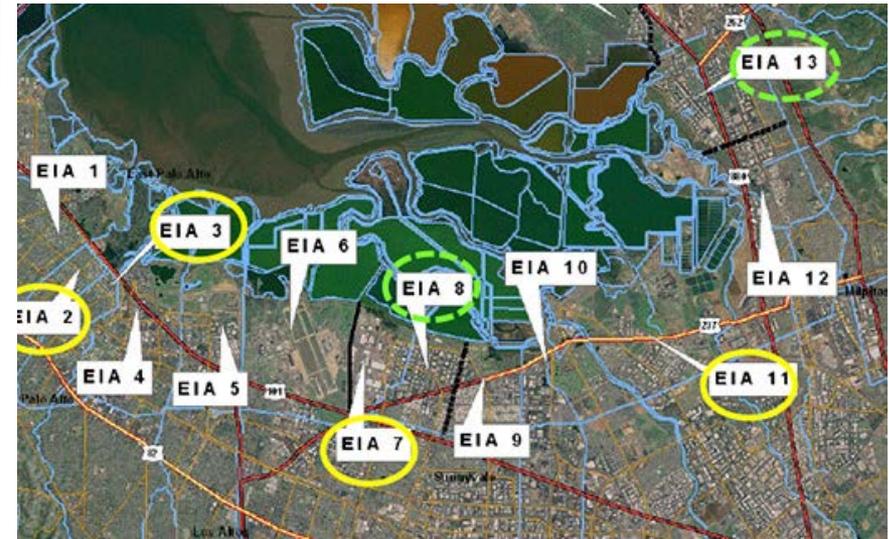


South San Francisco Bay Shoreline (Phase II Study)

MISSION and FUNDING

Study will examine multi-purpose coastal flood risk management, ecosystem restoration, and recreational opportunities along the south bay shoreline from Palo Alto to Sunnyvale. This is a follow on study from the completed Phase I study, which focused on north San Jose. The Phase II study will focus on Economic Impact Areas 1-10 in the authorized study area.

FY19 Work Plan: \$500,000



STATUS/CHALLENGES

Status:

- Received funding under FY19 Work Plan to commence Phase II study.
- Met with Valley Water on 19 Feb 2019 for initial study scoping discussion.
- Need to execute Feasibility Cost Sharing Agreement (FCSA) no later than Sep 2019.

Challenges:

- Determine Economic Impact Areas (EIAs) to focus study on.
- Schedule requirements – Executive Order 13807 (2-year duration from NEPA notice of intent to NEPA/permits completion) and 3x3 requirements (\$3M total feasibility study cost, 3-year duration from FCSA execution to Chief’s Report).

Way Ahead:

- Define study scope, execute FCSA no later than Sep 2019, and proceed with study.

PM: Jaime O’Halloran

MILESTONES

Milestone	Baselined Schedule	Current/Actual
Execute FCSA	NLT Sep 2019	NLT Sep 2019
Alternatives Milestone	TBD	TBD
Tentatively Selected Plan	TBD	TBD
Publish Draft Report	TBD	TBD
Agency Decision Milestone	TBD	TBD
Final Report	TBD	TBD
Chief's Report	TBD	TBD



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San Francisquito Creek

MISSION and FUNDING

Flood risk management study of San Francisquito Creek in Santa Clara and San Mateo Counties.

FY19 PBUD and Work Plan: \$0*

*Study federally funded thru completion in FY18.

Remaining funds available (as of 4 Mar): \$36,143



STATUS/CHALLENGES

Status:

- 3x3 exemption approved in July 2017 for additional time and cost.
- Completion of TSP delayed due to both delayed Federal funding and sponsor (SFCJPA) request to add the LPP (Plan 3B).
- Following TSP delay, draft report has been further delayed due to need to address technical issues with NED (Plan 3A) and coordination with resource agencies.
- Currently assessing sponsor's request to further revise LPP.

Challenges:

- Completion of draft report will continue to be delayed, pending funds requested from sponsor on 3 Feb 2019.

MILESTONES

Milestone	Baselined Schedule*	Current/Actual
SMART Start	April 2014	April 2014
Alternatives Milestone	15 Dec 2014	15 Dec 2014
Tentatively Selected Plan	09 Mar 2018	11 Oct 2018
Publish Draft Report	08 May 2018	TBD
Agency Decision Milestone	06 Aug 2018	TBD
Final Report	03 May 2018	TBD
Chief's Report	30 Oct 2019	TBD

*Per approved 3x3 exemption.



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Berryessa Creek

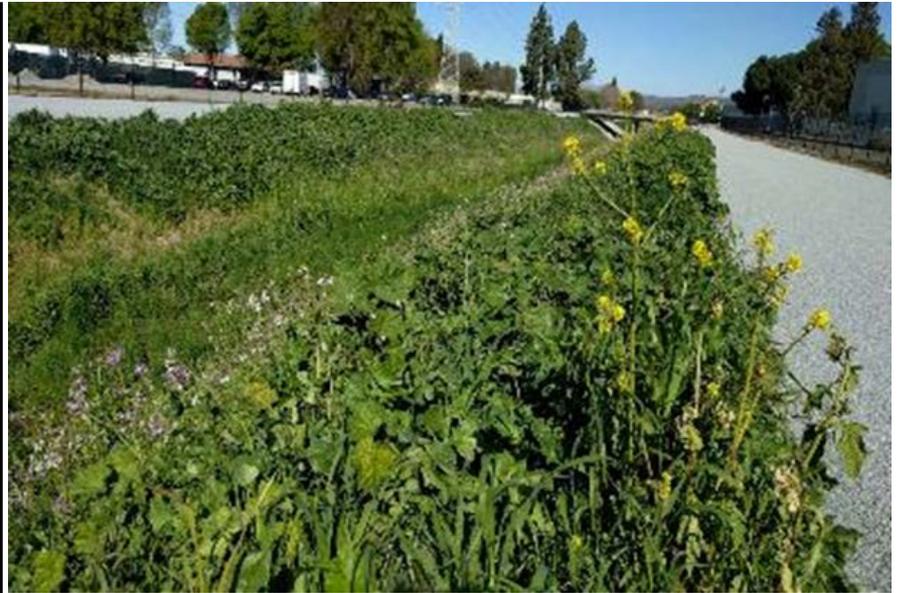
MISSION and FUNDING

Construction of flood risk management project that extends approximately 2 miles through San Jose and Milpitas.

FY19 PBUD and Work Plan: \$0*

*Construction funded thru completion in FY16.

Remaining funds available (as of 4 Mar): \$1,770,026



STATUS/CHALLENGES

Status:

- Construction substantially completed.
- Completed all plantings, with continued maintenance thru 2019.

Challenges:

- Addressing contract close-out and punch list items.

Way Ahead:

- Construction Branch to continuing processing existing contract modifications and work through punch list.
- Transmit Final O&M Manual to Valley Water.

MILESTONES

Milestone	Schedule	Current/Actual
Complete Channel Construction	Dec 2017	Dec 2017
Draft O&M Manual	May 2018	May 2018
Final O&M Manual	April 2019	April 2019
PG&E Line Relocation	TBD	TBD
Comcast Cable Relocation	TBD	TBD
Contract Close Out	TBD	TBD

PM: Terry Marks



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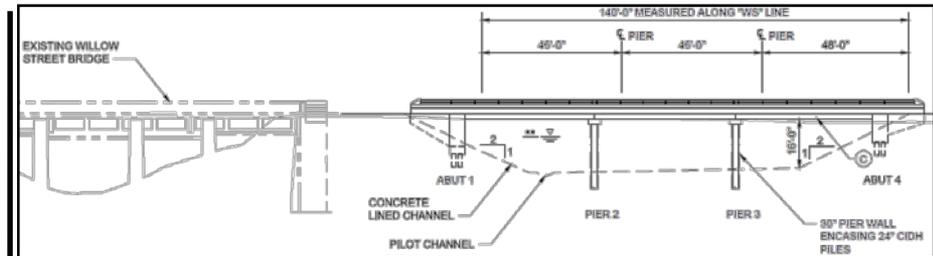
Upper Guadalupe River

MISSION and FUNDING

Construction of flood risk management and recreation project located in San Jose, from I-280 extending south 5.5 miles.

FY19 PBUD and Work Plan: \$0

Remaining funds available (as of 4 Mar): \$392,895



STATUS/CHALLENGES

Status:

- Reaches 10B and 12 completed. USACE finalizing corresponding O&M Manual.
- Channel designs for Reaches 7 & 8 and vehicular bridge designs have progressed to ~60%. On hold due to both unresolved design issues described below and lack of adequate funding.

Challenges:

- **OMB:** Project not OMB compliant due to LPP being cost-shared at NED rate. Project has never been in PBUD and has relied on Work Plan (WP) funding. Most recently received WP funding in FY14.
- **Design velocities/erosion risk:** Current channel and vehicular bridge designs have velocities which pose unacceptable erosion risk. Furthermore, passing design events under vehicular bridges has been a challenge. Solutions to address these issues would likely require channel hardening, which would likely increase project costs, conflict with GWIWG coordination to date, and pose a challenge for obtaining approval from NMFS and RWQCB.
- **Cost increase:** 2012 total cost estimate was \$296M. Current draft total cost estimate is \$494M and does not account for increased construction costs associated with addressing velocities/erosion risk. Biggest cost drivers are updated costs for removing and disposing of contaminated material (\$78M) and increased real estate acquisition costs (\$67M).
- **902 Limit:** Draft cost update of \$494M vs. draft 902 limit of \$405M.
- **BCR update:** Draft update of 1.02 @ current discount rate, 0.48 @ 7% discount rate
- **Mitigation:** It has become more challenging to provide required mitigation, due to more trees needing to be removed and fewer opportunities to replace trees than previously anticipated.
- **NEPA/CEQA:** In light of the issues above and the fact that the EIS/R is 20 years old, we are at increased risk of needing to prepare a Supplemental EIS/R.

PM: Terry Marks

WAY AHEAD

USACE and Valley Water to assess likelihood of viable design with acceptable velocity/erosion risk that can be implemented within project authorization, existing EIS/R, NMFS Biological Opinion, and RWQCB permit, with BCR greater than 1.0. Outcome of this analysis would inform how best to proceed with moving project forward.

USACE and Valley Water to determine and evaluate potential options to move project forward, which could include one more more of the following:

- Conduct reevaluation report and/or updated EIS/R.
- Remove Reach 7, Reach 8, and/or corresponding railroad and vehicular bridges from the project in order to improve BCR, with Valley Water designing and constructing these elements. This was the same rationale previously used for removing Reach 6 from the project.
- Execute accelerated/contributed funds agreement to provide funding to address efforts which cannot be addressed with current funding.
- In order to obtain OMB clearance, consider revising cost-sharing, with Valley Water paying for 100% of LPP increment.



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Coyote Creek

MISSION and FUNDING

Flood risk management study of Coyote Creek from Montague Expressway to Tully Road.

FY19 PBUD and Work Plan: \$0



STATUS/CHALLENGES

Status:

- Absent federal funding, Valley Water intends to conduct this feasibility study under Sec 1126 of WRDA 2016.
- Section 1126 MOA executed between Valley Water and USACE, but Task Order under this MOA has not been developed.

Challenges:

- Implementation Guidance for Section 1126 of WRDA 2016 limits USACE technical assistance as follows: “Technical assistance includes activities such as providing factual or technical information, running models, and providing information on how (USACE) conducts its project formulation process. Technical assistance does not include the review of work products developed by the non-federal interest or carrying out inherently Federal governmental functions.”
- WRDA 2018 further revised Section 1126, but corresponding Implementation Guidance has not been issued.

Way Ahead:

- Identify scope for Task Order under MOA.

PM: Neil Hedgecock

MILESTONES

Milestone	Schedule	Current/Actual
Execute MOA	21 May 2018	21 May 2018
Develop Task Order under MOA	TBD	TBD



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Upper Penitencia Creek

MISSION and FUNDING

Flood risk management study. Alternatives considered for this 3.6-mile reach included a combination of flood-proofing at the upstream limit, levees, floodwalls, and bypass channels.

FY19 PBUD and Work Plan: \$0*

*Study funded thru completion in FY13.

Remaining funds available (as of 4 Mar): \$357,748**

**\$344,558 of this is non-Fed, which cannot be utilized with outstanding WIK request.



STATUS/CHALLENGES

Status/Challenges:

- Valley Water required scope change that would have added ecosystem restoration purpose.
- San Francisco District documented what is believed to be very limited opportunity for restoration, the outcome of the Nov 2015 IAWG, and the likelihood of a negative feasibility report.
- The plan has been to terminate and close-out the study.
- Draft study termination letter has been provided to Valley Water.
- Valley Water has recently requested that we reconsider termination.

MILESTONES

Milestone	Schedule	Current/Actual
Finalize Termination Letter	TBD	TBD
Cost Accounting / Process WIK	TBD	TBD
Financial Close-Out	TBD	TBD



Llagas Creek

MISSION and FUNDING

The flood risk management study consists primarily of channel improvements and a diversion channel to provide 100-year flood protection to urban areas near the communities of Morgan Hill, San Martin, and Gilroy and 10-year protection to agricultural areas.

FY19 PBUD and Work Plan: \$0

Remaining funds available (as of 4 Mar): \$9,197



STATUS/CHALLENGES

Status/Challenges:

- Valley Water has requested execution of Contributed Funds (CF) MOA in the amount of \$810,000 for San Francisco District to prepare a Limited Reevaluation Report (LRR).
- Detailed Design Report (DDR) tasks are not allowable under CF authorization.
- Basis of LRR will be an updated Economic Report.
- Draft MOA and supporting white paper was submitted to SPD and returned with comments.
- SPN is evaluating comments on the revised draft MOA and white paper that Valley Water provided on 28 Feb.

Way Ahead:

- Finalize revised MOA package and resubmit to SPD for review/approval.

PM: Neil Hedgecock

MILESTONES

Milestone	Schedule	Current/Actual
Resubmit MOA package to SPD	TBD	TBD
SPD approves MOA	TBD	TBD
Sign MOA	TBD	TBD



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