



Santa Clara Valley Water District

File No.: 20-0015

Agenda Date: 1/28/2020

Item No.: 7.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Receive a Brief Program Update and Approve Budget Adjustment in the Amount of \$773,200 to the Fiscal Year 2020 Budget of the Safe Clean Water Renewal Project, Project No. 62061049.

RECOMMENDATION:

- A. Receive brief update on new program development for a potential future funding measure; and
- B. Approve a budget adjustment in the amount of \$773,200 to the Fiscal Year 2020 Budget of the Safe Clean Water Renewal Project.

SUMMARY:

Based on Board direction provided at the December 10, 2019 Board meeting, staff is providing a brief update and necessary resource request needed to initiate and explore the feasibility of a potential November 2020 funding measure.

Program Development

The current Safe Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) offers a suite of opportunities to fund critical projects for Valley Water, its partners and grantees. Building on the successes of this Program to date, staff is first looking at the current Program and its five priorities to determine where there are opportunities to enhance and update projects and programs, and then explore new areas that may be of interest to the community. Throughout the process, it is critical to include both internal and external stakeholder feedback. To accomplish this, an internal effort is underway to gather input from various business areas throughout Valley Water (e.g., flood, stewardship, asset management, water supply, grants) to identify and prioritize projects, including potential costs. Simultaneously, staff is working on engaging with each Board Advisory Committee (Agricultural Water Advisory Committee, Environmental Water Resources Committee, and Water Commission) and the Safe Clean Water Independent Monitoring Committee to provide an update and gather input on program development, as well as developing a Community Input Survey to help gather public input on the program priorities and projects. This approach will facilitate development of a new program plan draft to share with the community for further feedback. As input is collected throughout the new program's development, the Board will be kept apprised of projects and programs, which may be recommended for inclusion in any potential future funding measure.

FY20 Budget Adjustment Need

Staff is requesting a budget adjustment to move funds into the Safe Clean Water Renewal Project

(62061049) to develop a future funding program in the form of a potential November 2020 ballot measure. Staff is requesting the Board to approve a budget adjustment of \$773,200 in hard costs to help build an enhanced program that will include community outreach activities to encourage broad public participation into the process of developing a community-preferred plan. Support services include costs for consulting, direct outreach, technical writing services and general education and outreach activities to develop an enhanced program that will include robust community input and stakeholder participation on program priorities and elements. The proposed budget adjustment amount is to be split between watershed stream stewardship reserves (88%) and water utility enterprise reserves (12%). This split is the estimated percentage of the program that would benefit the two funds, and is based on the formula used during development of the current Safe Clean Water and Natural Flood Protection program. Should the percentage of projects within the proposed funding measure shift, with more funding needs for water utility enterprise or watershed stream stewardship, this percentage allocation would be revisited.

Total budget costs to date for support services, including the requested budget adjustment amount, is estimated to be \$973,200 with \$200,000 already allocated towards this effort.

Next Steps

Staff will continue to explore the feasibility of a future funding measure and build out what a future enhanced program would look like, including financial models.

Program development will continue, which includes community outreach to determine the desires of the residents of Santa Clara County for any future potential program. Additionally, stakeholder outreach will include a blue-ribbon roundtable tentatively set for mid/late March as well as additional internal and external stakeholder and community outreach. Upon gathering stakeholder and community input, staff will come back to the Board in March with an update and report to receive further Board input.

FINANCIAL IMPACT:

Financial impacts associated with this Board item include a move of \$773,200 from reserves to the Safe Clean Water Renewal Project, Project No.62061049, to provide necessary funding to explore the feasibility of a future funding measure. This amount will be split between the Watershed and Stream Stewardship Fund (88%, \$680,416), leaving a Fund 12 Operating and Capital Reserve balance of \$67,217,529 and the Water Utility Enterprise Fund (12% \$92,784), leaving a Fund 61 Operating and Capital Reserve balance of \$39,579,658. Percentage allocations to funds may change in the future depending on the benefit each division receives from the measure.

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:

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None.

UNCLASSIFIED MANAGER:
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