



Safe, Clean Water and Natural Flood Protection Program **Independent Monitoring Committee**

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February 12, 2020

To: Santa Clara Valley Water District Board of Directors

Subject: IMC Report in Review of SCW FY19 Annual Report

SUMMARY

The Independent Monitoring Committee (IMC) is pleased to present its annual review of the Safe, Clean Water and Natural Flood Protection Program (SCW) for Fiscal Year 2018-2019 (FY19), the sixth year of the program, to the Santa Clara Valley Water District (Valley Water) Board of Directors (Board). The IMC finds that funds from Measure B are being spent in accordance with the voter approved priorities and that Valley Water is acting responsibly to ensure projects move forward in a timely manner. The IMC has some concerns and they are explained below.

PROCESS

The IMC met on December 4, 2019, to begin its sixth annual SCW review process and elected a Chair and Vice Chair. Subcommittees were formed to review the SCW report (Priorities A, B, C, D, and E) and Other Projects remaining from Clean, Safe Creeks and Natural Flood Protection Plan (CSC).

The four subcommittees met with Valley Water staff (Staff) during the first half of January 2020. At each subcommittee meeting, a chair was elected. The subcommittee chairs presented the subcommittee findings to the IMC as a whole on January 22, 2020. IMC members agreed that subcommittee chairs led by the Chair of the IMC draft the IMC review to the Board.

The draft review was presented to the IMC on February 12, 2020, for final edits and approval. The IMC provided three levels of input; overview concerns about SCW included in this letter, specific project recommendations for Board review (Attachment 1) and notes for Staff for future SCW reports (Attachment 2).

CONCERNS AND GENERAL RECOMMENDATIONS

Grants Administration

It has come to the attention of the IMC that there are apparent inefficiencies in grant administration, which may be costly to both grantor and grantee.

Some grantees have brought to the IMC the following issues:

1. Long negotiation times to sign contracts
2. Long delays (6 months) in payments after projects have finished and
3. Excessive reporting requirements

The Board has incentivized grants in disadvantaged communities, however, long lead times to sign contracts as well as delays in payment create financial strain for small non-profits. The IMC is aware of staffing challenges in the grants department during the last two to three years. The IMC is also respectful of the grant administration's obligation to protect public funds.

Recommendations:

1. The IMC recommends that Valley Water review its process of administering SCW grants with the intent of streamlining the process to the benefit of both the grantor and grantee.
2. Report metrics from the grants administration on three parameters: time to sign contract, time to pay after work completion, and reporting requirements (high, medium or low). We request these metrics for each grant in FY19 and FY20.

Priority D

At the end of the sixth year (40%) of the fifteen-year SCW, Priority D has spent only 19% of its budget, specifically D1: 20%, D2: 18%, D3: 30%, D4: 19%, D5: 26%, D6: 7%, D7: 10%, D8: 6%. The IMC is concerned that these environmental projects are not getting the priority the public expected. When Clean, Safe Creeks (CSC) ended, significant funds remained in Priority D. There is a concern that SCW could also end with unspent funds and uncompleted environmental projects. The benefits of environmental projects compound yearly. The earlier these projects can be completed, the more beneficial impact to our environment. The IMC would like to see Priority D projects completed at a faster pace than in the first six years of SCW.

Funding Extension

The IMC looks forward to participating in any modifications and extensions of Safe, Clean Water Program.

Membership

SCW will expend greater than a billion dollars and as such warrants a robust committee to review and monitor the program. The IMC encourages board to actively recruit new IMC members to fill vacancies. The IMC also recommends that in recruiting new members, the Board clearly explain the time commitment involved, the timeline of the review and the nature of the IMC review process. Members should commit to attend majority of full committee and sub-committee meetings.

Finance Committee

There are many financial issues, documented only in Appendix A: Financial Information, that are typically not covered during each Priority review. For next year's review, the IMC will establish a separate subcommittee to thoroughly review the financial aspect of each line item in Appendix A with finance Staff.

TOURS AND PRESENTATIONS

Through presentations and tours, IMC members gain greater understanding of SCW projects. For FY21, the IMC suggests the following:

Tour Sites

1. Anderson Dam Seismic Retrofit (C1)
2. Coyote Creek Flood Protection Project (Other Projects)
3. San Francisco Bay Shoreline Protection (E7)

Presentations

1. Safe, Clean Water Ballot Measure Update
2. Grants administration audit
3. Integration between San Francisco Bay Shoreline Protection Project (E7) and Salt Ponds Restoration Partnership (D8)

We thank the Staff for their time to write the SCW report and to answer IMC questions during the many hours of meeting. We thank the Board for the support they have shown for our past recommendations.

Sincerely,



Kit Gordon, Chair
Independent Monitoring Committee

Attachments:

1. IMC Fiscal Year 2018-2019 Annual Report
2. Notes for IMC Future SCW Reports

cc: Independent Monitoring Committee Members

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