

## Safe, Clean Water and Natural Flood Protection Program

**EXECUTIVE SUMMARY****Overview**

Valley Water's mission is to provide Silicon Valley safe, clean water for a healthy life, environment, and economy. Supporting this mission is the draft community-preferred program developed to provide an updated and enhanced Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program). This proposed Safe, Clean Water Program renewal continues to ensure a safe, reliable water supply; protect water supply infrastructure from earthquakes and natural disasters; and repair and replace aging infrastructure, such as dams, pipelines and reservoirs. The updated Safe, Clean Water Program would also help to reduce toxins, hazards and contaminants in our waterways; restore wildlife habitat and provide access to open space; and protect our residents and businesses from flooding while supporting the public health and public safety of our community and addressing climate change.

The proposed Safe, Clean Water Program renewal builds upon and, if approved by voters, would replace the existing 2012 Safe, Clean Water Program that is funded by a special parcel tax that voters approved overwhelmingly by 74% in 2012. All projects funded by the current special parcel tax are on track to meet the performance measures, known as key performance indicators (KPIs), and a few have exceeded those measures.

As Valley Water has implemented the 2012 Safe, Clean Water Program since its inception, a series of emerging challenges and changes have occurred, affecting the community's needs as they relate to water resources. Our county's population is burgeoning. Climate change, more frequent natural disasters and uncertain imported water supplies go hand-in-hand. Our infrastructure continues to age. We are experiencing more delays in regulatory permitting, and ongoing operations, maintenance and environmental mitigation of projects come with ongoing costs. All these situations combine to create challenges in continuing to provide safe, clean drinking water, as well as flood protection and environmental stewardship on behalf of the community. Addressing these challenges and meeting future water needs requires realigning and expanding upon the 2012 Safe, Clean Water Program and renewing it.

To develop this newly proposed Safe, Clean Water Program, Valley Water conducted an extensive outreach effort engaging thousands of community members and stakeholders. The outreach tools include a dedicated Safe, Clean Water website; online community surveys that were conducted in English, Spanish, Vietnamese and Chinese and received more than 15,000 responses; more than 75 in-person and virtual presentations reaching more than 1,000 residents; telephone townhalls and webinars; and a Blue-Ribbon Forum for stakeholders and community leaders.

There are several key themes that staff heard from numerous stakeholder meetings, including the Blue-Ribbon Forum and other community feedback received to date that has helped shape certain elements within the proposed Safe, Clean Water Program renewal. These concepts include: keeping the proposed community-preferred program flexible enough to adapt to emerging challenges or situations that arise, while still responding to planning for long-term needs; protecting and ensuring water supply reliability, repairing aging infrastructure, bolstering resources for long-term maintenance, operations and mitigation needs; supporting more multi-benefit projects and incorporating climate change adaptation strategies across projects;

**PROGRAM OVERVIEW**

- Proposed renewal of existing Safe, Clean Water Program to ensure continued local funding for vital projects benefitting the community
- Updates existing projects and adds new projects to address changing conditions and align with the community's needs
- Adds a new priority to better reflect what is important to the community
- Continues independent monitoring of the proposed Safe, Clean Water Program with all expenditures published annually and external independent audits
- Maintains current parcel tax rate
- Based on input from thousands of county residents and stakeholders

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supporting trash and homeless encampment cleanups; expanding grant funding for hydration stations, water conservation grants, pollution prevention, and wildlife habitat/open space, as well as streamlining and providing increased access to smaller organizations, technology start-ups and individuals; continued support for environmental stewardship, habitat restoration; and supporting flood protection projects to protect communities from flooding.

The result of this six-month public engagement effort is a draft community-preferred program that looks to update and enhance the Safe, Clean Water Program, which is the basis of this report.

The proposed Safe, Clean Water Program renewal would continue to honor prior commitments made under the 2012 Safe, Clean Water Program in carrying forward all active projects and meeting associated KPIs. It would continue the current five priorities and proposes to add a sixth new priority based on community input and feedback gathered. Below is a summary list of the six priorities, with an emphasis on key efforts that are now enhanced or new under each priority, building upon existing projects slated to continue.

### Priority A: Ensure a Safe, Reliable Water Supply

Priority A projects will upgrade aging water infrastructure, such as dams, pipelines and water storage and treatment systems, to reduce the risk of water outages. In addition to carrying forward existing projects, it would contain two new projects, including the Pacheco Reservoir Expansion Project to increase water storage to provide more security for our drinking water supplies in emergencies and through the effects of climate change. The other new project is to provide water conservation rebates and programs to increase water-use efficiency and ensure sustainability for drinking water supplies throughout the county.

### Priority B: Reduce Toxins, Hazards and Contaminants in our Waterways

Priority B projects use multiple strategies to reduce and remove contaminants in our local creeks, streams and bays. Along with mercury treatment systems in our reservoirs, projects under this priority prevent toxins from entering waterways by working with municipalities and other agencies across the region to reduce runoff pollution. In addition to carrying forward existing projects, the priority would include funding to support the implementation of green stormwater infrastructure. It would also continue projects to provide rapid emergency response to hazardous materials spills, as well as to support public education and volunteer cleanup efforts.

### Priority C: Protect our Water Supply from Earthquakes and Natural Disasters

Priority C projects help protect our drinking water supply and water quality infrastructure from natural disasters, such as earthquakes. This priority provides partial funding to retrofit Anderson Dam so that it can safely withstand a large earthquake. Known as the Anderson Dam Seismic Retrofit Project, the project would continue to ensure public safety and secure a reliable water supply.

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## Priority D: Restore Wildlife Habitat and Provide Open Space

Priority D projects restore and protect wildlife habitat. Work under this priority includes controlling non-native, invasive plants; replanting native species; and maintaining previously replanted areas. Other projects include removing barriers to fish movement, improving steelhead habitat, and stabilizing eroded creek banks. Under this priority, projects supporting riparian planting and invasive plant removal, fish passage and fish habitat improvements would be enhanced with additional funding.

To support restoration projects, Valley Water would continue to build and update a comprehensive watershed database that tracks stream ecosystem conditions helping Valley Water and other organizations make informed watershed, asset management and natural resource decisions.

## Priority E: Provide Flood Protection to Homes, Businesses, Schools and Highways

Priority E focuses on providing flood protection through major capital construction projects. Projects are prioritized to protect the largest number of people, homes and businesses, as well as safeguard the highways, streets, public transportation and business centers that people depend on for their livelihoods. In addition to continuing the existing flood protection projects, some of them with enhanced funding, this priority would now include the Lower Berryessa Creek Flood Protection project.

All of the construction projects under this priority are considered a preferred project with state and federal government funding partnerships and a local-funding only project. Should federal funding become scarce, Valley Water would reduce the project scope to the local-funding only project, as described in the individual project summaries. Whenever possible, Valley Water also leverages funds from the state, local municipalities and other stakeholders.

## Priority F: Support Public Health and Public Safety for Our Community

With the advent of the COVID-19 pandemic that drastically changed the world, the critical need for safe, clean water supplies and essential water infrastructure, particularly during emergencies, has come into sharper focus. This newly proposed priority pulls together multi-benefit projects that were previously placed under other priorities in the 2012 Safe, Clean Water Program and groups them based on their common benefit of supporting public health and public safety along our waterways and critical infrastructure.

This priority would include enhanced funding to support public safety by partnering with local municipalities to increase park ranger and police patrols along waterways; reducing trash and other pollutants from entering waterways from encampments to support public health; and ongoing vegetation control and sediment removal activities to maintain conveyance capacity of flood protection projects. It would also provide additional funding for grants and partnerships for local agencies, organizations and individuals for water conservation, pollution prevention, creek cleanups and education, wildlife habitat restoration, and access to trails and open space.

Additionally, it would include two newly proposed efforts: a project to fund public art to beautify Valley Water property and infrastructure to deter graffiti and litter, and a long-term effort to ensure that existing flood protection infrastructure continues to function sustainably for continued public safety. Other projects would include vegetation management for access and fire safety, removing flood-inducing blockages, and improving coordination and communication in flood emergencies.

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### Funding Safe, Clean Water: Transitioning from the Existing Program

Beginning with the previous 2000 Clean, Safe Creeks and Natural Flood Protection Plan and leading to the passage of the current 2012 Safe, Clean Water Program, the continuous need for such a multi-benefit, community-preferred measure has never been more evident than today. Longer-term solutions for both existing and emerging challenges in providing safe, clean drinking water, natural flood protection and environmental stewardship to the community could be better met with a realigned and updated program that provides ongoing local funding for community-preferred projects.

If voters approve renewing the existing tax measure, the updated Safe, Clean Water Program would replace in its entirety the 2012 Safe, Clean Water Program. Passage of the updated Safe, Clean Water Program would extend the current annual parcel tax that allows Valley Water to deliver the existing and new projects that our community values beginning in fiscal year 2022. If approved, the newly proposed Safe, Clean Water Program renewal would remain active until repealed by voters.

Any existing funds collected under the current 2012 Safe, Clean Water Program would be used to continue corresponding projects under the proposed Safe, Clean Water Program renewal. And since this would be an extension of the 2012 Safe, Clean Water Program, the parcel taxes will be assessed using the same rate structure and include exemptions for qualifying low-income seniors.

If voters approve, the renewed and replaced voter-approved parcel tax would fund the Safe, Clean Water Program as a community-preferred program, which includes carrying forward existing projects plus the addition of enhanced and new projects. Approximately \$45.5 million is expected to be collected annually, amounting to approximately \$682.5 million in 2020 dollars over the first 15 years of this new program. In addition, the Board of Directors reserves the right to vote on an annual escalator to adjust for inflation; additional details may be found in the Resolution.

### Financing the Program

Debt financing and pay-as-you-go funding would pay for capital projects. Some of those capital projects would be funded through Certificates of Participation (COPs). COPs will help propel new Safe, Clean Water capital projects forward instead of waiting for tax revenue to accumulate.

### Accountability and Transparency

As with the 2012 Safe, Clean Water Program, the Valley Water Board would appoint an Independent Monitoring Committee (IMC) to track the progress of the proposed Safe, Clean Water Program to ensure transparency and accountability. Additionally, to provide transparency of all activities to the public, the renewed Safe, Clean Water Program would require an external, independent audit every five years, an annual rate-setting report, an annual report of project expenditures and progress towards meeting KPIs, and 5-year implementation plans. All IMC, staff and auditor reports would be available for public viewing, and in compliance with a change control process, any update or changes to the proposed Safe, Clean Water Program would be made in publicly noticed meetings or public hearings, which are also streamed live on Valley Water's website.