

# ***Safe, Clean Water and Natural Flood Protection***

## **Renewal Team Panelists:**

**Rick Callender, CEO**

**Marta Lugo, Assistant Officer, External Affairs Division**

**Brian Mendenhall, Sr. Water Resources Specialist, External Affairs Division**

**Jessica Collins, Unit Manager, Watersheds Business Planning and Analysis Unit**

**Darin Taylor, Chief Financial Officer, Office of the Chief Executive Officer**

SANTA CLARA VALLEY  
WATER DISTRICT



**Valley Water**



# Why Now?



Public health crisis & uncertain Future



Delays in regulatory permitting/restrictions



Support public health & public safety work



Aging infrastructure upgrades



Climate Change



Ongoing and increasing operations & maintenance (O&M) costs



Population growth



Mitigation costs



Uncertain imported water supplies



Federal funding gaps require more local funding for enhanced capital projects

# 2012 Renewal Ballot Language

## Measure B: Safe, Clean Water Program

To:

- Ensure safe, reliable water supply;
- Reduce toxins, hazards and contaminants in waterways;
- Protect water supply and dams from earthquakes and natural disasters;
- Restore wildlife habitat and provide open space;
- Provide flood protection to homes, schools and businesses;
- Provide safe, clean water in creeks and bays,

Shall Santa Clara Valley Water District **renew an existing, expiring parcel tax without increasing rates**, and issue bonds, described in Resolution 12-62, with independent citizen oversight and annual audits?

# Proposed 2020 Ballot Language

Shall the measure to renew the Safe, Clean Water and Natural Flood Protection Program which ensures public health and safety by:

- protecting drinking water supply, dams from earthquakes and climate change;
- reducing pollution, toxins and contaminants in waterways; and
- providing flood protection;

by **renewing Santa Clara Valley Water District's existing parcel tax without increasing rates**, averaging \$.006 per square foot annually as described in Resolution 20-XX until ended by voters, raising approximately \$45,500,000 annually, with qualifying senior exemption, annual audits, independent citizen oversight be adopted?



# Measure W – LA County Parcel Tax 2018

Shall an ordinance improving/protecting water quality; capturing rain/stormwater to increase safe drinking water supplies and prepare for future drought; protecting public health and marine life by reducing pollution, trash, toxins/plastics entering Los Angeles County waterways/bays/beaches; establishing a parcel tax of 2.5¢ per square foot of impermeable area, exempting low-income seniors, raising approximately \$300,000,000 annually until ended by voters, requiring independent audits, oversight and local control be adopted?

# Modeled on best practices

## Board authority to evaluate need for ongoing parcel tax

### LA COUNTY MEASURE W: SCW PROGRAM

- After a period of no longer than thirty (30) years, the Board shall evaluate the needs of the SCW Program and make an affirmative determination that the Special Parcel Tax needed to build additional Projects to achieve Water Quality Benefits and other benefits in accordance with the goals of the SCW Program.
- Should the Board determine that no additional Projects are needed, the Special Parcel Tax will be reduced accordingly, to reflect a transition from funding new Projects to funding operation, maintenance and replacement of Projects that were constructed with SCW Program funds during the previous thirty (30) years.





# Modeled on best practices

## Board authority to evaluate need for ongoing parcel tax

### **VALLEY WATER PROPOSED RENEWAL**

- After a period of no longer than fifteen (15) years, the Board of Directors shall evaluate the need for the Safe, Clean Water and Natural Flood Protection Program, and make an affirmative determination of whether the special tax should be reduced or repealed, or is needed to build additional Projects to achieve related programmatic benefits in accordance with the priorities of the Safe, Clean Water and Natural Flood Protection Program.
- Should the Board of Directors determine that no additional Projects are needed, the Safe, Clean Water and Natural Flood Protection Program special tax will be reduced accordingly, to reflect a transition from funding new Projects to funding operation, maintenance and replacement of Projects that were constructed with Safe, Clean Water and Natural Flood Protection Program funds. This evaluation process shall include the Valley Water advisory committees and the Program's IMC, which will be charged with making recommendations to the Board of Directors on the determination of whether the special tax should be reduced, repealed, or maintained. Following the first fifteen-year determination of continued need for the special tax, the determination shall be made every fifteen (15) years thereafter.



# Proposed Renewal Public Opinion Survey

## Initial Vote



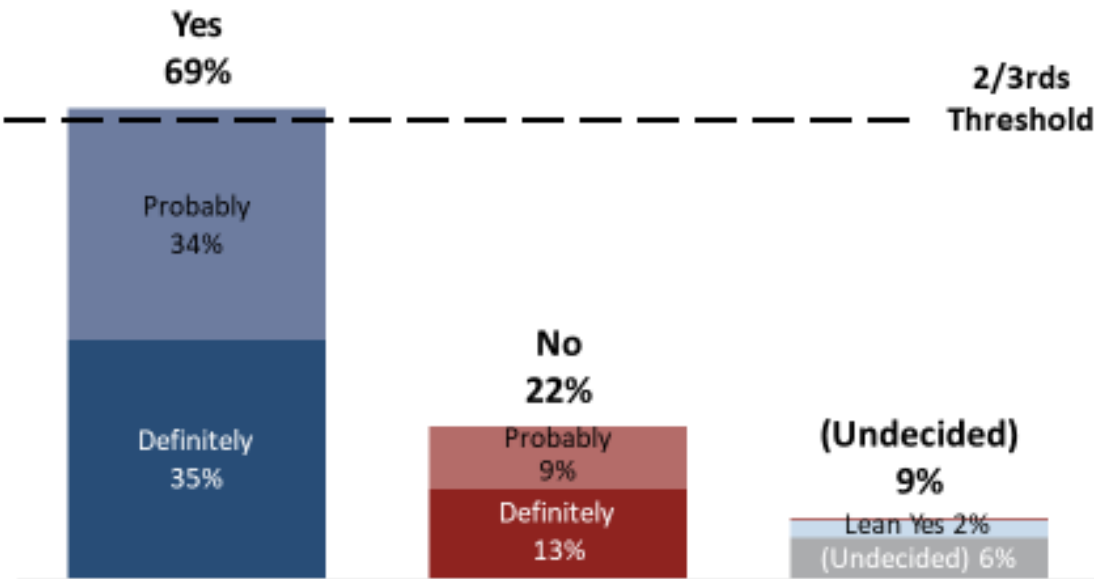
The proposed measure is above the two-thirds threshold for passage in an initial vote.

### Measure B. Safe, Clean Water and Natural Flood Protection Program

Shall the measure to renew the Safe, Clean Water and Natural Flood Protection Program which ensures public health and safety by:

- protecting drinking water supply, dams from earthquakes and climate change;
- reducing pollution, toxins and contaminants in waterways; and
- providing flood protection;

by renewing Santa Clara Valley Water District’s existing parcel tax without increasing rates, averaging \$.006 per square foot annually as described in Resolution 2020 until ended by voters, raising approximately \$45,500,000 annually, with qualifying senior exemption, annual audits, independent citizen oversight be adopted?

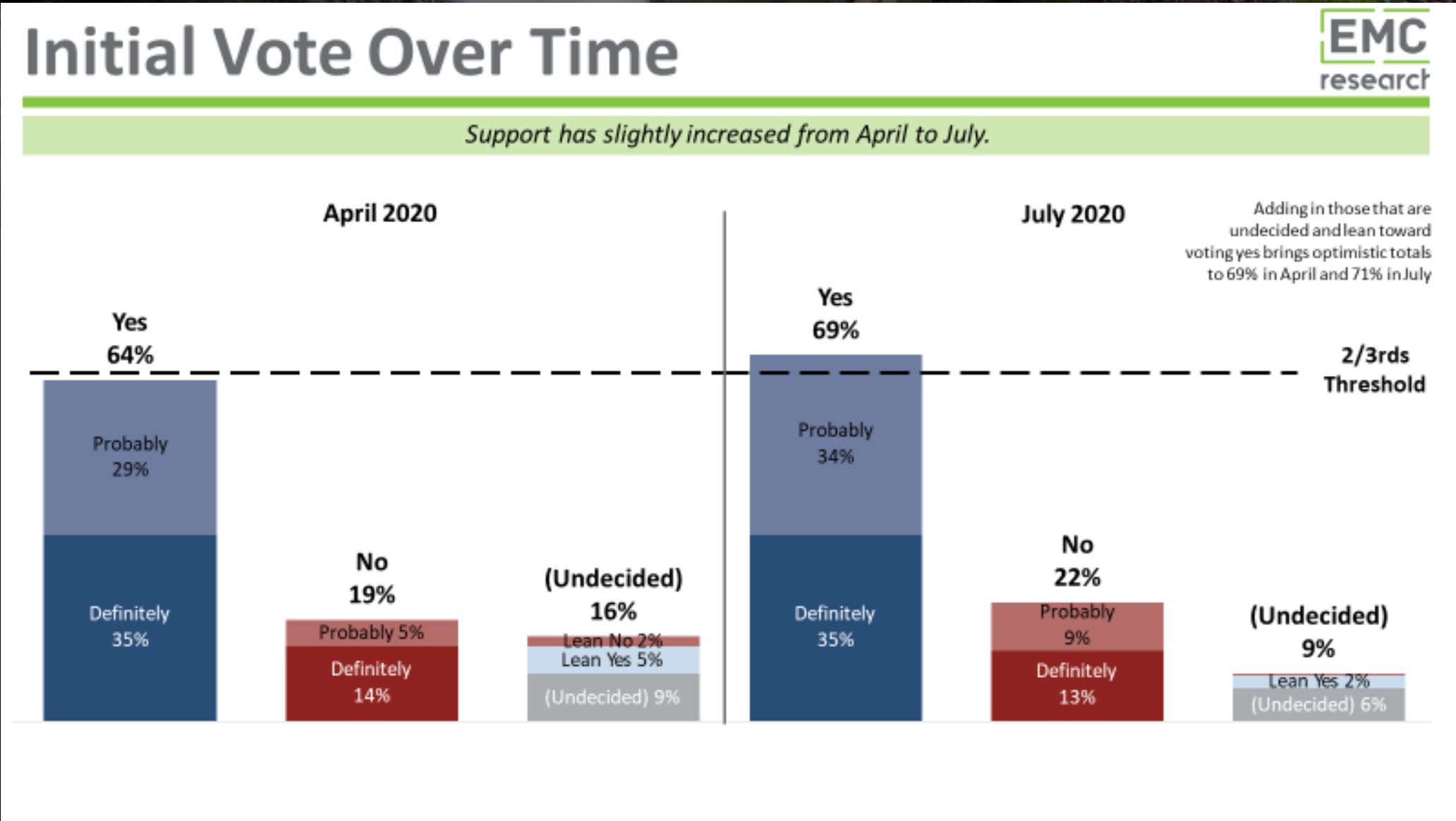


Q8. If the election were held today, would you vote yes to approve or no to reject this measure?

20-7732 Safe, Clean Water Tracking Poll DRAFT | 8



# Proposed Renewal Public Opinion Survey



# Results of 6-Month Public Engagement Process

**20,800+ total outreach touches**

- ✓ 17,050+ community input surveys
- ✓ 3,800+ direct resident touches

**Including 75 events + telephone townhall**

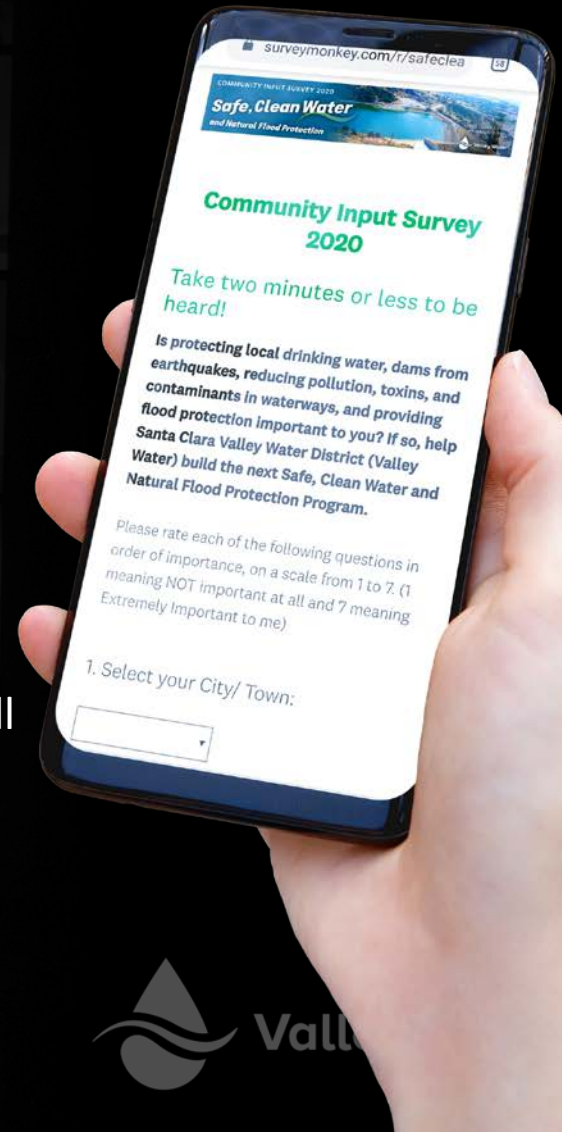
**20** online presentations/  
webinars reaching  
approx. 220 residents.

**25** internal employee  
presentations reaching  
274 employees.

**20** water supply tours  
reaching approx.  
446 residents.

**10** stakeholder meetings  
reaching approx. 150  
stakeholders.

**1** telephone town hall  
reaching approx.  
2,808 residents  
countywide.





# Community-preferred program report based upon tens of thousands inputs on priorities

## Newly added

- Community and stakeholder engagement process will reoccur every 15-years under proposed program to ensure program aligns with community priorities into the future





# Proposed renewal priorities

**Priority A:** Ensure a safe, reliable water supply.

**Priority B:** Reduce toxins, hazards and contaminants in our waterways.

**Priority C:** Protect our water supply from earthquakes and natural disasters.

**Priority D:** Restore wildlife habitat and provide open space.

**Priority E:** Provide flood protection to homes businesses, schools, and highways.



**Priority F:** Support public health and public safety for our community





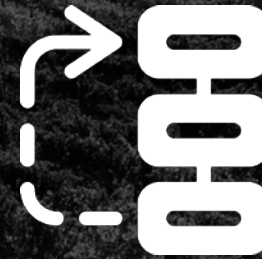
# Proposed Renewal Highlights



Continues local funding for vital projects benefitting the community beyond 15-years.



Maintains existing parcel tax rate structure.



Adds a new priority to better reflect what is important to the community.



Continues independent monitoring with all expenditures published annually and external independent audits.



Updates existing projects and adds new or enhanced projects to address changing conditions and align with the community's needs today.



Based on input from tens of thousands of county residents and stakeholders.



# Key Program Changes in Proposed Renewal



Addresses increasing demands for O&M and mitigation needs beyond 15 years



Provides local funding for improved infrastructure reliability into future.



Integrates climate change adaptation strategies in all priorities.



Streamlines and improves grants program, including expanded funding and access to funding availability each year



Provides for continued public safety near creeks due to increasing homeless encampments.



Supports public health & public safety near waterways.



# **Spotlight:** Added resources for addressing homeless encampments near creeks



## **Past:** 2012 Safe, Clean Water Program

Currently, funds approximately **\$1.5 million per year** toward encampment cleanups, with additional funding for partnerships focused on public safety and **restricted to \$4.1 million over 15-years total**. Also, this project is not fully funded through existing program.

## **Future:** Proposed Renewal Program

Renewal could include **stable ongoing funding** of approximately **\$2 million per year** (now fully funded by Safe, Clean Water Renewal) toward encampment cleanups along waterways, while providing for solutions to address growing unhoused population concerns. Funding would also not be restricted over a 15-year total.



# Spotlight: New streamlined and improved Grants and Partnerships



- Expanded grant and partnership funding to benefit the community
- Consolidated all grant types to be available each year for increased flexibility and availability
- Offered greater flexibility to fund additional innovative projects that meet community needs
- Streamlined and provided for efficient process through stabilized grants program
- Provided for additional funding to address the impacts of the unhoused along our waterways
- New small cities partnership funding availability
- Expanded funding and eligibility for public bottle filling station grants
- Guaranteed funding availability beyond a simple 15-year program





## Estimated Timing for Safe Clean Water Grants and Partnerships

2012 Safe, Clean Water Program		Fiscal Year (FY)														
		22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
A2	KPI #1: Water Conservation Grants	◆	◆													
	KPI #2: Water to Go (Hydration Station) Grants															
B3	Pollution Prevention	◆		◆		◆										
B7	Support Volunteer Efforts	◆	◆		◆		◆									
D3	Restore Wildlife Habitats	◆		◆		◆										
	Provide Access to Trails		◆		◆		◆									
	Mini-Grants	◆	◆	◆	◆	◆	◆									

**Legend:** Green diamonds represent existing 2012 program under current alternating cycles.

## Proposed renewal includes ongoing annual opportunities well beyond 15 years

### Estimated Timing for Safe Clean Water Grants and Partnerships

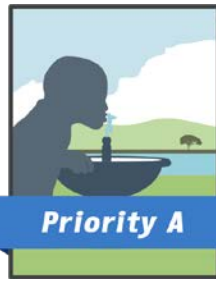
Safe, Clean Water Program Renewal		Fiscal Year (FY)														
		22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
F9	Water Conservation Grants	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
	Water to Go (Hydration Station) Grants	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
	Pollution Prevention	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
	Support Volunteer Efforts	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
	Restore Wildlife Habitats	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
	Provide Access to Trails	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
	Mini-Grants	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆

Ongoing



**Legend:** Green & blue diamonds together represent combined existing vs. proposed program not constrained by cycles





Safe, Clean Water  
and Natural Flood Protection



**Ensure a safe, reliable water supply  
(Total Priority Amount: \$27.7M)**

2012 Safe, Clean Water	Safe, Clean Water Renewal
A1 Main Avenue and Madrone Pipelines Restoration	A1 Pacheco Reservoir Expansion
A2 Safe, Clean Water Partnerships and Grants	A2 Water Conservation Rebates and Programs
A3 Pipeline Reliability Project	A3 Pipeline Reliability



Safe, Clean Water  
and Natural Flood Protection

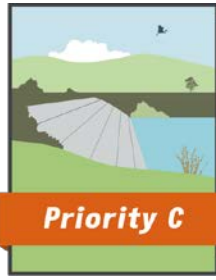


## Reduce Toxins, Hazards and Contaminants in our Waterways (Total Priority Amount: \$58.8M)

2012 Safe, Clean Water	Safe, Clean Water Renewal
B1 Impaired Water Bodies Improvement	B1 Impaired Water Bodies Improvement
B2 Inter-Agency Urban Runoff Program	B2 Inter-Agency Urban Runoff Program
B3 Pollution Prevention Grants and Partnerships	B3 Hazardous Materials Management and Response
B4 Good Neighbor Program: Illegal Encampment Cleanup	B4 Support Volunteer Cleanup Efforts
B5 Hazardous Materials Management and Response	
B6 Good Neighbor Program: Remove Graffiti and Litter	
B7 Support Volunteer Cleanup Efforts and Education	

Water



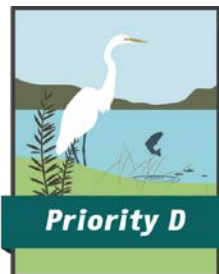


Safe, Clean Water  
and Natural Flood Protection



**Protect our Water Supply from Earthquakes and Natural Disasters  
(Total Priority Amount: \$54.1M)**

2012 Safe, Clean Water	Safe, Clean Water Renewal
C1 Anderson Dam Seismic Retrofit	C1 Anderson Dam Seismic Retrofit
C2 Emergency Response Upgrades	



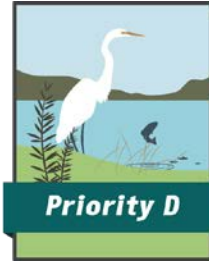
Safe, Clean Water  
and Natural Flood Protection



**Restore Wildlife Habitat and Provide Open Space Access  
(Total Priority Amount: \$154.7M)**

2012 Safe, Clean Water	Safe, Clean Water Renewal
D1 Management of Revegetation Projects	D1 Management of Riparian Planting and Invasive Plant Removal
D2 Revitalize Stream, Upland and Wetland Habitat	D2 Revitalize Riparian, Upland and Wetland Habitat
D3 Grants and Partnerships to Restore Wildlife Habitat and Provide Access to Trails	D3 Sediment Reuse to Support Shoreline Restoration
D4 Fish Habitat and Passage Improvement	D4 Fish Habitat and Passage Improvement



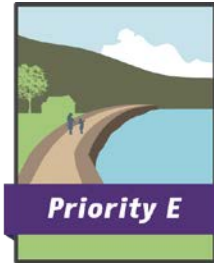


Safe, Clean Water  
and Natural Flood Protection



**Restore Wildlife Habitat and Provide Open Space Access  
(Total Priority Amount: \$154.7M)**

2012 Safe, Clean Water	Safe, Clean Water Renewal
D5 Ecological Data Collection and Analysis	D5 Ecological Data Collection and Analysis
D6 Creek Restoration and Stabilization	D6 Restoration of Natural Creek Functions
D7 Partnerships for the Conservation of Habitat Lands	D7 Partnerships for the Conservation of Habitat Lands
D8 South Bay Salt Ponds Restoration Partnership	



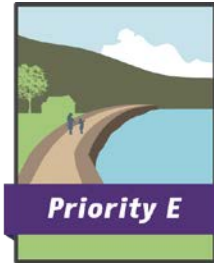
Safe, Clean Water  
and Natural Flood Protection



**Provide Flood Protection to Homes, Businesses, Schools and Highways  
(Total Priority Amount: \$265.5M)**

2012 Safe, Clean Water	Safe, Clean Water Renewal
E1 Vegetation Control and Sediment Removal for Flood Protection	E1 Coyote Creek Flood Protection
E2 Emergency Response Planning	E2 Sunnyvale East and Sunnyvale West Flood Protection
E3 Flood Risk Reduction Studies	E3 Lower Berryessa Flood Protection
E4 Upper Penitencia Creek Flood Protection	E4 Upper Penitencia Creek Flood Protection



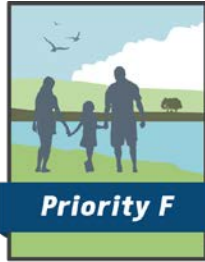


Safe, Clean Water  
and Natural Flood Protection



**Provide Flood Protection to Homes, Businesses, Schools and Highways  
(Total Priority Amount: \$265.5M)**

2012 Safe, Clean Water	Safe, Clean Water Renewal
E5 San Francisquito Creek Flood Protection	E5 San Francisquito Creek Flood Protection
E6 Upper Llagas Creek Flood Protection	E6 Upper Llagas Creek Flood Protection
E7 San Francisco Bay Shoreline Study	E7 San Francisco Bay Shoreline Protection
E8 Upper Guadalupe River Flood Protection	E8 Upper Guadalupe Flood Protection



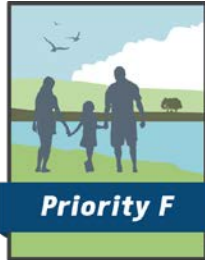
Safe, Clean Water  
and Natural Flood Protection



**Support Public Health and Public Safety for Our Community  
(Total Priority Amount: \$280.8M)**

2012 Safe, Clean Water	Safe, Clean Water Renewal
Not Applicable	F1 Vegetation Control and Sediment Removal for Capacity
	F2 Emergency Response Planning and Preparedness
	F3 Flood Risk Assessment Studies
	F4 Vegetation Management for Access and Fire Safety





Safe, Clean Water  
and Natural Flood Protection



**Support Public Health and Public Safety for Our Community**  
**(Total Priority Amount: \$280.8M)**

2012 Safe, Clean Water	Safe, Clean Water Renewal
Not Applicable	F5 Good Neighbor Program: Encampment Cleanups
	F6 Good Neighbor Program: Graffiti and Litter Removal and Public Art
	F7 Emergency Response Upgrades
	F8 Sustainable Creek Infrastructure for Continued Public Safety
	F9 Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship

Valley Water

# Proposed Safe, Clean Water Program Renewal

## Transitioning from existing to renewed program

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 proposed Safe, Clean Water Program renewal would remain active until repealed by voters.





# Program Implementation into the future



Public & Stakeholder  
Engagement Process  
every 15-years



Board Ability to  
Reassess Need of  
Tax every 15-years



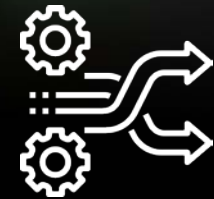
Multiple 15-Year  
Financial  
Planning Cycles



5-Year  
Checkpoints &  
Implementation  
Plans



Annual Reports

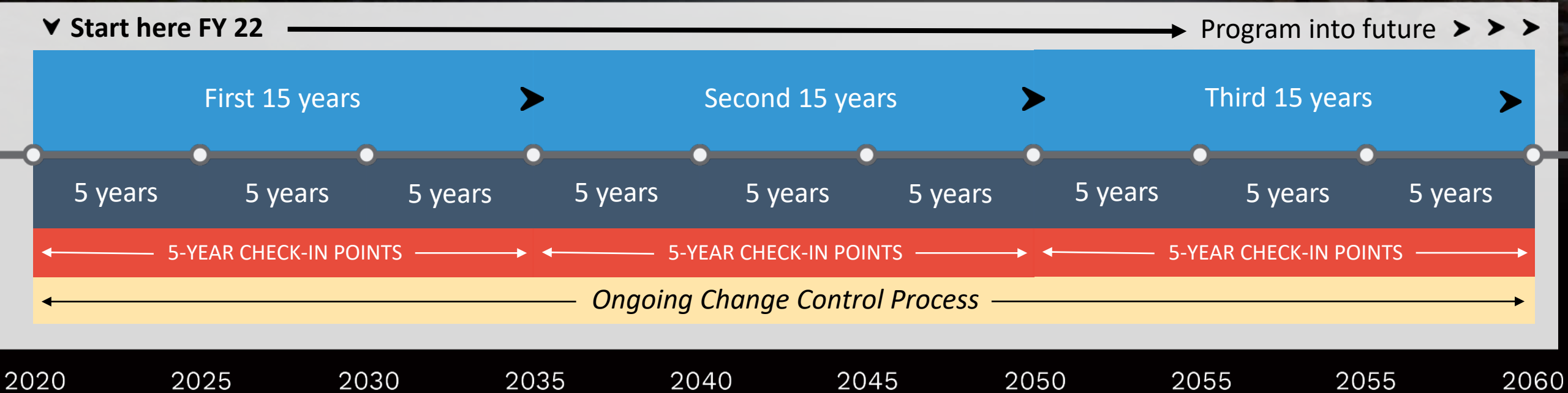


Change Control  
Process



# Propose Safe, Clean Water Program Renewal

## Planning and Implementation Schedule\*



\* For illustration purposes only



# Transparency and Accountability

## Ensuring Independent Monitoring

-  Independent Monitoring Committee
-  5-Year Independent External Audits
-  Board Meetings or Public Hearings
-  Quarterly Website Updates



# Financing the Program

- Primary source of revenue is special parcel tax
- Special parcel tax would continue at same rates as current 2012 program
- Board may escalate rates by 2% or CPI to account for inflation
- Special parcel tax is based on land use category and parcel size
- Local tax funds local projects
- Ballot measure includes authority to issue debt with 30-year repayment terms
- Includes exemption for low income senior citizens



# Financing the Program

**\$45.5 million**

Approximately \$45.5 million is expected to be collected annually amounting to...

**\$682.5 million**

Approximately \$682.5 million in 2020 dollars over the first 15 years of the new program.



# SCW Renewal Financial Summary (FY 22 – FY 36)

## Proposed Safe Clean Water Renewal Program, First 15 Years

### Forecast Inflated \$M

#### Funding sources

Parcel tax revenue

817 ← \$682.5M without 2% escalator

Beginning reserves (Carryforward from 2012 program)

70 ← Projected reserve balance at Year-End FY 21

Capital reimbursements

107 ← Assumes \$80M NRCS funds & \$20M for SF Crk

Interest and miscellaneous

24

#### Total funding sources

1,017

#### Funding uses

Safe, Clean Water Plan Priorities

**Priority A** - Ensure a Safe, Reliable Water Supply

28

**Priority B** - Reduce Toxins, Hazards and Contaminants in our Waterways

59

**Priority C** - Protect our Water Supply from Earthquakes and Natural Disasters

54

← \$52M xfer in FY 28 for Anderson Dam carried forward from 2012 program + \$2M

**Priority D** - Restore Wildlife Habitat and Provide Open Space

154

**Priority E** - Provide Flood Protection to Homes, Businesses, Schools and

343

← Assumes \$80M funding for Upper Llagas Phase 2B

**Priority F** - Support Public Health and Public Safety for Our Community

281

Subtotal program priorities A thru F

919

SCW planning & delivery

22

Cost of financing

(14)

← Borrowing for 30 years pushes some debt service out to 2<sup>nd</sup> 15-year cycle, which causes negative

Contingency Reserve

40

Undesignated

50

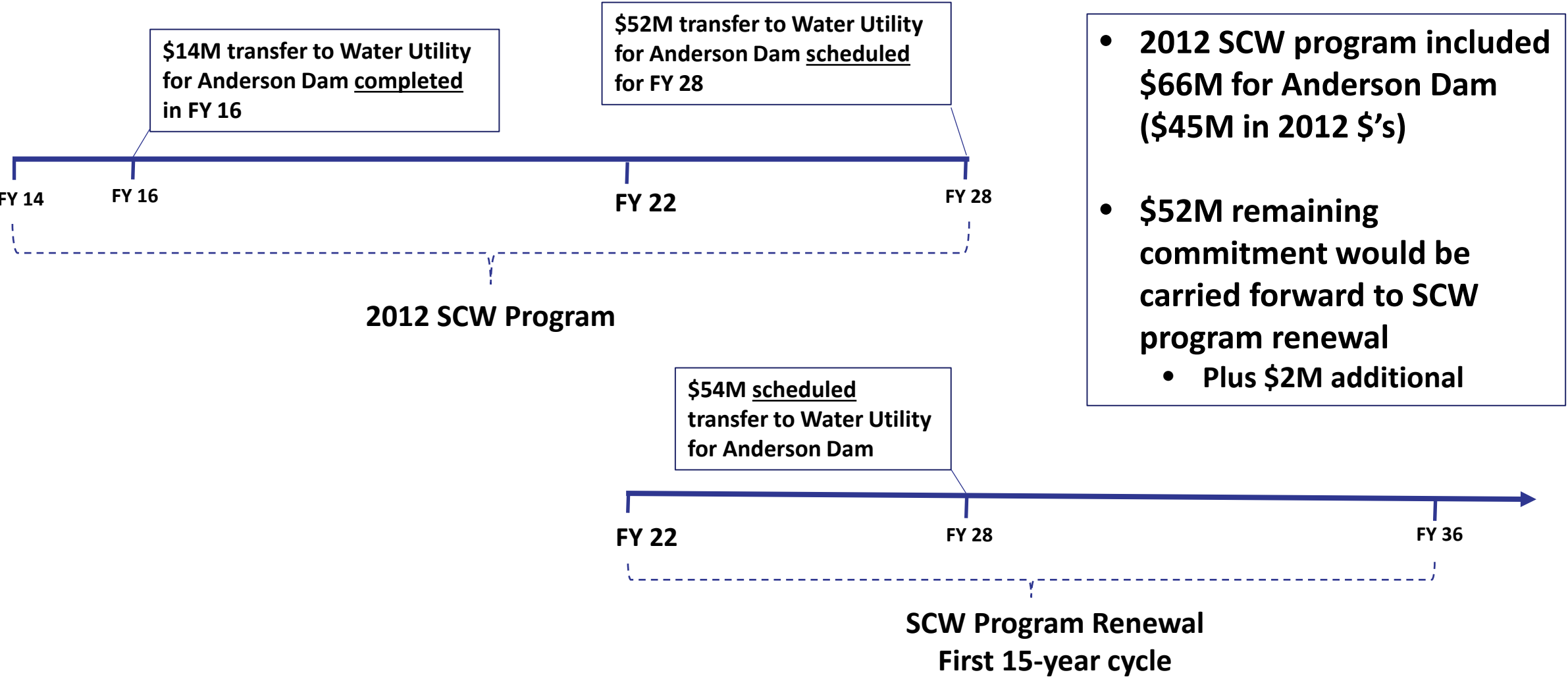
← Includes Operating and Capital Reserve and Rate Stabilization Reserve. Minimum reserve balance per policy is \$28M in FY 36

#### Total funding uses

1,017



# Anderson Dam - Example Transition from 2012 SCW program to SCW Renewal



# Questions and Final Direction to Staff

## Final Questions for Staff

### Staff Recommendations:

- Provide final direction to staff
- Approve and Adopt:
  1. Resolution for program renewal
  2. Resolution calling for a special election to be held in the Santa Clara Valley Water District on November 3, 2020.





# Valley Water

Clean Water • Healthy Environment • Flood Protection

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