

This document separates out changes to board policy and changes to the proposed safe, clean ballot measure renewal

Board policies or directions to staff

1. Grant administrator resources

Direct staff to:

- Direct the new management auditor (as well as by the board audit committee, the board Auditor) to audit the current grants administration process, including but not limited to, interviewing current, past and rejected grant applicants in the last 4 years;
 - Develop best practices for grant administration going forward
 - Make a budget adjustment for raising detail of past audit from desk audit to full board audit
 - Make a budget adjustment using the Fiscal year 2020 budget as a base, ~~three grant for~~ sufficient administration personnel;
 - Bring on board an internal auditor (management auditor) and task with looking at grant administration
 - If required, to be referred to board audit committee on a priority basis.
- Upon request, give access to certain NGOs the names of union business agents for their request that grant administration be outsourced.

2. Grants administration overhead

Direct staff to the following for grant and partnerships associated with non-state and local governmental entities:

- The mini-grant application shall be at most 2 pages
 - For mini grants, the District shall pay for 75% of any liability insurance required by the District.
 - Put on agenda, discussion of risk management performance on grant contract review
 - Liability insurance to be consistent with actual risk
 - For mini grants. 20% should be added to handle applicants' internal administrative costs.
 - Once application form approved by board and legal, no further legal review on form
 - Put on agenda, discussion of legal's performance on grant contract review.
 - Liability insurance to be consistent with actual risk
- The grant or partnership application shall be at most 6 pages

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- For grant or partnerships, the District shall pay 50% of any additional liability insurance required by the District.
- All invoices associated with mini grants
 - Shall be paid 50% at the next District check run
 - The remaining 50% shall be paid within 30 days unless Valley Water staff specifically asks the Board not to pay a specific invoice.
- All invoices associated with grants and partnerships
 - Shall be paid 50% within 30 days upon a statement from the grant or partnership holder that the work has been completed (or work-in-process)
 - The remaining 50% share be paid within 90 days unless Valley Water staff specifically asks the Board not to pay a specific invoice.

3. Fair allocation of interest costs

Direct to Staff to produce every year

The Chief Executive Officer (CEO) or designee of Valley Water is directed to cause a written interest and principal Report to be prepared for each fiscal year in the PAWS report for which the measure is active. The proposed bonding for each Priority (A-F) should be identified and forecast interest expenses should be allocated within each category. More specifically this report will show the following:

- Debt proceeds (net of issuance costs)
- Estimated principal and interest payments by year
- Anticipated spend by priority
- Allocation of principal and interest by priority
 - Allocation of interest capitalized for each CIP priority

4. FAHCE

Direction to Staff to:

Direct clerk to schedule ~~and a closed session to discuss legal issues involving FAHCE.~~

~~Conduct conduct~~ an officially noticed board public meeting by March 31, 2021 on the FAHCE process, ~~to discuss the following:~~

- ~~releasing~~ Releasing to the public pertinent documents, including flow modelling results, most recent internal administrative draft EIR, most recent internal administrative draft Fish Habitat Restoration Plan and documentation that a request has been made to the State Water Board to notice for public comment an updated Change Petition.
- Include also presentation of a plan to integrate the fishery projects of the tax measure with the projects of the FAHCE process so as to optimize the ecological impact of the fishery projects of this priority (D4).

5. Dropping of Lawsuits

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- Discussion of withdrawing from the Bay Delta lawsuit.
- Discussion of withdrawing from the Berryessa lawsuit over against the Regional Water Board over unfunded state mandate.

Updates to ballot measure

Priority A1 Changes – Pacheco Reservoir Expansion Project

Reallocate \$8m funding from Priority A1 as follows:

Provide up to \$533,333 per year for the following: partnerships with the city of Morgan Hill (\$183,333) and provide up to \$350,000 per year total for partnerships with small municipalities (whom do not have staff focusing on grant acquisition and grant management) for projects related to vegetation management, pipe leak detection and repair, proactive prevention of chloramine contamination into Deer, Adobe, Barron and Matadero Creeks, Llages Creek flood control, and any allowable usage under flood protection and environmental stewardship allowed under the District Act. Small municipalities are defined as under 30,000 people, rounding up to the nearest 1,000 as per the 2010 census and / or each water retailer special district substantially within the small municipalities.

The remaining \$2m shall be used for environmental study for EIR / regulatory purposes only. Nothing in Priority A1 commits the board to Pacheco Reservoir Expansion project.

Priority A2 Changes – Water Conservation

15% of the funds are to be used for recycled water, stormwater reuse, greywater programs, and recycled wastewater related programs.

This does not include water conservation funds, recycled water, stormwater reuse, greywater programs, and recycled wastewater in the water utility budget.

Priority D4 Changes – Fish Habitat and Passage Improvement

To be renamed Fish Habitat and Fish / Animal-Wildlife Passage Improvement.

~~Allocate \$500,000 to update study of all major steelhead streams in the county to identify priority locations for fish migration barrier removal and installation of large woody debris and gravel as appropriate.~~

Allocated ~~\$250,000~~100,000 grant every 5 year period to be available to public agencies and others for operations and maintenance of infrastructure to facilitate wildlife crossing to and from water features~~for study, operations and maintenance of water, flood or creek infrastructure to facilitate wildlife crossing.~~

Use \$8 million for fish passage improvements by FY28.

Priority F9 Changes – Grants and Partnerships for **Safe**, Clean Water, Flood Protection and Environmental Stewardship

Change the grant cycle as follows: Provide five (5) grant cycles every three (3) years that follow pre-established competitive criteria related to flood protection, water quality and environmental stewardship.

- At least 25% of the funding for partnerships directed at underserved communities of which 50% will be for environmental stewardship in underserved communities. (Program report should indicate that this will include a program to expand the capacity of existing nature education programs that serve children of low income families who have been historically excluded from the outdoors and traditional environmental education to provide environmental education, social/emotional learning, team building and leadership development in a context of program leadership reflective of the demographic profile of the children to be served.

Change the partnership cycle as follows: Provide two (3) partnership cycles every five (4) years for projects related to ~~safe, clean drinking water~~, flood protection, water quality and environmental stewardship.

- At least 25% of the funding for cycles directed at underserved communities of which 50% will be for environmental stewardship in underserved communities. (Program report should indicate that this will include a program to expand the capacity of existing nature education programs that serve children of low income families who have been historically excluded from the outdoors and traditional environmental education to provide environmental education, social/emotional learning, team building and leadership development in a context of program leadership reflective of the demographic profile of the children to be served.
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- Provide annual funding for bottle filling stations to increase drinking water accessibility, with priority for installations in economically disadvantaged communities and locations that serve school-age children and students.
- Provide annual mini-grant funding opportunities for projects related to *safe, clean drinking water*, flood protection and environmental stewardship.

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