



# Santa Clara Valley Water District

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**File No.:** 18-0721

**Agenda Date:** 10/9/2018

**Item No.:** 6.2.

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## BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Funding Agreement for up to \$8 million under the Safe, Clean Water and Natural Flood Protection Program - Partnerships for the Conservation of Habitat Lands Project D7 with the Santa Clara Valley Habitat Agency.

### **RECOMMENDATION:**

Approve a Funding Agreement with the Santa Clara Valley Habitat Agency for up to \$8 million under the Safe, Clean Water and Natural Flood Protection Program - Partnerships for the Conservation of Habitat Lands Project D7.

### **SUMMARY:**

This memo proposes a partnership agreement with the Santa Clara Valley Habitat Agency (Agency) under the Safe Clean Water Program (Program) -- Project D7, to fulfill the benefits specified by the Program. On July 11, 2017, the Board directed the CEO to negotiate a Project D7 partnership agreement with the Agency to support land acquisition. The Agreement (Attachment 1) incorporates, as its Exhibit B, the Criteria for Allocation of Partnership Funding to the Agency for the Conservation of Habitat Lands to specify how D7 benefits are met through the Valley Habitat Plan (Habitat Plan) implementation.

In November 2012, the voters approved the countywide Safe, Clean Water Program, a 15-year special parcel tax. The Program identified five priorities; the Priority D goal is to Restore Wildlife Habitat and Provide Open Space. Included is Project D7 -- Partnerships for Conservation of Habitat Lands intended to provide up to \$8 million to acquire habitat land to preserve local ecosystems and implement the Habitat Plan.

The Habitat Plan specifies the conditions for a fifty-year incidental take permit for endangered species. This gives the 'co-permittees' - the District, Santa Clara County and the cities of San José, Gilroy and Morgan Hill - long-term regulatory coverage for public and private projects. The Habitat Plan sets fees to compensate for impacts to 19 species. The fees are used by the Agency to acquire preserve areas which are managed to meet requirements specified by the federal Endangered Species Act (ESA), the Natural Communities Conservation Plan per the California Natural Conservation Planning Act (NCCP), and the California Endangered Species Act (CESA).

In May 2013, the Agency was formed to implement the Habitat Plan under a Joint Powers Authority between Santa Clara County and the cities of San José, Gilroy and Morgan Hill; and a MOU (Attachment 2) with the District, the Valley Transportation Authority and the Open Space Authority. Director LeZotte has been the District representative on this Habitat Agency Implementation Board since its inception.

The Habitat Plan has streamlined permit acquisition for District dam, pipeline, and recharge facilities. Critically, the Habitat Plan is the vehicle to fulfill key ESA requirements applicable to the Anderson Dam Seismic Retrofit project. The Habitat Plan identifies mitigation for the Coyote Ceanothus population that will be removed by the construction and specifies acquisition or creation of another population prior to reconstruction of the dam.

**FINANCIAL IMPACT:**

Funding in the amount of \$1 million dollars of Safe Clean Water Program monies have been budgeted for FY2018/2019, with another \$7 million earmarked for this agreement identified in the Safe Clean Water Program forecast through FY 2025. Additional SCW D7 funding for land acquisition that may be needed would require Board approval and a budget adjustment.

**CEQA:**

The Santa Clara Valley Habitat Plan, Environmental Impact Report was prepared in August 2012, by the Santa Clara Valley Habitat Agency, the lead agency under CEQA. The District Board of Directors, acting as a responsible agency, adopted the Habitat Plan and the EIR on September 25, 2012; the Habitat Plan identifies acquisition of land to be enrolled under conservation easement as preserve areas.

**ATTACHMENTS:**

Attachment 1: Funding Agreement

Attachment 2: SCVHP Memorandum of Understanding

**UNCLASSIFIED MANAGER:**

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