



Santa Clara Valley Water District

File No.: 20-0677

Agenda Date: 9/22/2020

Item No.: 7.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Fiscal Year 2019-2020 (FY20) Safe, Clean Water and Natural Flood Protection Program Annual Report - Year 7.

RECOMMENDATION:

- A. Approve the proposed text adjustment to the Safe, Clean Water and Natural Flood Protection (Safe, Clean Water) Program;
- B. Approve the FY20 Safe, Clean Water Program Annual Report - Year 7 with unaudited financials; and
- C. Authorize staff to finalize the FY20 Safe, Clean Water Program Annual Report - Year 7 Annual Report (with audited financials) and submit the final report to the Independent Monitoring Committee (IMC) for its review.

SUMMARY:

Safe, Clean Water Program Text Adjustment

As per the Safe, Clean Water Program's Change Control Process, the proposed text adjustments are listed below and incorporated into the Year 7 annual report. Adjustments to project schedules and budgets are approved annually during a regular Valley Water Board of Directors (Board) meeting at the end of the fiscal year and through the Budget Adjustment and Adoption process, respectively.

B4 Good Neighbor Program: Encampment Cleanup

Section: Project Description

Adjusted text:

This project supports Valley Water's ongoing coordination with local cities and agencies to clean up **large** creekside encampments that contaminate waterways and damage Valley Water facilities. This cooperative effort includes local police departments, social services, and nonprofit advocacy groups that help provide alternatives to homelessness.

Justification:

Removing the word "large" as Valley Water works in collaboration with other agencies to clean up creekside encampments that may be on Valley Water or the other agency's property. There is no screening done to differentiate the size of an encampment to determine if it qualifies for

cleanup.

Fiscal Year 2019-2020 Safe, Clean Water Program Annual Report - Year 7

FY20 marks the seventh of the 15-year Safe, Clean Water Program and coincided with the COVID-19 pandemic that reshaped the daily lives of people around the world. Despite the health crisis and shelter-in-place order in our county, Santa Clara Valley Water District (Valley Water) employees remain focused on delivering safe, clean water to our community, and protecting residents and businesses from flooding. This report (Year 7 annual report) presents a status update on the implementation of projects during FY20.

On November 6, 2012, voters approved the Safe, Clean Water program as a countywide special parcel tax for 15 years with a sunset date of June 30, 2028. This program replaced the Clean, Safe Creeks and Natural Flood Protection Program, which voters approved in November 2000. The Safe, Clean Water program addresses the following needs, values, and priorities as identified by Santa Clara County stakeholders:

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

Each of these priorities has specific operational and capital projects, which have key performance indicators (KPIs) meant to keep them on track to meet the overall program priorities. Additionally, the program requires Valley Water to prepare an annual report providing a progress update and fiscal year accomplishments for each project. To ensure transparency and accountability, the program requires that the annual report be reviewed by an independent committee of volunteers, formally known as the Independent Monitoring Committee (IMC), who were appointed by the Board.

The report provides the status of each project's progress towards accomplishing its KPIs and targets established in the 5-Year Implementation Plan. The project status is described by one of five categories listed on the following page:

On Target: Status indicates the project is on track to meet targets.

Adjusted: Status indicates the potential that targets will not be met and implementation required a schedule adjustment (future year status' will be based upon the adjusted schedule).

Not on Target: Status indicates that the target has not been or will not be met

Modified: Status indicates the Board formally modified the project following a public hearing (future year status' will be based upon the modified project targets).

Completed: Status indicates that the project has been completed and the KPIs have been

met.

Overall FY20 Program Performance

There are 37 projects under the Safe, Clean Water Program. As of June 30, 2020, approximately 59% (22 projects) were on target, 24% (9 projects) required schedule adjustments, 14% (5 projects) were completed, and 3% (1 project) were modified

Graph 1

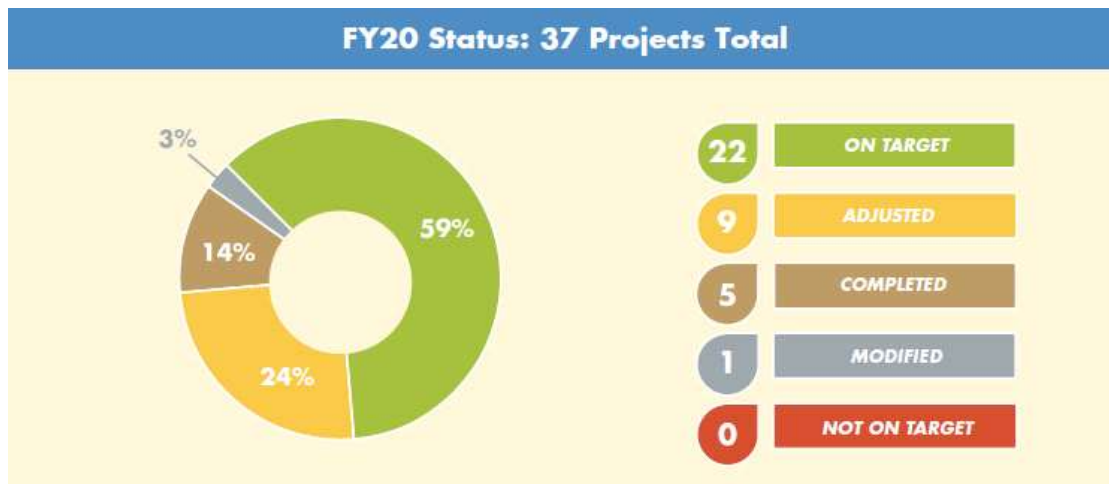


Table 1: Program Status as of June 30, 2020

Project	Project Description	Status
Priority A: Ensure a Safe, Reliable Water Supply		
A1	Main and Madrone Avenue Pipelines Restoration	COMPLETED
A2	Safe, Clean Water Partnerships and Grants	ON TARGET
A3	Pipeline Reliability Project	ADJUSTED
Priority B: Reduce Toxins, Hazards, and Contaminants in our Waterways		
B1	Impaired Water Bodies Improvement	ON TARGET
B2	Interagency Urban Runoff Program	ON TARGET
B3	Pollution Prevention Partnerships and Grants	ON TARGET
B4	Good Neighbor Program: Encampment Cleanup	ON TARGET
B5	Hazardous Materials Management and Response	ON TARGET
B6	Good Neighbor Program: Remove Graffiti and Litter	ON TARGET
B7	Support Volunteer Cleanup Efforts and Education	ON TARGET
Priority C: Protect our Water Supply from Earthquakes and Natural Disasters		
C1	Anderson Dam Seismic Retrofit ¹	ON TARGET
C2	Emergency Response Upgrades	ON TARGET
Priority D: Restore Wildlife Habitat and Provide Open Space		
D1	Management of Revegetation Projects	ON TARGET
D2	Revitalize Stream, Upland and Wetland Habitat	ON TARGET
D3	Grants and Partnerships to Restore Wildlife Habitat and Provide Access to Trails	ON TARGET
D4	Fish Habitat and Passage Improvement	ADJUSTED
D5	Ecological Data Collection and Analysis	ON TARGET
D6	Creek Restoration and Stabilization	ADJUSTED
D7	Partnerships for the Conservation of Habitat Lands	COMPLETED
D8	South Bay Salt Ponds Restoration Partnership	ON TARGET
Priority E: Provide Flood Protection to Homes, Businesses, Schools, and Highways		
E1.1	Vegetation Control for Capacity	ON TARGET
E1.2	Sediment Removal for Capacity	ON TARGET
E1.3	Maintenance of Newly Improved Creeks	ON TARGET
E1.4	Vegetation Management for Access	ON TARGET
E2	Emergency Response Planning	ON TARGET
E3	Flood Risk Reduction Studies	ON TARGET
E4	Upper Penitencia Creek Flood Protection	ADJUSTED
E5	San Francisquito Creek Flood Protection	ADJUSTED
E6	Upper Llagas Creek Flood Protection	MODIFIED
E7	San Francisco Bay Shoreline Protection	ON TARGET
E8	Upper Guadalupe River Flood Protection	ADJUSTED
Other Flood Protection Projects and Clean, Safe Creeks Grants Projects		
	Permanente Creek Flood Protection	ADJUSTED
	Sunnyvale East and Sunnyvale West Channels Flood Protection	ADJUSTED
	Berryessa Creek Flood Protection	COMPLETED
	Coyote Creek Flood Protection	ADJUSTED
	Calabazas Creek Flood Protection	COMPLETED
	Clean Safe Creeks Grants Projects	COMPLETED

¹ The project is On Target to meet the Safe, Clean Water Program KPI of providing up to \$45 million (2012 dollars) to help restore full operating reservoir capacity. However, the estimated project construction has been revised to begin in October 2022. For more information, see Opportunities and Challenges section on page 55.

For Fiscal Year 2019-20 (FY20), the adjusted budget for the Safe, Clean Water Program totaled \$160.2 million. Actual funds expended and encumbered as of June 30, 2020, were \$91.9 million, approximately 57% of the Safe, Clean Water Program's adjusted budget. Underspensing was primarily due to delays in flood protection capital project construction and real estate acquisitions resulting from lack of federal funding, ongoing negotiations with various resources agencies for regulatory permits and design changes as a result of partnerships for the following capital flood protection projects: Upper Guadalupe River (E8); and Sunnyvale East and West Channels (CSC). Additionally, the underspensing was due to the impacts of the COVID-19 pandemic on operations and capital projects such as B1: Impaired Water Bodies Improvement; B4: Good Neighbor Program: Encampment Cleanup; D1: Management of Revegetation of Projects; D2: Revitalize Stream, Upland and Wetland Habitat; D4: Fish Passage and Habitat Improvement; D6: Creek Restoration and Stabilization and E4: Upper Penitencia Creek Flood Protection Project.

To address recommendations made by the Independent Monitoring Committee (IMC), Valley Water utilizes a rating system for capital projects that include confidence levels for schedule, funding, permits and jurisdictional complexity (the level to which a project's deliverables can be impacted by other entities or jurisdictions). By applying a confidence level to each of these topics, the IMC and community will be able to identify the areas of concern for each project that could impact the probability for the project to remain On Target. The confidence levels are addressed under the Opportunities and Challenges section for each of the capital projects. Appendix D can be referenced to delve into the confidence levels for each capital project, as well as demonstrate the jurisdictional complexity related to funding sources, regulatory permitting and coordination between cities, counties and other agencies. Listed below are the three (3) confidence levels and their definitions:

High - Applies to projects that have achieved the following: received full funding, received regulatory permits, met schedule milestones (and will continue to move forward on schedule) and, if applicable, jurisdictional complexity issues have been resolved.

Moderate - Applies to projects that are in the process of the following: receiving funding from other sources, receiving permits, recommending the Board approve a schedule adjustment and, if applicable, resolving jurisdictional complexity issues.

Low - Applies to projects that have a high probability of experiencing or already have been denied funding, denied permits, delayed in schedule and, if applicable, jurisdictional complexity issues that are impacting completion of the project.

In response to FY19 IMC recommendations, the individual project Financial Summary tables now include the annual adopted budget as well as budget adjustments carried out during the project. Additionally, the report contains two new tables. Appendices A-3.1 and A-3.2 providing details of "Other Revenue Sources" and "Transfer and Refunding Proceeds". For further project and contact information, visit: <https://www.valleywater.org/project-updates/safe-clean-water-and-natural-flood-protection-program>.

Key Accomplishments

Water Supply

Pipeline Reliability: Valley Water completed planning, preliminary design and 30% design for three (3) of the four (4) line valves. We also completed data collection and assessment of optimal valve location and preliminary design for the fourth line valve. Design development for all four (4) line valves will continue in FY21. Once completed, this project will improve water supply reliability by improving the infrastructure delivering safe, clean water.

Flood Protection

Permanente Creek Flood Protection: In February 2020, Valley Water completed the McKelvey Park Flood Detention Facility in Mountain View with the construction of sunken baseball fields. The new baseball fields will double as a place to contain floodwaters when Permanente Creek overflows. Meanwhile, construction work on the Rancho San Antonio Flood Detention Facility site, which is the final element of the flood protection project, is estimated to be completed in April 2021. Once completed, this project will provide 1% or 100-year flood protection to approximately 1,664 parcels in Mountain View and Los Altos.

Upper Llagas Creek Flood Protection: In September 2019, Valley Water began construction on Phase 1 of the project, with completion of flood protection improvements scheduled for May 2022. Furthermore, on January 14, 2020, the Valley Water Board modified the local-funding only key performance indicator (KPI) to increase the length of the project to be constructed with local funds from approximately 2.9 miles to 4.9 miles. This modification will also keep the project moving forward while maximizing the potential for funding from federal and state agencies.

Coyote Creek Flood Protection Project: In December 2019, the Board voted to provide local funding dollars to construct the larger preferred project. To accomplish this goal, the Board reallocated \$23 million from Project E4: Upper Penitencia Creek Flood Protection Project to facilitate the construction of the Coyote Creek Project. Additionally, some of the project measures were expedited as part of the Federal Energy Regulatory Commission Order Compliance Project for Anderson Reservoir and Dam.

Sediment Removal and Vegetation Control: Valley Water completed 15 sediment removal projects, removing 49,641 cubic yards of sediment to reduce flood risks by ensuring flood protection projects continue to provide the protection they were designed to give. The Safe, Clean Water Program funds 14% of this work. Valley Water completed 1,016 acres of in-stream vegetation management to reduce flood risk on 166 miles of streams throughout the county.

Stewardship

Fish Habitat Improvement: In August 2019, Valley Water completed the Los Gatos Creek Large Woody Debris Placement and Gravel Augmentation Project, located just downstream of Highway 17, in the City of Campbell. Gravel and large woody debris placement restores the

natural ecosystem function and improves fish habitat.

Partnerships for the Conservation of Habitat Lands: Valley Water completed the project by providing \$8 million to the Santa Clara Valley Habitat Agency (VHA) for land acquisition to preserve a population of the endangered species Coyote ceanothus, a perennial shrub that is only found in three locations in Santa Clara County. The largest population of Coyote ceanothus grows at Anderson Reservoir and the conservation of this habitat land will offset the impacts from the Anderson Dam Seismic Retrofit Project. The property will be enrolled into the VHA reserve system and managed in perpetuity to preserve this endangered plant species.

Trash Removal: Of the seven (7) projects in Priority B, five (5) include trash removal components to reduce and remove contaminants in our local streams and bay. This work is accomplished not only by Valley Water but with the help of volunteers and grantees alike. In FY20, 844.5 tons of trash were removed from our waterways.

Safe, Clean Water Stewardship Grants: Through Priorities A, B and D, Valley Water awarded more than \$1.0 million in grants and partnerships. These dollars were for local grantees for projects addressing issues such as restoring wildlife habitat, watershed stewardship awareness, stormwater pollution reduction and trash removal and reduction along waterways.

Next Steps

Once approved by the Board and the FY20 financial reports are audited, all tables and appendices will be updated with the audited financials and corresponding accomplishments to finalize the report. The final report will be sent to the Board and the IMC and made available to the public on Valley Water's website at

<https://www.valleywater.org/project-updates/safe-clean-water-and-natural-flood-protection-program>.

The IMC is scheduled to receive the final report by November 20, 2020, after which time the committee will reconvene in the first week of December to discuss and establish the review process and schedule for the FY20 annual report. During that meeting, the committee will also receive presentations on the following subjects:

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

FINANCIAL IMPACT:

The annual report is produced and printed internally and budgeted to the Safe, Clean Water Implementation Project (26061012).

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: FY20 Safe, Clean Water Annual Report

Attachment 2: PowerPoint

UNCLASSIFIED MANAGER:

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