



Santa Clara Valley Water District

File No.: 21-0676

Agenda Date: 7/13/2021

Item No.: 3.5.

BOARD AGENDA MEMORANDUM

SUBJECT:

Approve San Francisquito Creek Joint Powers Authority Operating Budget for Fiscal Year 2021-2022, and Authorize Santa Clara Valley Water District Fiscal Year 2021-2022 Financial Contribution of \$337,240 (Palo Alto) (District 7).

RECOMMENDATION:

- A. Approve the San Francisquito Creek Joint Powers Authority Fiscal Year 2021-2022 Operating Budget; and
- B. Authorize the Santa Clara Valley Water District's Fiscal Year 2021-2022 financial contribution to the San Francisquito Creek Joint Powers Authority in the amount of \$337,240.

SUMMARY:

The Santa Clara Valley Water District (Valley Water), along with four other public agencies, is a member of the San Francisquito Creek Joint Powers Authority (SFCJPA). The San Francisquito Creek JPA is funded by equal contributions from the member agencies and the SFCJPA's annual fiscal year budget is subject to each agency's approval. In 1999, the Cities of East Palo Alto, Menlo Park, Palo Alto, and the San Mateo County Flood and Sea Level Rise Resiliency District (formerly known as the San Mateo County Flood Control District) joined with Valley Water to establish the San Francisquito Creek Joint Powers Authority to provide an environmentally sensitive, long-term watershed plan to enhance flood protection from the San Francisquito Creek. Since then, the SFCJPA's major focus has been working with the member agencies to implement flood protection projects.

Construction of the San Francisquito Creek Flood Protection Project from the Bay to Highway 101 (downstream project) was completed in May 2019. Planning and design are in progress to provide flood protection along San Francisquito Creek from Highway 101 to Middlefield Road (Upstream Project). The final Environmental Impact Report (EIR) was certified by the SFCJPA board in September of 2019. The SFCJPA is preparing to submit permit applications to regulatory agencies in summer 2021 and aims to begin construction on creek widening elements in 2023.

On May 28, 2021, the Board of Directors of the SFCJPA unanimously adopted its Fiscal Year 2021-2022 (FY22) budget identifying revenues of \$1,686,200, which includes operating revenues from State grants, interest earned, and an equal contribution of \$337,240 by each member agency. The

contribution by each member agency has increased 9% from last year's contribution amount of \$308,000. This amount includes establishing and funding the 15% reserve as directed by the SFCJPA Board in November 2020.

In the Contracts Services Category of the Operating Budget, there are four new items:

- 1) A possible addendum to the Reach 2 EIR based on the forthcoming Least Environmentally Damaging Practicable Alternative analysis;
- 2) Funding for the U.S. Army Corps of Engineers to perform initial environmental and engineering work to determine suitability of the channel widening portions of the Reach 2 project for the Continuing Authorities Program Section 205 funding;
- 3) Funding to sufficiently carry out SFCJPA's Operations and Maintenance obligations for the Reach 1, San Francisco Bay to Highway 101 (Downstream Project);
- 4) Establishing a Labor Compliance Program (LCP). The SFCJPA needs to adopt a LCP prior to execution of work on the SAFER Bay Project. This is a requirement specified in the grant agreement with the California Department of Water Resources.

Of particular note, the Contract Services portion of the SFCJPA Operating Budget, which historically was overwhelmingly paid for by Valley Water through separate funding and cost-share agreements, is now being included in the SFCJPA Operating Budget so that costs can be evenly shared among the member agencies.

Therefore, there is a need to keep revenue in step with current and anticipated future expenses. Approval of the agenda recommendations will allow Valley Water to pay its FY22 annual contribution of \$337,240 to the SFCJPA.

FINANCIAL IMPACT:

The San Francisquito Creek Flood Protection Project Bay to Middlefield Road Project No. 26284002 is included in the Five-Year 2022-26 Capital Improvement Program (CIP). Valley Water's contribution as a Member Agency for FY22 is \$337,240. Adequate funds have been included in the Board-adopted FY22 budget for this expenditure and it does not change the overall total Project cost reflected in the Five-Year 2022-26 CIP.

CEQA:

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

ATTACHMENTS:

Attachment 1: SFCJPA FY 21-22 Operating Budget

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Attachment 2: SFCJPA FY 21-22 Contribution Invoice

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