



Santa Clara Valley Water District

File No.: 17-0284

Agenda Date: 6/13/2017

Item No.: 2.6.

BOARD AGENDA MEMORANDUM

SUBJECT:

Public Hearing on Proposed Modification to the Coyote Creek Flood Protection Project of the Safe, Clean Water and Natural Flood Protection Program.

RECOMMENDATION:

- A. Conduct the public hearing on the Proposed Modification to the Coyote Creek Flood Protection Project of the Safe, Clean Water and Natural Flood Protection Program;
- B. Adopt the Resolution APPROVING MODIFICATION TO THE COYOTE CREEK FLOOD PROTECTION PROJECT OF THE SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION PROGRAM; and
- C. Approve a Fiscal Year 2018 budget adjustment of \$600,000 from the Safe Clean Water Fund Operating and Capital Reserve for the Coyote Creek Flood Protection Project.

SUMMARY:

Coyote Creek Flood History

Flooding has occurred many times within the Coyote Creek Watershed, including along portions of Coyote Creek in 1911, 1917, 1931, 1958, 1969, 1982, 1983, 1997, 1998, and 2017. The largest flow recorded on Coyote Creek was 25,000 cubic feet per second in 1911, prior to construction of the current two water-supply reservoirs in the upper watershed. Since the construction of Anderson Reservoir in 1950, the worst flooding between Montague Expressway and Tully Road occurred on February 21, 2017. Coyote Creek overtopped its banks at several locations between Montague Expressway and Tully Road. Businesses and hundreds of homes were inundated by creek waters for many hours. Highway 101 near Watson Park, and various local streets, were closed due to flooding and thousands of residents had to be evacuated and sheltered.

Coyote Creek Flood Protection Project

The Coyote Creek Flood Protection Project (Coyote Creek Project), is located in the central portion of the Coyote Watershed on the mainstem of Coyote Creek, within the City of San José. The current project reach is approximately 6.1 miles between Montague Expressway and Highway 280. The

proposed modification would extend the project reach approximately 2.9 miles upstream to Tully Road to include the Rock Springs neighborhood and incorporate the areas impacted by the February 21, 2017 flood event.

The Coyote Creek Project was originally part of the Clean, Safe Creeks and Natural Flood Protection Plan (Clean, Safe Creeks Plan), a 15-year special parcel tax approved by voters in November 2000. The project purpose was to plan, design, and partially build a project to provide 1-percent flood protection to Coyote Creek from Montague Expressway to Highway 280. At that time, the Clean, Safe Creeks Plan's budget for the project was approximately \$38.6 million (\$32 million in 1999 dollars). Over the next few years, approximately \$10 million was expended on a significant amount of work to develop information regarding the creek's historical ecology, hydrology, hydraulics, sediment transport, water quality, vegetation, wildlife, and fisheries.

Numerous community meetings were held during this period to collect public input. Based on this information, alternatives were developed to address the project objectives. Unfortunately, all alternatives significantly exceeded the project's available budget, with project costs ranging between \$500 million to \$1 billion. The Santa Clara Valley Water District (District) attempted on several occasions to secure U.S. Army Corps of Engineers (USACE) financial support for the project, but was not successful. With the limited available funding, the District proceeded with a design for only the downstream reaches of the project (Montague Expressway to Highway 880).

As the sunset date for the Clean, Safe Creeks Plan approached, the District developed the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program), another 15-year special parcel tax, which was approved by voters in November 2012. While the Coyote Creek Project did not receive any additional Safe, Clean Water Program funding, it was one of the Clean, Safe Creeks Plan flood protection projects that was carried forward into the new program, along with its remaining budget.

Potentially feasible project alternatives to provide the 1% level of flood protection depend significantly on additional funding and the outcome of various currently ongoing District projects, such as the Anderson Dam Seismic Retrofit Project, the Upper Penitencia Creek Flood Protection Project, and the Ogier Ponds Feasibility Study, which can all impact the flows into Coyote Creek. Due to uncertainty about the results of these projects and their impacts to Coyote Creek Project design and associated permits acquisition, staff recommended putting the project on hold. On April 29, 2016, the Board approved staff's recommendation that the project's planning phase be reinitiated for a refreshed look at the project's alternatives to begin in FY2019.

In addition to extending the project reach upstream to Tully Road, the proposed modifications to the preferred project, a federal-state-local partnership, will change the target protection from 1%, or 100-year, level flood event, to protection from a flood event equivalent to the February 21, 2017 flood (approximately a 20 to 25 year event). This will allow the District to address the flood threat to the community without depending on the progress of other projects and their impacts to creek flows. It will also allow the District to move forward with planning and design now during FY 2018, rather than waiting until FY 2019.

The local funding only option includes identifying short-term flood relief solutions and beginning implementation prior to the 2017-2018 winter season. Also, under the local funding only option, the District will complete the planning and design phases of the preferred project, and identify prioritized elements of the project for construction with the remaining local funds. The FY 2018 - 2022 Capital Improvement Program has \$25.8 million remaining for the project.

The original project text from the Clean, Safe Creeks Plan is included as Attachment 1: Original Project Description. The strikethrough version, showing all recommended revisions to the text, is included as Attachment 2: Proposed Modifications to Project Description. The clean copy version showing the proposed modifications is included as Attachment 3: Modified Project Descriptions. Staff recommends that the Board adopt a resolution approving the proposed modifications, which is included as Attachment 4: Resolution Approving Proposed Modification to the Coyote Creek Flood Protection Project of the Safe, Clean Water and Natural Flood Protection Program.

Public Hearing Notice Requirements

On July 24, 2012, the Board adopted Resolution No. 12-62, which specified the limits and conditions by which the District is authorized to institute a special parcel tax for the Safe, Clean Water Program. As set forth in that Resolution, the Board of Directors may direct that proposed projects in the Safe, Clean Water program be modified or not implemented depending upon a number of factors, including federal and state funding limitations. To modify a proposed project, the Board must hold a formal, public hearing on the matter, which will be noticed by publication and notification to interested parties, before adoption of any such decision to modify or not implement a project. At its regular meeting on May 23, 2017, the Board set the time and place for a formal public hearing on this matter to take place on June 13, 2017.

Staff prepared and published an advertisement in Santa Clara County consistent with the two-week notice requirements stated in California Government Code section 6066. Staff also emailed the ad to provide notice to interested parties. The list of newspapers that published the ad and a copy of the Public Notice Ad is attached to this memo (Attachment 5: Public Notice Ad and Newspaper Run Dates).

FINANCIAL IMPACT:

The proposed budget adjustment will allow the District to begin incurring project costs in FY 2018, which is earlier than the anticipated timeframe of FY 2019 as stated in the Board approved FY 2018-22 Capital Improvement Program (CIP). There are adequate funds in the Safe Clean Water Fund Operating and Capital Reserves to support the requested transfer of \$600,000. The transfer will not impact the Coyote Creek Project's (26174043) 15-year funding allocation under the Safe, Clean Water Program, as reflected in the CIP. Further, the transfer will not impact the allocated funding in the Measure for other projects.

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: Original Project Description

Attachment 2: Proposed Modifications to Project Description (strike-through)

Attachment 3: Modified Project Description (final version)

Attachment 4: Resolution

Attachment 5: Notice of Public Hearing

*Handout 2.6-A, K. Irvin

*Handout 2.6-B, G. Hinze

UNCLASSIFIED MANAGER:

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