



Santa Clara Valley Water District

File No.: 17-0898

Agenda Date: 2/13/2018

Item No.: 3.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Amendment No. 2 to Grant Agreement No. A3742R, with Resource Conservation District of Santa Cruz County (RCD Santa Cruz) to Revise and Reduce Scope of Work and Funding and Give District Ownership Rights to Work Produced for Task 1 Gravel Augmentation for the Uvas Creek Steelhead Spawning Habitat Enhancement Project, Project No. 26061007.

RECOMMENDATION:

- A. Approve Amendment No. 2 to Grant Agreement A3742R between the Santa Clara Valley Water District and the RCD Santa Cruz to:
 - i. Revise and reduce the scope of work and funding; and
 - ii. Give the District the ownership rights to the work produced for Task 1 of Gravel Augmentation; and
- B. Authorize the Chief Executive Officer to execute Amendment No. 2 to the Agreement.

SUMMARY:

In 2014, the Board awarded \$446,755 in Safe, Clean Water D3 grant (Restore Wildlife Habitat) to Resource Conservation District of Santa Cruz County (RCD Santa Cruz) for Uvas Creek Steelhead Spawning Habitat Enhancement Project. The objective of the project is to improve riparian and in-channel habitats in Uvas Creek below Uvas Dam. The project included gravel augmentation to improve spawning habitat at four sites below the dam.

The project was scheduled to be completed by June 30, 2017, but only approximately 50% of the work outlined in the agreement has been completed. The project was running behind schedule due to delays in obtaining the necessary permits to install gravel at four sites, and receiving project contributions from another entity. The agreement was extended by a year to June 30, 2018, providing RCD Santa Cruz the time to obtain the necessary permits that it was confident of receiving.

However, RCD Santa Cruz has since been denied the necessary permits and is now requesting a modification in the scope of work to eliminate the task of gravel augmentation construction under Task 1. Additionally, RCD Santa Cruz has been unable to secure additional funding from California Department of Fish and Wildlife to complete the removal and disposal of acacia at its third site under Task 2. Therefore, RCD is requesting to amend the scope of work to reflect the limitations of its current situation.

Furthermore, under the proposed amendment, RCD Santa Cruz would provide District ownership rights to the work conducted under the Gravel Augmentation Task 1. These would include work produced as part of the planning, design and permitting sub-tasks under Task 1.

Of the total grant money award of \$446,755, the District has already reimbursed RCD Santa Cruz for \$193,398, and there is an invoice of \$22,181 that is pending payment.

Background

In 2014, the Board awarded \$446,755 in Safe, Clean Water D3 grant (Restore Wildlife Habitat) to RCD Santa Cruz for Uvas Creek Steelhead Spawning Habitat Enhancement Project. The purpose of the project is to improve riparian and in-channel habitats in Uvas Creek below Uvas Dam by removing non-native, invasive plant species and enhancing spawning gravel quality through gravel augmentation.

The project has four main tasks

- Task 1: Gravel Augmentation
- Task 2: Acacia Removal and Disposal; Monitoring and Maintenance
- Task 3: Education Events
- Task 4: Project Management

Tasks, budget, and funds reimbursed:

Task 1: Gravel Augmentation at the following four sites:

- 1) Site UGA1. Stream reach directly below Uvas Dam.
- 2) Site UGA2 In the vicinity of the Thousand Trails Campground located at 12895 Uvas Road, Morgan Hill, CA.
- 3) Site UGA3a. Stream reach directly adjacent to Jason-Stephens Winery picnic area. Jason-Stephens Winery is located at 11775 Watsonville Road, Gilroy CA.
- 4) Site UGA3b. Stream reach downstream of Jason-Stephens Winery's service building adjacent to historical floodplain area.

Task 1, a major part of the project, required permits as it proposed encroachment within the Federal Emergency Management Agency's (FEMA) regulatory floodway. Based on the hydraulic and hydrology study conducted by their consultant, RCD Santa Cruz was confident of receiving in August 2017 the permits for three (UGA2, UGA3a and UGA3b) of the four proposed sites and requested extending by three-and-a-half years the agreement that was due to expire on June 30, 2017.

Site UGA1 had earlier been removed from the project scope when FEMA required a Conditional Letter of Map Revision, thus foreclosing the viability of the site.

In June 2017, the District extended the agreement, by 12 months under the CEO's authority, with a plan to go before the Board in September 2017 for a further extension once RCD Santa Cruz had

received the permits and could provide the revised project schedule. Besides extending the time, Amendment No. 1 (Attachment Three) also captured the following changes the District had authorized until June 30, 2017:

- Allowing for 25% instead of 20% of District's contribution to be applied for non-construction including design and engineering;
- Removing gravel augmentation at Site UGA1 from the scope of work

However, on Aug. 30, 2017, RCD Santa Cruz informed the District that it was unable to move forward with all the sites under Task 1 as it had been denied the permit because when an encroachment is proposed on FEMA regulatory floodway, it does not allow any increase of Base Flood Elevation (BFE) on a structure. The Grantee confirmed the status in September 2017.

The total updated budget for this Task is \$216,704, of which \$50,394 (23%) has been reimbursed. The money invoiced has been for engineering design and permitting and the remaining budgeted dollars are for construction.

Task 2: Acacia Removal and Disposal; Monitoring and Maintenance within existing riparian areas at the following locations:

- 1) Site UAR1a. Stream reach upstream of 1000 Trails Campground's Uvas Creek bridge. The Campground is located at 12895 Uvas Road, Morgan Hill, CA.
- 2) Site UAR1b. Stream reach downstream of 1000 Trails Campground's Uvas Creek bridge. The Campground is located at 12895 Uvas Road, Morgan Hill, CA.
- 3) Site UAR2. Stream reach along to Jason-Stephens Winery's creek frontage. Jason-Stephens Winery is located at 11775 Watsonville Road, Gilroy, CA.

RCD Santa Cruz has completed removal and disposal of acacia at the first two sites and monitoring and maintenance on these sites is scheduled to begin soon.

RCD informed the District that they were unable to secure additional funding from California Department of Fish and Wildlife (CDFW) to complete the removal and disposal of acacia on the third site (UAR2).

The total updated grant budget for this Task was \$212,375, of which \$147,268 (69%) have been reimbursed.

Task 3: Education Events

RCD incorporated four education events to inform the community on watersheds, steelhead habitats, and the value of clean, healthy riparian areas. The audience included the local communities around the project area and two RV camping and recreation facilities. Three of the four education events have been completed. RCD informed the District that since it is unable to move forward with the additional sites under Tasks 1 & 2, they will not move forward with completing the fourth education event.

The total grant budget for this task is \$2,540 of which \$1,977 (78%) have been reimbursed.

Task 4: Project Management

Quarterly invoices with documented progress toward task deliverables, and final presentation to Board upon project completion.

The total grant budget for this task is \$15,136 of which \$15,940 (105%) have been reimbursed. The additional cost for Task 4 has been attributed to the challenges in acquiring the necessary permits and funding to carry out Tasks 1 & 2.

FINANCIAL IMPACT:

With this amendment, the grant amount will be reduced to not-to-exceed amount of \$215,579.

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: Amendment No. 2

Attachment 2: SCVWD Agreement No. A3742R

Attachment 3: SCVWD Agreement No. A3742R, Amendment No. 1

UNCLASSIFIED MANAGER:

Rick Callender, 408-630-2017