



# Santa Clara Valley Water District

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**File No.:** 18-0213

**Agenda Date:** 4/10/2018

**Item No.:** 3.5.

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## BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Bacon Island Levee Rehabilitation Project - Resolution Making Responsible Agency Findings.

### **RECOMMENDATION:**

- A. Consider the Initial Study/Mitigated Negative Declaration for the Bacon Island Levee Rehabilitation Project prepared by Reclamation District 2028 as the Lead Agency.
- B. Adopt the Resolution, MAKING RESPONSIBLE AGENCY FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT TO USE THE INITIAL STUDY/MITIGATED NEGATIVE DECLARATION PREPARED BY THE LEAD AGENCY TO APPROVE FUNDING A PORTION OF THE COSTS OF THE BACON ISLAND LEVEE REHABILITATION PROJECT.
- C. Authorize the Chief Executive Officer, or designee, to approve funding a portion of the Project in accordance with a previously-executed cost share agreement.

### **SUMMARY:**

On January 10, 2017, the Board of Directors approved a Letter of Mutual Understanding (LOMU) with six other urban water agencies to provide the local cost share on the Bacon Island Levee Rehabilitation Project (Attachment 3). Approval of the funding commitments was conditioned on Lead Agency compliance with its California Environmental Quality Act (CEQA) responsibilities, and Santa Clara Valley Water District (District), as a Responsible Agency, completing its own CEQA review and compliance prior to approving payment on the first invoice under this agreement.

The Lead Agency, Bacon Island Reclamation District No. 2028 (RD 2028), a local agency in San Joaquin County, issued an Initial Study/Draft Mitigated Negative Declaration (IS/MND) for the Bacon Island Levee Rehabilitation Project (Project) in January 2017. District staff reviewed the Draft IS/MND and had minor comments.

The RD 2028 adopted the IS/MND and filed a Notice of Determination on May 30, 2017 (Attachment 2). Staff has determined that the IS/MND is adequate for use by the District to approve funding a portion of the costs of the Project.

### **BACKGROUND:**

On January 10, 2017, the Board agreed to participate in a cost share agreement for the Bacon Island

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Levee Rehabilitation Project (Project). The Project is a collaborative effort of seven urban water agencies, including the District, the Department of Water Resources (DWR), Pacific Gas and Electric, and RD 2028. It will rehabilitate approximately 5 miles of levee to meet Hazard Mitigation Plan standards on Bacon Island along Old River, a critical pathway for conveyance of water supplies through the Delta to the State Water Project (SWP) and Central Valley Project (CVP) pumping plants in the south Delta. The plan is to place fill on the landside of the levee slope and levee crown, construct an all-weather roadway on the levee crown, armor the newly placed fill with quarry stone on the upper waterside, and incorporate landside habitat enhancements. The Project will reduce the risk of levee failure and associated risks to the water supply of the District and other urban water agencies.

Bacon Island is situated in the Central Delta between Old River and Middle River. It is one of the islands recently purchased by the Metropolitan Water District (MWD), who is the largest contributor to the cost share agreement. Old and Middle Rivers are the main pathways for the District's imported water supplies conveyed from the Sacramento River to the SWP and CVP pumping facilities in the southern Delta. A failure of the levees around Bacon Island could significantly impact the quality and quantity of the District's imported water supplies.

RD 2028 received a grant from DWR's 2014 Delta Levees Special Flood Control Projects Program to fund the Project. Grant conditions included a 3% match of the project costs, and compliance with the CEQA process and environmental documentation.

In December 2015, DWR and RD 2028 entered a Project Funding Agreement that specified local funding requirements. Seven urban water agencies including the District developed a Letter of Mutual Understanding (LOMU): Cost-Sharing for the Project to fulfill the Project Funding Agreement local funding provisions.

#### **FINANCIAL IMPACT:**

On January 10, 2017, the Board of Directors approved the LOMU, including a financial commitment of up to \$32,018. The FY 2017 Imported Water Program (Project #91131004) budget contains sufficient funds to cover this expense. There is no additional financial impact to adopt the Resolution, Making Responsible Agency Findings.

DWR is funding 97 percent of the Project cost up to \$10,211,190 (the "State Share"), leaving the remaining 3 percent, not to exceed \$315,810 (the "Non-State Share"), to be funded by local match. The District share of the Non-State Share is not to exceed \$32,018. Reclamation District 2028 assumes responsibility for any additional costs of the Project.

#### **CEQA:**

Reclamation District 2028, acting as Lead Agency, adopted an Initial Study/Mitigated Negative Declaration for the Bacon Island Levee Rehabilitation Project on May 30, 2017. The District, as Responsible Agency, must consider the environmental impacts of the proposed Project, as analyzed in the Reclamation District's IS/MND, and make required findings prior to approving the payment of

invoices in accordance with the LOMU. The IS/MND did not identify any potentially significant impacts that could not be mitigated to less than significant levels. A copy of the IS/MND is available for review at the Clerk of the Board's office.

**ATTACHMENTS:**

Attachment 1: Mitigated Negative Declaration

Attachment 2: Resolution

Attachment 3: Letter of Mutual Understanding

**UNCLASSIFIED MANAGER:**

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