



Santa Clara Valley Water District

File No.: 19-0724

Agenda Date: 12/10/2019

Item No.: 6.3.

BOARD AGENDA MEMORANDUM

SUBJECT:

Budget Adjustment in the Amount of \$3 Million from Fund 12 Watershed and Stream Stewardship Operating and Capital Reserves to the South San Francisco Bay Shoreline Project, Project No. 00044026. (District 3)

RECOMMENDATION:

Approve a budget adjustment in the amount of \$3 million from Fund 12 Watersheds Stream Stewardship Operating and Capital Reserves to the South San Francisco Bay Shoreline Project, Project No. 00044026.

SUMMARY:

Overview of the South San Francisco Bay Shoreline Study

The South San Francisco Bay Shoreline Phase 1 Project will provide coastal flood protection to the community of Alviso and to public infrastructure between Alviso Slough and Coyote Creek through the construction of four miles of Federal Emergency Management Agency certifiable coastal levees. The Project will safeguard the Alviso community of approximately 2,500 residents and 3,000 commuters who work and travel through the area each day, the San Jose-Santa Clara Regional Wastewater Facility and the Silicon Valley Advanced Water Purification Center. The Project will also safeguard against future sea level rise, restore and enhance approximately 2,900 acres of tidal marsh and related habitat that was lost due to former salt ponds production activities. The new levees will be used as trails and will have connections to the Bay Trail network, with viewing platforms, interpretive signs, and benches.

The Shoreline Project is being undertaken by the United States Army Corps of Engineers (USACE) in partnership with the Santa Clara Valley Water District (Valley Water) and the State Coastal Conservancy (Conservancy).

The USACE is planning to design and construct the project in reaches in accordance with the following schedule:

Reach	Estimated Starting Date of Construction
Reach 1 (Alviso Marina to Railroad)	January 2020

Reaches 2 and 3 (Railroad to Artesian Slough)	April 2020
Reaches 4 and 5 Artesian Slough to Coyote Bypass Channel)	February 2022

The estimated cost to construct Reach 1 is \$24 million. The USACE share of this cost is \$12.96 million and the local share is \$11.04 million. The USACE will be requesting the \$11.04 million in December 2019 at the time of advertisement. Valley Water is funding a portion of the local share of project construction through the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) Fund 26, with the remainder from the Watershed and Stewardship Fund 12. Funding provided to USACE for design and construction qualifies for reimbursement from Measure AA, the San Francisco Bay Clean Water, Pollution Prevention and Habitat Restoration Measure. Since there may be changes to the actual dates for obtaining permits, acquiring rights of way, agreeing and obtaining design modifications to railroad structures, and completing design and construction contract document, staff is planning to request Valley Water's fund for construction or right of way acquisition through budget adjustments on an as-needed basis. This approach will not tie up a large amount of funds in the project budget until staff is certain that the funds are needed.

Staff anticipates coming back to the Board in 2020 for two additional budget adjustments. One budget adjustment will be for acquisition of Pond A18 from the City of San Jose, which is estimated to cost around \$13.5 million. The other budget adjustment will be for construction of Reaches 2 and 3, which the local cost share is estimated to be around \$13 million.

FINANCIAL IMPACT:

The recommended budget adjustment would move approximately \$3 million from Fund 12 Watershed and Stream Stewardship Operating and Capital Reserves to Project No. 00044026 in fiscal year 2020. Upon Board approval of the requested budget adjustment, there will be adequate funds in Project Numbers 00044026 and 26444001 to fund the \$11.04 million of local share to the USACE for construction of Reach 1.

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:

None

UNCLASSIFIED MANAGER:

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