



Santa Clara Valley Water District

File No.: 20-0005

Agenda Date: 1/14/2020

Item No.: 2.9.

BOARD AGENDA MEMORANDUM

SUBJECT:

Public Hearing on the Proposed Modifications to the Safe, Clean Water and Natural Flood Protection Program's Upper Llagas Creek Flood Protection Project.

RECOMMENDATION:

- A. Open the public hearing to receive comments on the Safe, Clean Water and Natural Flood Protection Program's Project E6: Upper Llagas Creek Flood Protection Project;
- B. Close the public hearing; and
- C. Adopt the resolution APPROVING THE MODIFICATION TO THE UPPER LLAGAS CREEK FLOOD PROTECTION PROJECT OF THE SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION PROGRAM.

SUMMARY:

The primary objective of the Project is to plan, design, and construct improvements along 13.9 miles of Upper Llagas Creek from Buena Vista Avenue in Gilroy to Llagas Road in Morgan Hill, including West Little Llagas Creek in downtown Morgan Hill. The Project received the last remaining required Regulatory Agency permit in March 2019.

In September 2019, Santa Clara Valley Water District's (Valley Water) construction contractor commenced building Phase 1 of the Upper Llagas Creek Flood Protection Project. While Phase I construction is underway and fully funded, completing the entire 13.9 mile-long two-phased project will require additional external funding.

Valley Water is pursuing external funding, including a grant from the United States Department of Agriculture, Natural Resources Conservation Service, to address approximately \$70-\$80 million Project funding shortfall. Meanwhile, to maximize the efficacy of the available secured funds, Valley Water is proposing changing the reaches to be constructed with local dollars to include building the high-flow underground bypass tunnel and a section of underground reinforced concrete box culverts.

Constructing the tunnel and portions of the proposed box culverts will fully utilize the remaining local funding, thus impacting the ability to fully build Reach 7 (7a and 7b), which is the current local-funding only Key Performance Indicator (KPI). Furthermore, Reach 7b cannot be constructed until the completion of the downstream Reaches 4, 5, 6, and 7a to prevent induced flooding in lower reaches. As a result, Valley Water is proposing to modify the local-funding only KPI that increases the

length of the project to be built by the available local funds from approximately 2.9 miles to approximately 4.9 miles. This modified KPI entails constructing Reaches 4 and 5 (portion), 7a and 8 (portion) as well as the onsite compensatory mitigation at Lake Silveira.

The remaining Project elements, namely Reaches 5 (portion), 6, 7b, 8 (portion) and 14, will be built later once external or other funding sources become available.

In addition to being able to build as much of the Project as possible utilizing available local dollars, this approach keeps the Project construction moving forward, without inducing flooding downstream, and maximizes the potential for external funding opportunities. Construction of the onsite compensatory mitigation reflects collaboration with regulatory permitting agencies that often require early mitigation to offset the Project impacts.

The City of Morgan Hill is supportive of advancing the construction of the tunnel and box culverts. In a December 16, 2019 letter to the Valley Water Board, Mayor Rich Constantine stated, "For the City of Morgan Hill, completing the tunnel work sooner is highly important as this work will require staging on a section of the future Hale Avenue roadway in Morgan Hill. The City is on a tight timetable to complete this roadway improvement, and once completed, the tunnel work will become much more complicated and expensive." The letter is included as Attachment 1.

Proposed modification to the Key Performance Indicator #2:

"With local funding only: Construct flood protection improvements along Llagas Creek from Buena Vista Avenue to Highway 101 in San Martin (Reaches 4 and 5 (portion), Monterey Road to Watsonville Road in Morgan Hill (Reach 7a), approximately W. Dunne Avenue to W. Main Avenue (portion of Reach 8), and onsite compensatory mitigation at Lake Silveira."

The original Project text from the Safe, Clean Water Program showing all proposed modifications in strike-through text is included as Attachment 2.

Public Hearing Notice Requirements:

On July 24, 2012, the Board adopted Resolution No. 12-62, which specified the limits and conditions by which Valley Water is authorized to institute a special parcel tax for the Safe, Clean Water Program. As per the Resolution, the Board of Directors may modify or not implement proposed project/s in the Safe, Clean Water Program based on various 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 special meeting on December 17, 2019, the Board set the time and place for a formal public hearing on this matter to take place on January 14, 2020.

Staff prepared and published an advertisement in Santa Clara County consistent with the two-week notice requirements stated in California Government Code section 6066. The list of newspapers that published the advertisement and a copy of the Public Notice Ad is included as Attachment 3.

FINANCIAL IMPACT:

The financial impact of holding the public hearing is the cost of translating and advertising the Public Notice Ad outlined in Attachment 3, which is estimated to be approximately \$30,000. This cost will be charged to the Safe, Clean Water Program Implementation Project (26061012) and is included in the current fiscal year's budget.

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: Letter from City of Morgan Hill

Attachment 2: Upper Llagas Creek Project KPI #2 Modification

Attachment 3: Schedule and Sample Ad

Attachment 4: Resolution

UNCLASSIFIED MANAGER:

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