# Santa Clara Valley Water District

**File No.:** 20-0435

**Agenda Date:** 6/23/2020
**Item No.:** 2.8.

## BOARD AGENDA MEMORANDUM

**SUBJECT**:
Update on Exploratory Efforts to Update and Enhance the Safe, Clean Water and Natural Flood Protection Program for Future Funding Measure.

**RECOMMENDATION**:

A. Receive information on the collective public engagement efforts, resulting in draft community-preferred program report;
B. Receive information on the final proposed ballot language;
C. Provide direction to staff on the draft community-preferred program report for the renewal of the Safe, Clean Water and Natural Flood Protection Program;
D. Provide direction to staff to bring back the final renewal ballot measure and final community-preferred program report for the Safe, Clean Water and Natural Flood Protection Program in July for Board's final consideration of ballot placement adoption.

**SUMMARY**:
In accordance with direction received from the Board of Directors during the December 10, 2019 Board meeting, staff has explored the feasibility and the development of a potential November 2020 ballot measure to replace and renew the existing special parcel tax for the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) beyond its current expiration in 2028.

After receiving direction from the Board to explore renewing the existing Safe, Clean Water Program, Santa Clara Valley Water District (Valley Water) launched a wide-reaching public engagement effort, recognizing the critical importance for any proposed program to directly reflect the community's values, priorities, and desires, while balancing the diverse interests of stakeholders to the furthest extent possible. To accomplish this goal, Valley Water used a wide array of outreach tools and techniques to collectively engage to date approximately 16,000 residents, businesses, employees, community organizations and other key stakeholders during an intensive 6-month public engagement process. To ensure fair representation, Valley Water conducted outreach in all areas of the county, making sure to include historically underserved populations by providing surveys and informational materials in multiple languages (English, Spanish, Vietnamese and Chinese), as well as making presentations to civic and community groups that serve these various populations.

To date, this public engagement effort includes more than 15,000 community members who individually responded to our online community input survey, many of whom left comments, which does not include all those who mailed letters, sent e-mails, or spoke at Valley Water meetings. Additionally, approximately another 1,000 community members also participated in our other direct outreach activities, which included our Blue-Ribbon Stakeholder Forum, Community Webinars, Virtual Tours, and Speaker Bureau presentations. In addition, a Community Town Hall is scheduled for late June which is expected to reach an estimated 8,000 additional residents, as well as ongoing community input surveys that are still being gathered, which will collectively boost overall outreach numbers even further.

Staff is extremely appreciative to the many community members, neighborhood groups, business owners, municipalities, advocacy groups, government officials, agencies, committees and other local organizations for giving their input, time and talent to help shape this newly enhanced and updated Safe, Clean Water and Natural Flood Protection Program that is being proposed as part of a potential renewal measure.

This agenda item includes a summary of Valley Water's public engagement and outreach efforts; proposed ballot language supported by research; an executive summary of the draft community-preferred program report; and a final draft of the updated resolution for the Safe, Clean Water and Natural Flood Protection Program. Additional information on the final community input survey data and the full community-preferred program report and appendices will be forthcoming in a supplemental item

## BACKGROUND

### Current Safe, Clean Water Program

Overwhelmingly approved by 74% of voters in November 2012, the current Safe, Clean Water Program is a 15-year special parcel tax that provides a strategy to support uninterrupted water resource services in Santa Clara County. The existing program was developed through community collaboration and input from residents and stakeholders that identified five top community priorities:

Priority A: Ensure a Safe, Reliable Water Supply
Priority B: Reduce Toxins, Hazards, and Contaminants from our Waterways
Priority C: Protect our Water Supply from Earthquakes and Natural Disasters
Priority D: Restore Wildlife Habitat and Provide for Open Space
Priority E: Provide Flood Protection to Homes, Business, Schools and Highways

The current 2012 Safe, Clean Water Program funds approximately one-third of the existing watershed and stewardship budgeted programs. Currently, the Safe, Clean Water Program special parcel tax is comprised of six (6) categories for commercial/ industrial, high-density parcels, single-family residential and multi-family units up to four, agricultural, and nonutilized urban and rural areas. An annual escalator is also included to account for the effects of inflation that the Board may adjust annually.

**Safe, Clean Water Program Potential Renewal**
In the face of new and emerging challenges due to: climate change; population/economic growth and future uncertainties with imported water supplies; as well as regulatory delays in permitting; aging infrastructure; ongoing operations, maintenance, and environmental mitigation costs; and securing funding for enhanced level of community-preferred projects, Valley Water staff has explored how to update and enhance the current program to address such challenges and better meet future water needs.

There is currently an opportunity in the upcoming November 2020 presidential election ballot to place a renewal measure for voters to approve extending the existing Safe, Clean Water Program. Pursuing a ballot measure for November 2020 provides the Board the opportunity to enhance and update the Safe, Clean Water Program's priorities to address several existing and new challenges, including the opportunity to develop more multi-benefit projects that support public health and public safety aspects of water management, as well as provide enhanced environmental benefits; provide needed funding for several large new and existing infrastructure and flood protection projects, support addressing homeless encampments, impacted water quality along our creeks and waterways, and better adapt to and meet the growing challenges that stem from climate change and extreme weather patterns, such as severe drought, flooding, and wildfires.

**Proposed Ballot Language based on Research**
In addition to public engagement efforts, staff engaged Fairbank, Maslin, Maullin, Metz & Associates (FM3) to complete follow-up surveys of local voters to understand their views of Valley Water and a potential measure to renew the Safe, Clean Water Program. Prior survey studies consistently show that more than two thirds of potential voters support renewing and extending the existing parcel tax.

The most recent April study found that, even in the wake of the coronavirus pandemic and its economic impacts, the measure appears viable in November 2020. It receives two-thirds support initially, and expanded backing after hearing more background information. A final public opinion survey will be conducted in July, closer to the final board meeting when the item presented to the Board for consideration of final adoption.

Based on how this language tested in prior polling, the following is being proposed as the final draft ballot label language to renew the existing parcel tax for the Safe, Clean Water & Natural Flood Protection Program:

> Shall the measure to renew the Safe, Clean Water and Natural Flood Protection Program which ensures public health and safety by: protecting drinking water supply, dams from earthquakes and climate change; reducing pollution, toxins and contaminants in waterways; and providing flood protection; by renewing Santa Clara Valley Water District's existing parcel tax without increasing rates, averaging $.006 per square foot annually as described in Resolution *2020* until ended by voters, raising approximately $45,500,000 annually, with qualifying senior exemption, annual audits, independent citizen oversight be adopted?

**Results of Public Engagement Effort**
Valley Water conducted an extensive 6-month public engagement effort to reassess community priorities and formulate an updated community-preferred program report as the part of a potential renewal measure to update and enhance the Safe, Clean Water Program to better meet the community's existing and future water needs.

To date, more than 16,000 residents, including employees, participated collectively in this process through either a combination of providing input into our online Community Input Survey and/or participating in one of our 75-plus virtual community presentations, webinars, tours or online events, including the Blue Ribbon Forum and stakeholder meetings.

**Public Information and Educational Efforts**
Between April through June, multilingual educational materials were produced in English, Spanish, Vietnamese, and Chinese, including 15 videos, multiple digital posts, newspaper advertorials, radio spots, transit signs, and billboards, which are currently displayed across Santa Clara County promoting the community input survey as the call to action. The total impressions estimated for overall efforts reached nearly 14 million impressions. Videos promoting the survey have also been viewed 532,000 times. Social postings have been seen almost 4 million times, with a total of 33,000 link clicks and more than 10,000 visits to our informational microsite: safecleanwater.org.

**Community Input Surveys**
This effort includes more than 15,000 residents, including employees, who individually responded to our online community input survey. The surveys were provided in English, Spanish, Vietnamese and Chinese, and also included a student version to reach Santa Clara County college youth as well. In order to reach a high response rate, the surveys were promoted through a variety of tools including multi-language videos, social media channels, texting and telephone banking efforts, as well as distributing the survey through our blogs, eNews blasts, and wide e-mail distribution lists across the agency to our various partners.

Survey input gathered has yield the following proposed priorities as part of this exploratory process:

- Ensure a safe, reliable drinking water supply for the future.
- Reduce toxins, hazards and contaminants, such as mercury and pharmaceuticals, in waterways.
- Protect water supply and local dams from the impacts of earthquakes and natural disasters.
- Restore fish, bird and wildlife habitat and provide open space access.
- Provide flood protection to homes, businesses, schools, streets and highways.
- Support public health and public safety for our community.

**Direct Stakeholder and Community Outreach**
Staff has effectively reached more than 1,000 residents and employees by making more than 75-plus in-person and virtual presentations collectively to various stakeholders and community groups including Board Committees, Board Advisory Committees, and Board Commissions, the Safe, Clean Water Program Independent Monitoring Committee (IMC), Water Retailers, as well as diverse

stakeholder groups, including employees, civic, community and neighborhood groups. In addition, a community telephone town hall is planned for either late June or early July with an expected 8,000 residents participating, which should increase total touches for residents reached.

- (20) online presentations/ webinars reaching approximately 220 residents
- (20) water supply tours reaching approximately 446 residents
- (25) internal employee presentations reaching 274 employees
- (10) stakeholder meetings reaching approximately 150 stakeholders

Below is a summary of key presentations made to key stakeholder and community groups.

- Agricultural Water Advisory Committee - January 6
- Environmental Water Resources Committee - January 22
- Water Commission - January 27
- Independent Monitoring Committee - February 12
- Youth Commission - February 19
- CIP Committee - March 9
- Water Retailers Quarterly Meeting - March 18
- Water Ambassadors - March 26
- Blue Ribbon Stakeholder Forum - April 9
- Farm Bureau Meeting - May 6
- Community Webinars - May 19, June 4
- Community Town Hall - June 4
- Employee Presentations - (ongoing January-June)
- Virtual Water Infrastructure Tours - (ongoing April -July)
- Speaker Bureau Community Presentations - (ongoing April-July)

**Community-Preferred Program Based on Community Feedback**
There are several key themes that staff heard from numerous stakeholder meetings, including the Blue-Ribbon Forum and other community feedback received to date that have helped inform the proposed Safe, Clean Water Program renewal. These concepts include: keeping the program flexible enough to adapt to emerging challenges or situations that arise, while still responding and planning for long-term needs; protecting and ensuring water supply reliability, repairing aging infrastructure, ensuring for long-term maintenance, operations and mitigation needs; supporting more multi-benefit projects and incorporating climate change adaptation strategies across projects; supporting trash and homeless encampment cleanups; expanding grant funding for hydration stations, water conservation grants, pollution prevention, and wildlife habitat/ open space, as well as streamlining and providing increased access to smaller agencies and/or technology start-ups; continued support for environmental stewardship, habitat restoration; and supporting flood protection projects to protect communities from flooding.

The result of this comprehensive and intensive public engagement effort is a draft community-preferred program report, which has served to update and enhance the Safe, Clean Water Program

by including six top community priorities: securing a safe, reliable water supply; protecting our water system from earthquakes and natural disasters; preventing contaminants from entering the water supply; restoring habitat for fish, birds and wildlife and increasing open space; enhancing flood protection; and the newly proposed: supporting public health and public safety for our community.

**Building on Valley Water Expertise**
Following direction by the Board of Directors to explore an updated and enhanced Safe, Clean Water Program, staff developed an approach to collect community input (as described above) and to also coordinate with key Valley Water staff to determine potential updates to the proposed program. Program development began with two full day brainstorming workshops in January 2020 that included current Safe, Clean Water Program project leads from throughout the organization. Through this concentrated effort staff was able to identify changes during the first eight years of the program, challenges that the community at large have faced, and opportunities for improvement. Workshops led to individual meetings with subject matter experts and project managers, finance, and capital improvement program leads, all with a goal of proposing enhancements and updates to the current program. Upon crafting a proposed suite of projects by priority, the Safe, Clean Water Program renewal team met with deputy officers and chief operating officers to discuss priorities and possible allocation of funding to new and enhanced projects. While additional public outreach continues through late June 2020 to ensure Valley Water has captured the needs of the community through these proposed revisions, the draft community-preferred program report elements described below highlight the key proposed enhancements for a potentially renewed Safe, Clean Water Program.

**Safe, Clean Water Program Proposed Elements**
The Executive Summary (Attachment 1) highlights the key elements of the proposed draft community-preferred program report to update and enhance the Safe, Clean Water Program. The draft resolution (Attachment 2) includes a list of each proposed Safe, Clean Water Program project and key performance indicators (KPI). The draft community-preferred program report is based on community needs, stakeholder feedback received to date and Valley Water priorities.

**Priority A: Ensure a Safe, Reliable Water Supply**
Priority A focuses on ensuring we have a reliable drinking water supply for the future, by improving and maintaining our dams, pipelines, water storage, treatment systems, and aging infrastructure to avoid disruptions in service. In addition to carrying forward existing active projects part of the 2012 Safe, Clean Water Program, staff are proposing the following elements for a potential renewal based on community input:

Priority A enhanced or new projects under a renewed program would potentially include:

- Water Conservation Rebate Program - new to Safe, Clean Water Program
- Pacheco Reservoir Expansion - new to Safe, Clean Water Program

**Priority B: Reduce Toxins, Hazards, and Contaminates from our Waterways**
Priority B focuses on delivering projects aimed at reducing and removing contaminants in our local waterways and bay. These projects include mercury treatment systems in our reservoirs, and efforts to collaborate with cities and other agencies to reduce runoff pollution. Valley Water also provides support for public education and volunteer cleanup efforts. In addition to carrying forward existing

projects part of the 2012 Safe, Clean Water Program, staff are proposing the following elements for a potential renewal based on community input:

Priority B enhanced or new projects under a renewed program would potentially include:

- Inter-Agency Urban Runoff Program - additional component for Green Stormwater Infrastructure funding

**Priority C: Protect our Water Supply from Earthquakes and Natural Disasters**
Providing a reliable water supply is a critical function for Valley Water and Priority C focuses on how this service is provided for facilities that may be impacted by earthquakes or other natural disasters. This potential renewed priority could focus on protecting critical drinking water supply infrastructure such as dams and pipelines from these potential impacts. In addition to carrying forward existing projects part of the 2012 Safe, Clean Water Program, staff are proposing the following elements for a potential renewal based on community input:

Priority C enhanced or new projects under a renewed program would potentially include:

- Anderson Dam Seismic Retrofit - additional funding

**Priority D: Restore Wildlife Habitat and Provide for Open Space**
Priority D focuses on providing projects to restore and protect wildlife habitat and provide opportunities for increased access to trails and open space. Work under this priority includes controlling non-native, invasive plants; replanting native species; and maintaining previously replanted areas. Other projects include removing barriers to fish movement, improving steelhead habitat, and stabilizing eroded creek banks. In addition to carrying forward existing projects part of the 2012 Safe, Clean Water Program, staff are proposing the following elements for a potential renewal based on community input:

Priority D enhanced or new projects under a renewed program would potentially include:

- Manage Revegetation Projects - additional funding for additional maintenance of mitigation acreage and removal of invasive species
- Fish Passage Improvements - additional funding
- Fish Habitat Improvements - additional funding

**Priority E: Provide Flood Protection to Homes, Business, Schools and Highways**
Priority E focuses on providing flood protection through major capital construction projects. Projects are prioritized to protect the largest number of people, homes and businesses, as well as safeguard the highways, streets, public transportation and business centers that people depend on for their livelihoods. In addition to carrying forward existing projects part of the 2012 Safe, Clean Water Program, staff are proposing the following elements for a potential renewal based on community input:

Priority E enhanced or new projects under a renewed program would potentially include:

- San Francisquito Creek Flood Protection - Additional funding
- San Francisco Bay Shoreline Protection - Additional funding

- Lower Berryessa Creek Flood Protection - New for Safe, Clean Water

**New Priority F: Support Public Health and Public Safety for our Community**
To address the need for enhanced public health and public safety for the community as it relates to water, a new potential Safe, Clean Water Program priority is being proposed as part of the potential renewal. This new priority pulls together multi-benefit projects that were previously placed under other existing Safe, Clean Water Program priorities and groups them based on their common benefit of supporting public health and public safety along our waterways and infrastructure. In addition, there are several new project elements under this new potential priority.

Priority F enhanced or new projects under a renewed program would potentially include:

- Vegetation Control and Sediment Removal for Capacity - additional funding for operation and maintenance through vegetation and sediment removal

- Vegetation management for access and fire safety - added fire component

- Good Neighbor Program: Encampment Cleanups - additional funding for cleanups and partnerships, including police and ranger patrol funding partnerships

- Good Neighbor Program: Graffiti and Litter Removal - addition of component for Installation of Public Arts

- Sustainable Solutions for Continued Public Safety - new Valley Water project to identify, prioritize and implement activities to ensure safe, reliable water infrastructure

- Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship - consolidated and streamlined grant program for greater flexibility to meet community needs, includes potential partnership funding for removing creek blockages on non -Valley Water properties

**Transparency and Accountability**
A potential voter-approved local funding renewal would include independent citizen oversight and accountability, just as the current program does. For example, the proposed program includes elements such as:

- Require all expenditures to be annually published in a report available to county residents.
- Require an Independent Monitoring Committee, an external independent citizen oversight committee, to review spending and progress of the program.

- Require independent audits of the program every 5 years.
- Require a Change Control Process to make program adjustments, modifications to key performance indicators (KPIs) or to not implement a project.
- Include exemptions for qualifying low-income senior citizens.

**Ongoing Program Structure and Allocation of Funding**

The proposed renewal measure would allow for sustained long-term funding into the future. The possibility of an ongoing funding proposal would allow Valley Water to continue leveraging state and federal funds to deliver community preferred projects. In addition to allocating funding resources by the community identified priorities, staff is proposing a financial model and allocation mechanism based on ongoing 15-year budget forecasting cycles that align with existing program KPIs, as well as Valley Water's long-term planning efforts, such as the Capital Improvement Program.

However, this new model would also include built in flexibility as new challenges or opportunities emerge in providing for a check-point every five (5) years with the Board approved 5-Year Implementation Plans, which will allow Valley Water to reassess the program and project priorities to ensure they still align with existing or new community or Board priorities that may arise. As certain projects are completed, new ones can be cycled in or adjusted as directed by the Board and through its approval of the 5-Year Implementation Plans, while still maintaining longer term budget forecasting models in 15-year cycles.

In addition to forward looking plans, each year Valley Water will produce an annual report, which looks back on the prior fiscal year and reports on each project's expenditures and progress towards delivery of its KPIs. Those annual reports will be reviewed by the IMC, which will make recommendations to the Board regarding any program adjustments or modifications that may be required. Per the Change Control Process, all adjustments will be made by the Board during a board meeting, while modifications to KPIs or decisions to not implement a project will require a public hearing.

**NEXT STEPS**

Staff will incorporate Board feedback or direction into the draft community-preferred program report and bring back the final measure, resolution at the next July board meeting for final board consideration and approval.

**FINANCIAL IMPACT**:
There is no financial impact associated with this item.

**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: Executive Summary
Attachment 2: Resolution

**UNCLASSIFIED MANAGER:**
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