



Santa Clara Valley Water District

File No.: 20-0523

Agenda Date: 7/28/2020

Item No.: 3.7.

BOARD AGENDA MEMORANDUM

SUBJECT:

Approve San Francisquito Creek Joint Powers Authority Budget for Fiscal Year 2020-2021, and Authorize Santa Clara Valley Water District Fiscal Year 2020-2021 Financial Contribution of \$308,000 (Palo Alto) (District 7).

RECOMMENDATION:

- A. Approve the San Francisquito Creek Joint Powers Authority Fiscal Year 2020-2021 Operating Budget; and
- B. Authorize the Santa Clara Valley Water District's Fiscal Year 2020-2021 financial contribution to the San Francisquito Creek Joint Powers Authority in the amount of \$308,000.

SUMMARY:

The District, along with five other public agencies, is a member of the San Francisquito Creek Joint Powers Authority (SFCJPA). The San Francisquito Creek JPA is funded by equal contributions from the member agencies and the SFCJPA's annual fiscal year budget is subject to each agency's approval. In 1999, Cities of East Palo Alto, Menlo Park, Palo Alto, and San Mateo County Flood Control District joined with the Santa Clara Valley Water District (Valley Water) to establish the San Francisquito Creek Joint Powers Authority to provide an environmentally sensitive, long-term watershed plan to enhance flood protection from the San Francisquito Creek. Since then, the SFCJPA's major focus has been working with the member agencies to implement flood protection projects.

Construction of the San Francisquito Creek Flood Protection Project from the Bay to Highway 101 (downstream project) was completed in May 2019. Planning and design are in progress to provide flood protection along San Francisquito Creek from Highway 101 to Middlefield Road (upstream project). The draft Environmental Impact Report (EIR) for the upstream project was released on April 22, 2019 and three public hearings were held in May and June 2019 to solicit and receive public comments. The Final EIR was certified by the SFCJPA board in September of 2019.

On May 28, 2020, the Board of Directors of the SFCJPA unanimously adopted its Fiscal Year 2020-2021 (FY21) budget identifying revenues of \$1,608,000, which includes operating revenues from State grants, interest earned, and an equal contribution of \$308,000 by each member agency. The contribution by each member agency has increased from last year's contribution amount of \$185,000 for three significant reasons: 1) increased legal costs associated with the legal challenge to the

upstream project CEQA document has significantly reduced the SFCJPA's financial reserves and there is a need to rebuild the reserves; 2) the SFCJPA FY21 budget includes a one-time expense of \$431,500, which will be split amongst all member agencies, \$400,000 to hire consultant services to perform studies related to upstream detention and \$31,500 for on-going arborist services for the upstream project, part of which has been paid through SFCJPA administrative budget; and 3) member agency contributions have not changed for two fiscal years, FY19 and FY20 and reserves are depleted. Therefore, there is a need to keep revenue in step with current and anticipated future expenses. Approval of the agenda recommendations will allow Valley Water to pay the FY21 annual contribution of \$308,000 to the SFCJPA.

FINANCIAL IMPACT:

Valley Water's contribution as a Member Agency for FY21 is \$308,000. Adequate funds have been budgeted in FY21 for this expenditure and are available in San Francisquito Creek Flood Protection Project, San Francisco Bay to Middlefield Road Project No. 26284002.

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: SFCJPA FY 2020-2021 Operating Budget

Attachment 2: SFCJPA Invoice

UNCLASSIFIED MANAGER:

Ngoc Nguyen, 408-630-2632