



# Santa Clara Valley Water District

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**File No.:** 21-0359

**Agenda Date:** 4/27/2021

**Item No.:** 3.3.

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## BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Budget Adjustment in the Amount of \$530,000 for the San Francisco Bay Shoreline Economic Impact Areas 1-4 Project, Project No. 26444002 (District 7).

### **RECOMMENDATION:**

Approve a budget adjustment in the amount of \$530,000 from the Safe, Clean Water and Natural Flood Protection Program, Fund 26, Operating and Capital Reserves to the San Francisco Bay Shoreline Economic Impact Areas (EIAs) 1-4 Project, Project No. 26444002.

### **SUMMARY:**

The San Francisco Bay Shoreline Phase II Feasibility Study (Feasibility Study) is a partnership with the California State Coastal Conservancy (Coastal Conservancy), the U.S. Army Corps of Engineers (USACE), and regional stakeholders to provide tidal flood protection, restore and enhance tidal marsh and related habitats, and provide recreational and public access opportunities in EIAs 1-4, from San Francisquito Creek in Palo Alto to Mountain View Slough and Permanente Creek in Mountain View.

As the local Non-Federal Sponsors of the Feasibility Study, Valley Water and the Coastal Conservancy will provide 50-percent of the total Feasibility Study cost. The current approved Feasibility Study cost is \$3 million of which to date the Non-Federal Sponsors have provided \$950,000. Valley Water is funding the local share of the Feasibility Study through the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) San Francisco Bay Shoreline Protection Project (Project E7).

A budget adjustment is necessary because USACE expended more funds in FY21 than anticipated towards the development of the focused array of alternatives. USACE is requesting an additional \$400,000 not originally anticipated to be expended during FY21 to support the development of the focused array of flood protection and ecosystem restoration alternatives as well as the cost and benefits analyses necessary to determine the Tentatively Selected Plan (TSP) the team will recommend for construction. A budget adjustment for an additional \$130,000 is also needed for Valley Water staff labor to support this work.

### **Overview of the South San Francisco Bay Shoreline Phase II Feasibility Study**

On September 26, 2019, the USACE, Valley Water, and Coastal Conservancy signed the Feasibility

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Cost Share Agreement to begin the next study phase of the Shoreline Project. At the start of the Feasibility Study, all ten remaining EIAs from San Francisquito Creek in Palo Alto to Guadalupe River in San José were being considered. A series of planning charettes were held starting on October 9, 2019. The USACE held the Alternatives Milestone Meeting in January 2020 and the Study team agreed to continue a phased approach by breaking up EIAs 1-10 into two separate studies. As a result, the Shoreline Phase II Feasibility Study area includes EIAs 1-4, while USACE has requested funds in the federal budget cycle to initiate a Phase III Feasibility Study in the future that will focus on EIAs 5-10 from Permanente Creek in Mountain View to Guadalupe River in San José.

In May 2020, the USACE completed a Project Management Plan detailing the Shoreline Phase II Feasibility Study's scope, schedule, and budget. The Study team held a workshop to develop the ecosystem restoration benefits model in December 2020.

The Study team is currently developing a focused array of alternatives and collecting and analyzing data to determine the TSP. The team plans to hold a public scoping meeting and release a joint Notice of Early Scoping per the National Environmental Policy Act (NEPA) and Notice of Preparation of an Environmental Impact Report per the California Environmental Quality Act (CEQA) this summer.

Lastly, the current approved Feasibility Study cost is \$3 million and the approved study duration is 3 years. However, the USACE submitted an exemption request to the USACE South Pacific Division office in January 2021 to increase the Feasibility Study budget to \$5.9 million and extend the schedule by 18 months and is awaiting final approval from USACE Headquarters. The exemption package is necessary because the Bay Area is one of the most stringent regulatory environments in the nation and additional time is needed to complete the coordination and due diligence work that the resource agencies have come to expect to have a permit-able project.

#### **FINANCIAL IMPACT:**

The Project is included in the Five-Year 2021-25 Capital Improvement Program (CIP) and in the Board-adopted FY 2020-21 Budget. The recommended budget adjustment would increase the project E7 San Francisco Bay Shoreline Phase II Feasibility Study (26444002) FY 2020-21 budget by \$530,000; \$400,000 for the additional Study costs and \$130,000 for staff labor costs to support the work. The recommended budget adjustment of \$530,000 will be funded from the Safe, Clean Water Fund (26) Operating and Capital Reserves. The increase in the total project cost is not reflected in the draft FY 2022-2026 Five-Year CIP and would be incorporated in the following year's CIP (FY 2023-2027).

#### **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: Map

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**UNCLASSIFIED MANAGER:**  
Rechelle Blank, 408-630-2615