



Santa Clara Valley Water District

File No.: 21-1030

Agenda Date: 9/28/2021

Item No.: 7.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Approve, and Authorize Staff to Finalize and Submit the Fiscal Year 2020-2021 (FY21) Safe, Clean Water and Natural Flood Protection Program Annual Report - Year 8 (Final 2012 Program Report), for Independent Monitoring Committee (IMC) Review.

RECOMMENDATION:

- A. Approve the FY21 Safe, Clean Water Program Annual Report - Year 8 with unaudited financials; and
- B. Authorize staff to finalize the FY21 Safe, Clean Water Program Annual Report - Year 8 (with audited financials) and submit the final report to the IMC for its review.

SUMMARY:

Fiscal Year 2020-21 (FY21) marks the eighth and final year of the 2012 voter-approved Safe, Clean Water and Natural Flood Protection Program (2012 Program). On November 3, 2020, Santa Clara County voters overwhelmingly approved the renewed Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) that replaced the 2012 Program in its entirety on July 1, 2021.

To ensure transparency and accountability, Valley Water publishes an annual report providing a progress update for each project under the 2012 Program priorities listed below:

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

Each of these priorities has specific operations and capital projects, which have key performance indicators (KPIs) meant to keep them on track to meet the overall program priorities. Additionally, the program requires Valley Water to prepare an annual report providing a progress update and fiscal year accomplishments for each project. To ensure transparency and accountability, the program requires that the annual report be reviewed by an independent committee of volunteers, known as the Independent Monitoring Committee (IMC), which the Board appointed.

The report provides the status of each project's progress towards accomplishing its KPIs and targets

established in the 5-Year Implementation Plan for Fiscal Years 2019-2023. The project status is described by one of the five categories below:

On Target: Status indicates the project is on track to meet targets.

Adjusted: Status indicates the potential that targets will not be met and implementation required a schedule adjustment (future year status- will be based upon the adjusted schedule).

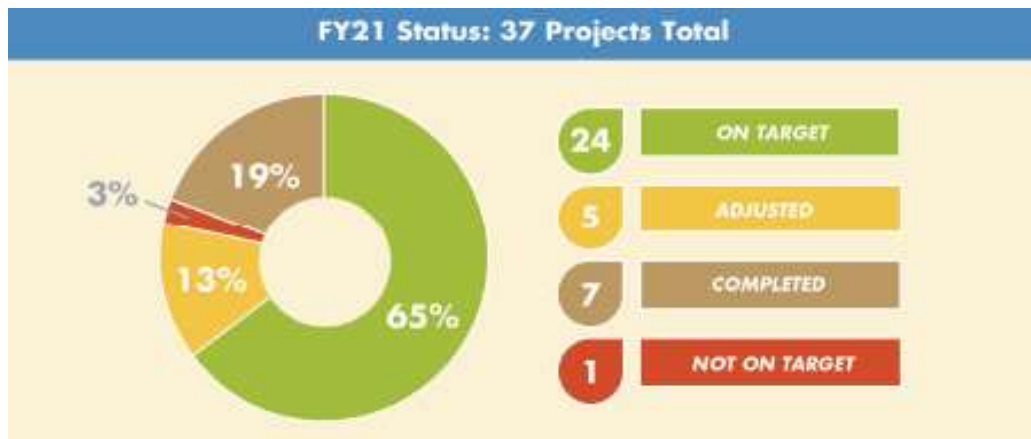
Not on Target: Status indicates that the target has not been or will not be met

Modified: Status indicates the Board formally modified the project following a public hearing (future year status' will be based upon the modified project targets).

Completed: Status indicates that the project has been completed and the KPIs have been met.

Overall FY21 Program Performance

There were 37 projects under the 2012 Program. As of June 30, 2020, approximately 65% (24 projects) were On Target; 13% (5 projects) required schedule Adjustments; 3% (1 project) was Not on Target, and 19% (7 projects) were Completed.



In FY21, Project B4: Good Neighbor Program: Encampment Cleanup was Not on Target as encampment cleanups were severely curtailed because of the many restrictions concerning unhoused encampment cleanups in response to the COVID-19 pandemic. In keeping with the Center for Disease Control guidance, Valley Water suspended encampment abatement until mid-March 2021, except for instances of particular encampments obstructing Valley Water's planned work or negatively impacting its ability to meet regulatory or other legal obligations. However, Valley Water continued to perform cleanups adjacent to homeless encampments to reduce the amount of trash and debris in local waterways.

Table 1: Program Status as of June 30, 2021

Project	Project Description	Status
Priority A: Ensure a Safe, Reliable Water Supply		
A1	Main and Madrone Avenue Pipelines Restoration	COMPLETED
A2	Safe, Clean Water Partnerships and Grants	ON TARGET
A3	Pipeline Reliability Project	ADJUSTED
Priority B: Reduce Toxins, Hazards, and Contaminants in our Waterways		
B1	Impaired Water Bodies Improvement	ON TARGET
B2	Interagency Urban Runoff Program	ON TARGET
B3	Pollution Prevention Partnerships and Grants	ON TARGET
B4	Good Neighbor Program: Encampment Cleanup	NOT ON TARGET
B5	Hazardous Materials Management and Response	ON TARGET
B6	Good Neighbor Program: Remove Graffiti and Litter	ON TARGET
B7	Support Volunteer Cleanup Efforts and Education	ON TARGET
Priority C: Protect our Water Supply from Earthquakes and Natural Disasters		
C1	Anderson Dam Seismic Retrofit	ON TARGET
C2	Emergency Response Upgrades	ON TARGET
Priority D: Restore Wildlife Habitat and Provide Open Space		
D1	Management of Revegetation Projects	ON TARGET
D2	Revitalize Stream, Upland and Wetland Habitat	COMPLETED
D3	Grants and Partnerships to Restore Wildlife Habitat and Provide Access to Trails	ON TARGET
D4	Fish Habitat and Passage Improvement	ADJUSTED
D5	Ecological Data Collection and Analysis	ON TARGET
D6	Creek Restoration and Stabilization	ADJUSTED
D7	Partnerships for the Conservation of Habitat Lands	COMPLETED
D8	South Bay Salt Ponds Restoration Partnership	ON TARGET
Priority E: Provide Flood Protection to Homes, Businesses, Schools, and Highways		
E1.1	Vegetation Control for Capacity	ON TARGET
E1.2	Sediment Removal for Capacity	ON TARGET
E1.3	Maintenance of Newly Improved Creeks	ON TARGET
E1.4	Vegetation Management for Access	ON TARGET
E2	Emergency Response Planning	ON TARGET
E3	Flood Risk Reduction Studies	ON TARGET
E4	Upper Penitencia Creek Flood Protection	ON TARGET
E5	San Francisquito Creek Flood Protection	ON TARGET
E6	Upper Ulagas Creek Flood Protection	ON TARGET
E7	San Francisco Bay Shoreline Protection	ON TARGET
E8	Upper Guadalupe River Flood Protection	ADJUSTED
Other Flood Protection Projects and Clean, Safe Creeks Grants Projects		
	Permanente Creek Flood Protection	COMPLETED
	Sunnyvale East and Sunnyvale West Channels Flood Protection	ADJUSTED
	Berryessa Creek Flood Protection	COMPLETED
	Coyote Creek Flood Protection	ON TARGET
	Calabazas Creek Flood Protection	COMPLETED
	Clean Safe Creeks Grants Projects	COMPLETED

For Fiscal Year 2020-21 (FY21), the adjusted budget for the 2012 Program totaled \$148 million. Actual funds expended and encumbered as of June 30, 2021, were \$86 million, approximately 58% of the 2012 Safe, Clean Water Program's adjusted budget. Underspending was primarily due to delays in capital projects, especially the flood protection projects, because of various reasons, such

as lack of federal funding, design changes and coordination with property owners to obtain easements. Among the capital projects underspent were: Upper Penitencia Creek (E4), Upper Guadalupe River (E8); Sunnyvale East and West Channels (Clean, Safe, Creeks Plan or CSC); and Hale Creek Enhancement Pilot Project (D6). Berryessa Creek Flood Protection Project (CSC), which completed construction in FY18, was underspent because the USACE had yet to complete the final closeout of Valley Water's share of design and construction costs. Additionally, underspending was also due to the impacts of the COVID-19 pandemic on operations projects such as B1: Impaired Water Bodies Improvement; B3: Pollution Prevention Partnership and Grants; and B4: Good Neighbor Program: Encampment Cleanup.

Since this is the final annual report for the 2012 Program that ended on June 30, 2021, the 15-Year Adjusted Plan for capital projects is based on the FY2021-25 Five-Year Capital Improvement Program (CIP) and its FY21 implementation. It does not reflect the funding allocations developed as part of the FY2022-26 Five-Year CIP, which marked the start of the renewed Safe, Clean Water that replaced the 2012 Program.

To address recommendations made by the IMC, Valley Water utilizes a rating system for capital projects that include confidence levels for schedule, funding, permits and jurisdictional complexity (the level to which a project's deliverables can be impacted by other entities or jurisdictions). By applying a confidence level to each of these topics, the IMC and community will be able to identify the areas of concern for each project that could impact the probability for the project to remain On Target. The confidence levels are addressed under the Opportunities and Challenges section for each of the capital projects. Appendix D can be referenced to delve into the confidence levels for each capital project, as well as demonstrate the jurisdictional complexity related to funding sources, regulatory permitting and coordination between cities, counties and other agencies. Listed below are the three (3) confidence levels and their definitions:

High - Applies to projects that have achieved the following: received full funding, received regulatory permits, met schedule milestones (and will continue to move forward on schedule) and, if applicable, jurisdictional complexity issues have been resolved.

Moderate - Applies to projects that are in the process of the following: receiving funding from other sources, receiving permits, recommending the Board approve a schedule adjustment and, if applicable, resolving jurisdictional complexity issues.

Low - Applies to projects that have a high probability of experiencing or already have been denied funding, denied permits, delayed in schedule and, if applicable, jurisdictional complexity issues that are impacting completion of the project.

Following the Year-7 annual report review, the IMC made recommendations to improve the report, which were presented to the Board. These improvements have been incorporated into the Year-8 annual report. One such improvement is a new financial summary section highlighting what is being shared with the community in the financial appendices that follow. Additionally, Appendix A-1.1: Annual Financial Summary table and project-specific Financial Summary tables now include separate columns showing "Budget Adjustment" and "Carryforward." Other changes include an updated report format with all completed projects tabbed at the back of the report under the "Completed Projects"

section; and pie charts showing the funding breakdown for projects with more than one Valley Water funding source. Furthermore, the Glossary section now includes the definition of financial terms, such as “Capital Projects”, “Operations Projects”, “Carryforward” and “Budget Adjustment”, etc.

Key Accomplishments

Water Supply

Anderson Dam Seismic Retrofit: In June 2021, Valley Water began the construction phase of the Anderson Dam Tunnel Project (ADTP), which is part of the larger Anderson Dam Seismic Retrofit Project (ADSRP) to strengthen the existing dam and spillway so it can safely withstand a large earthquake. The tunnel project is scheduled to be completed in December 2023. Construction of the remaining ADSRP elements, including the high-level outlet works, removing and reconstructing the spillway, and the dam embankment, will commence subsequently, will take seven (7) years and is dependent on the permit requirements and the field conditions. Furthermore, approximately 40% of the Coyote Creek Flood Protection Project (CCFPP) has been expedited and is being funded by the Water Utility Enterprise (Fund 61) as it is necessary to be constructed by the end of 2023 to prevent flooding within the urbanized areas of San José as a result of water releases from the new tunnel.

Pipeline Reliability: Valley Water completed designs for three (3) line valves and 60% design for the fourth line valve. Once completed, this project will improve water supply reliability by improving the infrastructure delivering safe, clean water.

Flood Protection

Permanente Creek Flood Protection: In April 2021, Valley Water completed the project with the completion of two stormwater capture basins in Rancho San Antonio County Park and Open Space Preserve, thus providing flood protection to homes and businesses along a 10-mile stretch of Permanente Creek in Los Altos and Mountain View. The detention basins will capture and gradually release stormwater during a significant storm. As part of the overall project, in 2020, Valley Water completed new baseball fields at McKelvey Park that double as a place to contain floodwaters when Permanente Creek overflows. In 2018, sections of Permanente and Hale creeks were also widened to improve the creeks’ capacity to carry stormwater safely.

Upper Llagas Creek Flood Protection: In April 2021, Valley Water awarded an approximately \$44 million construction contract for Phase 2A, including construction of the underground high-flow tunnel and twin reinforced concrete box culverts. During the year, Valley Water also completed the construction of the on-site compensatory mitigation, Lake Silveira wetlands. The creation of the wetland habitat is part of the Phase 1 construction project that began in FY20.

Sediment Removal and Vegetation Control: Valley Water completed 12 sediment removal

projects, removing 55,878 cubic yards of sediment to reduce flood risks by ensuring flood protection projects continue to provide the protection they were designed to give. The 2012 Program funds 14% of this work. Valley Water also completed approximately 1,152 acres of in-stream vegetation management to reduce flood risk along 135 miles of streams throughout the county.

Stewardship

Almaden Lake Improvement Project: In May 2021, the Valley Water Board selected the Almaden Lake Project to be constructed under Fish Habitat and Passage Improvement (Project D4) and deliver KPI #2 to “Construct 1 creek/lake separation project in partnership with local agencies.” The Board also certified the final Environmental Impact Report for the Almaden Lake Improvement Project that will separate Alamos Creek from Almaden Lake. This will improve fish passage for native fish to the upper Guadalupe Watershed and address the lake’s mercury-related water quality issues.

Revitalize Stream, Upland and Wetland Habitat: Completed KPI #1 of the project by revitalizing 7.7 acres through the removal of invasive and non-native vegetation stands in FY21. Valley Water, along with its partners, removed a total of approximately 87 acres of invasive and non-native vegetation stands from FY14 to FY21 and delivered on KPI #1 to “Revitalize at least 21 acres, guided by the 5 Stream Corridor Priority Plans, through native plant revegetation and removal of invasive exotic species.” The remaining two project KPIs - KPI #2 to “Provide funding for revitalization of at least 7 of 21 acres through community partnerships” and KPI #3 to “Develop at least 2 plant palettes for use on revegetation projects to support birds and other wildlife”- were completed in FY19 and FY15, respectively.

Trash Removal: Of the seven (7) projects in Priority B, five (5) include trash removal components to reduce and remove contaminants in our local streams and bay. This work is accomplished not only by Valley Water but with the help of volunteers and grantees alike. In FY21, 347 tons of trash were removed from our waterways.

Safe, Clean Water Stewardship Grants: Through Priorities A, B and D, Valley Water awarded \$489,042 in grants and partnerships in FY21. These dollars were for local grantees for projects addressing issues such as new water conservation activities, pollution prevention, watershed stewardship, cleanup, education and outreach activities, and restoring wildlife habitat.

Next Steps

Once approved by the Board and the FY21 financial reports are audited, all tables and appendices will be updated with the audited financials and corresponding accomplishments to finalize the report. Dependent on the final auditor opinion, the final audited report is expected to be available in late December 2021 or early January 2022 and will be sent to the Board and the IMC. It will also be made available to the public on Valley Water’s website at

www.valleywater.org/safe-clean-water-and-natural-flood-protection-program/safe-clean-water-

[program-archive <http://www.valleywater.org/safe-clean-water-and-natural-flood-protection-program/safe-clean-water-program-archive>](http://www.valleywater.org/safe-clean-water-and-natural-flood-protection-program/safe-clean-water-program-archive).

Meanwhile, the IMC is scheduled to receive the preliminary report on December 1, 2021, after which time the committee will reconvene in the second week of December to discuss and establish the review process and schedule for the FY21 annual report. During that meeting, the committee will also receive presentations on the following subjects:

- Water Conservation Programs and the Savings Model used to calculate cost-effectiveness
- Management of the blending of Clean, Safe Creeks, Safe, Clean Water and Measure S, including capital projects and changes to the grant program
- Anderson Dam and Pacheco Dam progress report, including permitting and funding challenges
- Grants Management Audit

FINANCIAL IMPACT:

The annual report is produced and printed internally and budgeted to the Safe, Clean Water Implementation Project (26061012).

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: FY21 Safe, Clean Water Annual Report

Attachment 2: PowerPoint

UNCLASSIFIED MANAGER:

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