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**File No.:** 16-0661

**Agenda Date:** 9/27/2016

**Item No.:** 6.1.

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## BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Fiscal Year 2015-2016 (FY15-16) Safe, Clean Water and Natural Flood Protection Program Annual Report - Year 3 (County-wide).

### **RECOMMENDATION:**

- A. Approve the proposed text adjustments to the Safe, Clean Water and Natural Flood Protection (Safe, Clean Water) Program;
- B. Approve the FY15-16 Safe, Clean Water Program Annual Report - Year 3 with unaudited financials; and
- C. Authorize staff to finalize the FY15-16 Safe, Clean Water Program Annual Report - Year 3 Annual Report (with audited financials) and submit the final report to the Independent Monitoring Committee (IMC) for its review.

### **SUMMARY:**

#### **Safe, Clean Water Program Text Adjustments**

As per the Safe, Clean Water Program's Change Control Process, the proposed text adjustments are listed below and incorporated into the Year 3 annual report. Adjustments to project schedules and budgets are approved annually through the Capital Improvement Program Progress Report and Budget Adjustment and Adoption processes, respectively.

#### **A1 Main and Madrone Avenue Pipelines Restoration**

**Section:** Description

#### **Adjusted text:**

This project will restore the Main Avenue and Madrone pipelines to full operating capacity of 37 cubic feet per second from Anderson Reservoir. The upgrade includes replacement of a 1-mile section of pipe on the Main Avenue line which has been out of service since 1994, and restoration of approximately 1.25 miles of Madrone pipeline which has restricted capacity due to root intrusion and deterioration. **conveying 10 cubic feet per second (cfs) and 27 cfs, respectively, for a total of 37 cfs from Anderson Reservoir or the Santa Clara Conduit for groundwater recharge via the Main Avenue Recharge Ponds and the Madrone Channel. The project will plan, design, and construct approximately 14,000 linear feet or 2.6 miles of 30-inch to 36-inch diameter pipeline and associated appurtenances.**

#### **Justification:**

An adjustment to the project description is necessary to reflect the results of the planning-level hydraulic analysis that was completed during the 30% design. The analysis recommended that an

additional 5000 feet of pipeline replacement was needed to meet future recharge volumes.

**B4 Good Neighbor Program: Illegal Encampment Cleanup**

**Section:** Title and Description

**Adjusted text:**

Good Neighbor Program: ~~Illegal~~ Encampment Cleanup

This project supports the District's ongoing coordination with local cities and agencies to clean up large ~~illegal~~ creekside encampments that contaminate waterways and damage District facilities. This cooperative effort includes local police departments, social services, and nonprofit advocacy groups that help provide alternatives to homelessness.

**Justification:**

The adjustment to the title was requested by members of the Board.

**D4 Fish Habitat and Passage Improvement**

**Section:** Benefit

**Adjusted text:**

Helps provide required mitigation for environmental impacts of reservoir and recharge operations **and for countywide Stream Maintenance Program**

**Justification:**

The adjustment to the benefit reflects the benefits provided through implementation of the project.

**E2 Emergency Response Planning**

**Section:** Description

**Adjusted text:**

This project allows the District to work with local municipalities to clearly identify roles and responsibilities for floodplain management and flood emergency management. The project supports countywide emergency response and preparedness activities, ~~and~~ develops communication procedures and disseminates web-based flood forecasting information developed under Priority C2, Emergency Response Upgrades. Collaborators also develop formal, site-specific flood-fighting strategies and coordinate outreach throughout the county so that the public receives uniform flood warning messages.

**Justification:**

The adjustment to the description improves readability.

**The following list of projects have had minor grammatical changes made to their benefits sections to bring the text from future tense to present tense:**

- B1 Impaired Water Bodies Improvement
- B2 Interagency Urban Runoff Program
- B3 Pollution Prevention Partnerships and Grants
- B5 Hazardous Materials Management and Response
- B6 Good Neighbor Program: Graffiti and Litter
- B7 Support Volunteer Cleanup Efforts and Education
- C1 Anderson Dam Seismic Retrofit
- C2 Emergency Response Upgrade
- D2 Revitalize, Upland and Wetland Habitat
- D3 Grants and Partnerships to Restore Wildlife Habitat and Provide Access to Trails
- D4 Fish Habitat and Passage Improvement

- D5 Ecological Data Collection and Analysis
- D6 Creek Restoration and Stabilization
- D7 Partnerships for the Conservation of Habitat Lands
- D8 South Bay Salt Ponds Restoration Partnership
- E1 Vegetation Control and Sediment Removal for Flood Protection
- E2 Emergency Response Planning
- E3 Flood Risk Reduction Studies
- E4 Upper Penitencia Creek Flood Protection Coyote Creek to Dorel Drive - San José
- E5 San Francisquito Creek Flood Protection San Francisco Bay to Middlefield Road - Palo Alto
- E6 Upper Llagas Creek Flood Protection Project Buena Vista Avenue to Wright Avenue - Morgan Hill, San Martin Gilroy
- E7 San Francisco Bay Shoreline Study Milpitas, Mountain View, Palo Alto, San José, Santa Clara and Sunnyvale

### **Fiscal Year 2015-2016 Safe, Clean Water Program Annual Report - Year 3**

FY16 marks the third year of the 15-year Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water). This report (Year 3 annual report) presents a status update on the implementation of projects during FY16.

On November 6, 2012, voters approved the Safe, Clean Water program as a countywide special parcel tax for 15 years with a sunset date of June 30, 2028. This program replaced the Clean, Safe Creeks and Natural Flood Protection Program, which voters approved in November 2000. The Safe, Clean Water program addresses the following needs, values, and priorities as identified by Santa Clara County stakeholders:

**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 operational 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 the District to prepare an annual report providing a progress update and fiscal year accomplishments for each project. Also, to ensure transparency and accountability, the program requires that the annual report be reviewed by an Independent Monitoring Committee (IMC) of volunteers appointed by the District Board of Directors (Board).

The report provides the status of each project's progress towards accomplishing its KPIs and targets established in the 5-Year Implementation Plan. The project status is described by one of five categories listed on the following page:

**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 adjustment (future year status' will be based upon the adjusted project targets)

**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)

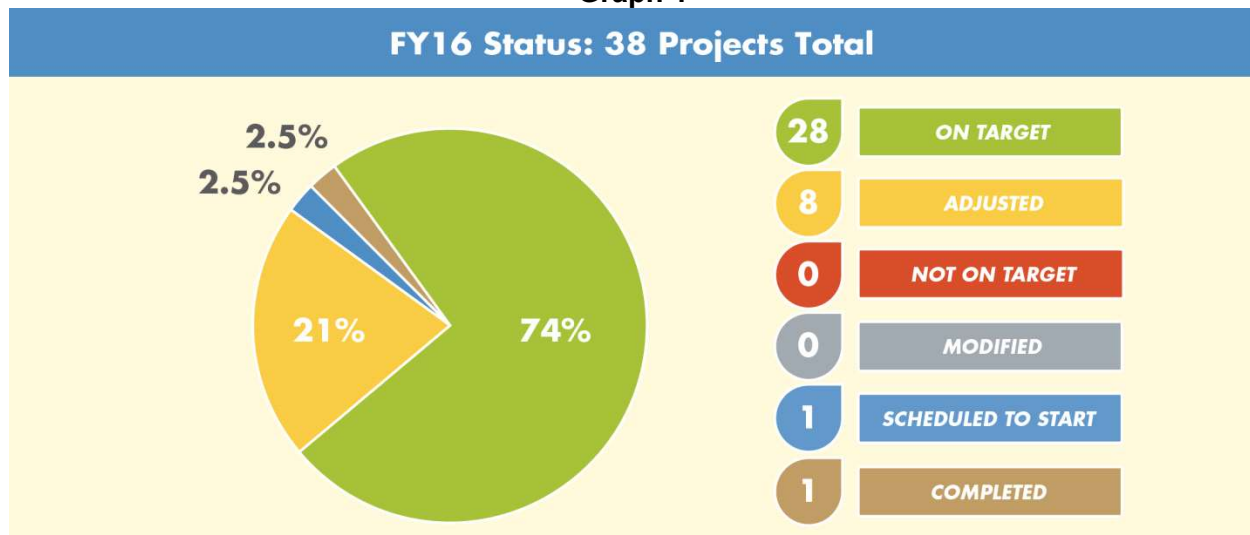
**Scheduled to Start:** Status indicates that the project is scheduled to start in a future fiscal year

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

### Overall FY16 Program Performance

There are 38 projects under Safe, Clean Water. As of June 30, 2016, 74%, or 28 projects, are on target, 21% (8 projects) required schedule adjustments; 2.5% or 1 project is not scheduled to start until Fiscal Year 2025; and 2.5% or 1 project was completed and closed out (Graph 1). The table on the following page summarizes total program status as of June 30, 2016.

Graph 1



(See "Table 1: Program Status as of June 30, 2016" on following page.)

Project	Project Description	Status
Priority A: Ensure a Safe, Reliable Water Supply		
A1	Main and Madrone Avenue Pipelines Restoration	ADJUSTED
A2	Safe, Clean Water Partnerships and Grants	ON TARGET
A3	Pipeline Reliability Project	SCHEDULED TO START
Priority B: Reduce Toxins, Hazards, and Contaminants in our Waterways		
B1	Impaired Water Bodies Improvement	ON TARGET
B2	Inter-Agency Urban Runoff Program	ON TARGET
B3	Pollution Prevention Partnerships and Grants	ON TARGET
B4	Good Neighbor Program: Encampment Cleanup	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	ON TARGET
D3	Grants and Partnerships to Restore Wildlife Habitat and Provide Access to Trails	ON TARGET
D4	Fish Habitat and Passage Improvements Trails	ON TARGET
D5	Ecological Data Collection and Analysis	ON TARGET
D6	Creek Restoration and Stabilization	ON TARGET
D7	Partnerships for the Conservation of Habitat Lands	ON TARGET
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
E2.1	Coordination with Local Municipalities on Flood Communication	ON TARGET
E2.2	Flood-Fighting Action Plans	ON TARGET
E3	Flood Risk Reduction Studies	ON TARGET
E4	Upper Penitencia Creek Flood Protection	ADJUSTED
E5	San Francisquito Creek Flood Protection	ON TARGET
E6	Upper Llagas Creek Flood Protection	ADJUSTED
E7	San Francisco Bay Shoreline Study	ON TARGET
E8	Upper Guadalupe River Flood Protection	ADJUSTED
Other Flood Protection Projects and Clean, Safe Creeks Grants Projects		
	Permanente Creek Flood Protection	ADJUSTED
	Sunnyvale East/West Channels Flood Protection	ADJUSTED
	Berryessa Creek Flood Protection	ADJUSTED
	Coyote Creek Flood Protection	ADJUSTED
	Calabazas Creek Flood Protection	COMPLETED
	Clean Safe Creeks Grants Projects	ON TARGET

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For FY16, the adopted budget for the program totaled \$149 million. Actual funds expended and encumbered as of June 30, 2016 were \$82.9 million, approximately 56% of the Safe, Clean Water Program's adopted budget. Underspensing was primarily due to delays in construction of the following capital flood protection projects: Upper Llagas (E6), Permanente Creek (CSC), and Sunnyvale East & West (CSC). Project construction delays occurred primarily as a result of: addressing redesign or analyses requested by regulatory agencies, delays in acquisition of regulatory permits, and delays in land acquisition. To address delays in obtaining permits, the District permit strategy team continues to work on short and long-term strategies to secure timely permits.

To address recommendations made by the IMC, the District has introduced a confidence level rating system for capital projects that include confidence levels for schedule, funding, permits, and when applicable, 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. Listed below are the 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, requesting 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.

### **Key Accomplishments**

Some highlights of the Program in the third year are:

- **Fish Habitat and Passage Improvement (Evelyn Bridge):** District completed construction of the Evelyn Bridge Fish Passage project at Stevens Creek on November 21, 2015. The Evelyn Bridge Fish Passage Project provides mitigation credit for maintenance work that will be conducted for flood control under the District's Countywide Stream Maintenance Program.
- **San Francisquito Creek Flood Protection Project:** Board awarded the construction contract for the San Francisco Bay to Highway 101 Flood Protection project.
- **San Francisco Bay Shoreline Study:** Study partners held a successful U.S. Army Corps of Engineers (USACE) Civil Works Review Board for the urban area of North San Jose/Alviso/San Jose-Santa Clara Regional Wastewater Facility Environmental Impact Area (EIA 11) on September 11, 2015, the USACE Chief's Report was signed by December 2015, and the Environmental Impact Report was certified by the Board in March 2016. Achieving these milestones allowed the study partners to close out the feasibility study phase in FY16 and to move forward with the preliminary engineering and design phase in FY17.

- **Upper Guadalupe River Flood Protection Project:** USACE completed the channel construction for Reach 12 (from Branham Lane to Blossom Hill Road) in November 2015.
- **Water Conservation Grants:** Board awarded \$130,000 to 3 recipients to test new conservation activities. Total amount awarded since FY14 is \$458,500.
- **Safe, Clean Water Cleanup Activities:** District removed a total of more than 937 tons (approximately 13,118 cubic yards) of trash and debris from our waterways through pollution prevention and reduction activities, trash capture devices, encampment cleanups, trash and debris removal, and volunteer cleanup programs and events (projects B1, B2, B4, B6, and B7 respectively).
- **Emergency Response Upgrades:** District partnered with Colorado State University and National Oceanic and Atmospheric Administration on a pilot project using X-Band Doppler radar to improve forecasting rainfall amount. In addition, the District added flood forecast systems for Uvas Creek and Lower Silver Creek. Together with the West Little Llagas Creek, Upper Guadalupe River and San Francisquito Creek systems, 5 of the 7 required flood-warning systems are now complete.
- **Grants and Partnerships to Restore Wildlife Habitat and Provide Access to Trails:** Board awarded 17 grants totaling \$1,988,684, in FY16 to restore wildlife habitat. In addition, the Board approved a pilot mini-grant program, to be implemented in FY17, designed to provide seed funding to encourage broader and long-term community engagement in wildlife habitat restoration or watershed stewardship activities in Santa Clara County.
- **Safe, Clean Water Change Control Process:** Board approved the Safe, Clean Water Change Control Process, which established the processes for adjustments, modifications and project non-implementation for the Safe, Clean Water Program.

## 5-Year Implementation Plan

On May 14, 2013, the Board approved a 5-Year Implementation Plan that describes how the District will effectively and efficiently implement the program over the first five years of the 15-year Safe Clean Water Program. The annual report will provide stakeholders the opportunity to compare the program's third-year performance with the targeted accomplishments in the 5-Year Implementation Plan.

## Next Steps

Once approved by the Board and finalized, the report will be sent to the IMC and made available to the public on the District's website at [www.valleywater.org/SafeCleanWater.aspx](http://www.valleywater.org/SafeCleanWater.aspx)  
<<http://www.valleywater.org/SafeCleanWater.aspx>>.

The IMC is scheduled to receive the final report by November 18, 2016, after which time the committee will reconvene in the first week of December to discuss and establish the review process and schedule for the FY16 annual report. Also during that meeting, the committee will receive presentations on the following projects:

- A2 - Nitrate Treatment System Rebate Program, including detailed outreach information to well users;
- B1 - Trash map presentation; and
- D2 - Presentation on plant palettes and possible users.

In addition, staff will provide a report on the Board Ad Hoc committee outcomes focused on addressing needs of the homeless and the impacts to the rivers and creeks.

**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: FY16 Safe, Clean Water Annual Report  
Attachment 2: PowerPoint

**UNCLASSIFIED MANAGER:**

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