SUBJECT:

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
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.)
<table>
<thead>
<tr>
<th>Project</th>
<th>Project Description</th>
<th>Status</th>
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</thead>
<tbody>
<tr>
<td>A1</td>
<td>Main and Madrone Avenue Pipelines Restoration</td>
<td>ADJUSTED</td>
</tr>
<tr>
<td>A2</td>
<td>Safe, Clean Water Partnerships and Grants</td>
<td>ON TARGET</td>
</tr>
<tr>
<td>A3</td>
<td>Pipeline Reliability Project</td>
<td>SCHEDULED TO START</td>
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<tr>
<td>B1</td>
<td>Impaired Water Bodies Improvement</td>
<td>ON TARGET</td>
</tr>
<tr>
<td>B2</td>
<td>Inter-Agency Urban Runoff Program</td>
<td>ON TARGET</td>
</tr>
<tr>
<td>B3</td>
<td>Pollution Prevention Partnerships and Grants</td>
<td>ON TARGET</td>
</tr>
<tr>
<td>B4</td>
<td>Good Neighbor Program: Encampment Cleanup</td>
<td>ON TARGET</td>
</tr>
<tr>
<td>B5</td>
<td>Hazardous Materials Management and Response</td>
<td>ON TARGET</td>
</tr>
<tr>
<td>B6</td>
<td>Good Neighbor Program: Remove Graffiti and Litter</td>
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</tr>
<tr>
<td>B7</td>
<td>Support Volunteer Cleanup Efforts and Education</td>
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</tr>
<tr>
<td>C1</td>
<td>Anderson Dam Seismic Retrofit</td>
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</tr>
<tr>
<td>C2</td>
<td>Emergency Response Upgrades</td>
<td>ON TARGET</td>
</tr>
<tr>
<td>D1</td>
<td>Management of Revegetation Projects</td>
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</tr>
<tr>
<td>D2</td>
<td>Revitalize Stream, Upland and Wetland Habitat</td>
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<tr>
<td>D3</td>
<td>Grants and Partnerships to Restore Wildlife Habitat and Provide Access to Trails</td>
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<tr>
<td>D4</td>
<td>Fish Habitat and Passage Improvements Trails</td>
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<tr>
<td>D5</td>
<td>Ecological Data Collection and Analysis</td>
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</tr>
<tr>
<td>D6</td>
<td>Creek Restoration and Stabilization</td>
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<tr>
<td>D7</td>
<td>Partnerships for the Conservation of Habitat Lands</td>
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<td>D8</td>
<td>South Bay Salt Ponds Restoration Partnership</td>
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<td>E1.1</td>
<td>Vegetation Control for Capacity</td>
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<td>Sediment Removal for Capacity</td>
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<td>Maintenance of Newly Improved Creeks</td>
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<td>Vegetation Management for Access</td>
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<td>Coordination with Local Municipalities on Flood Communication</td>
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<td>Flood-Fighting Action Plans</td>
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<td>E3</td>
<td>Flood Risk Reduction Studies</td>
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<td>E4</td>
<td>Upper Penitencia Creek Flood Protection</td>
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<tr>
<td>E5</td>
<td>San Francisquito Creek Flood Protection</td>
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</tr>
<tr>
<td>E6</td>
<td>Upper Ullagas Creek Flood Protection</td>
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<tr>
<td>E7</td>
<td>San Francisco Bay Shoreline Study</td>
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<td>E8</td>
<td>Upper Guadalupe River Flood Protection</td>
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<td>Other Flood Protection Projects and Clean, Safe Creeks Grants Projects</td>
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<td></td>
<td>Permanente Creek Flood Protection</td>
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<td></td>
<td>Sunnyvale East/West Channels Flood Protection</td>
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<td></td>
<td>Berryessa Creek Flood Protection</td>
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<tr>
<td></td>
<td>Coyote Creek Flood Protection</td>
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<tr>
<td></td>
<td>Calabazas Creek Flood Protection</td>
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</tr>
<tr>
<td></td>
<td>Clean Safe Creeks Grants Projects</td>
<td>COMPLETED</td>
</tr>
</tbody>
</table>

Santa Clara Valley Water District
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. Underspending 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).

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:**
Ngoc Nguyen, 408-630-2632